



GOODYEAR
One Revolution Ahead

GOODYEAR INDIA LIMITED

TOWARDS A SUSTAINABLE FUTURE



ANNUAL REPORT - 2013



Contents

Sl. No.	Particulars	Page No.
1.)	Message from the MD	1
2.)	Board of Directors	2
3.)	Directors' Report	4
4.)	Report on Corporate Governance	9
5.)	Management Discussion & Analysis Report	15
6.)	Financial Statement with Auditors' Report	18

Message from the MD

Dear Shareholder,

The overall performance of your company was outstanding in 2013, as we took actions to capitalize on profitable target market segment opportunities, while also mitigating our head-winds.

A challenging economic environment, including rising fuel costs, a weakening rupee, and increasing food prices, lead to a reduction in the overall disposable income of consumers.

For the industry, the start of 2013 was not as had been anticipated at the turn of 2012, when there was an expectation of a pickup in automotive manufacturing by mid-year. Contrary to these expectations, the new car passenger category reported a decline for the complete year of 2013. Highlights were provided though by a number of new vehicle launches that managed to keep some excitement going for this segment. The under-performing passenger car category was offset by a surge in the farm segment, driven primarily by an above average and widespread monsoon, and investments in the agricultural sector.

The farm business of your company was able to capitalize on the opportunities presented by working on manufacturing efficiencies that helped raise production, thereby meeting the increased demand from the farm segment original equipment manufacturers (OEMs). These timely actions contributed to us strengthening and consolidating our leadership position and capturing further market share in this important segment. The farm business—both OE and replacement—has managed to not only beat the business plans for 2013, but set a new record for revenue and EBIT.

The consumer business of your company overcame the economic and market challenges to successfully lay down a strong foundation for the coming years, and build a bigger and more profitable organization. The company increased its investment in key marketing and brand building initiatives to create further awareness, connect with more consumers and drive sales. The introduction of innovative products and technologies, such as Run-On-Flat tyres, also helped to shore up consumer confidence in your company's portfolio. In addition to our products, our performance in 2013 was aided by strategic initiatives in the service domain, such as the Worry Free Service program, which helped the consumer replacement business improve confidence levels with both customers and consumers. In 2013, the consumer replacement business performed creditably, gaining market share in a very competitive market.

Further areas of investment in 2013 by your company to ensure we are achieving sustainable economic value now and into the future included a focus on developing our people and capabilities to strengthen our team; implementing Continuous Improvement System (CIS) initiatives to help raise the overall efficiency and performance levels across the business; and augmenting the production capabilities at Ballabgarh facility to further improve output.

Improving sustainability was also identified as an area of importance for your company in the year 2013. Goodyear is committed to protecting the environment, as well as the health and safety of our associates, our customers and the communities in which we operate. As a global, socially-responsible corporate citizen, we conduct our business in accordance with the highest applicable legal and ethical standards, and strive to contribute to economic development and environmental protection. Your company undertook a number of key initiatives at our manufacturing facility at Ballabgarh to reduce waste, usage of solvents and usage of water. Additionally, we focused on energy conservation, waste water recovery, emissions control, and recycling of selected resources at the plants.

From a tyre design perspective, your company is also proactively marketing products designed to decrease fuel consumption—and therefore emissions—by reducing tyre rolling resistance through state-of-the-art technology in rubber compounding, tire construction and manufacturing. Goodyear's proprietary Fuel Saving Technology can currently be found in tyres such as the Assurance Fuel Max, Eagle EfficientGrip, EfficientGrip SUV and Eagle F1 Asymmetric 2.

In 2014, the Indian tyre industry is expected to register single digit growth for both the farm and consumer businesses. And to meet the growing expectations of our investors, customers and consumers, we have aggressive plans to further build our capabilities and increase our presence in the market. Your company will continue build on the success story of 2013 through work on cost reduction and efficiency improvements in our manufacturing facility, as well as launching innovative new products in line with what our customers and consumers want in their tyres.

I would like to thank you all, my valued shareholders, for the continued trust and support you have given to our company. I look forward to sharing an equally exciting performance update with you for 2014, and I wish you and your families the very best for the year ahead.

Sincerely Yours,
Rajeev Anand
Vice Chairman & Managing Director
Goodyear India Limited

Board of Directors



DANIEL LAWRENCE SMYTKA (DAN SMYTKA)

Chairman

Mr Dan Smytka is president of the company's Asia Pacific business. He was named to the position on November 14, 2011. Prior to this appointment, Mr Smytka was vice president and program manager for the Asia Pacific region from October, 2010. In this role, he was responsible for all aspects of the company's Dalian/Pulandian manufacturing transition and start-up including the overall integration across all functions.

Mr Smytka joined Goodyear in October 2008 as vice president of the Asia Pacific region's consumer tyre business. Mr Smytka has more than 24 years experience as a multi-functional senior executive with global leadership experiences in the areas of sales/marketing, product management, supply chain management, finance, and Six Sigma Quality.

Prior to joining Goodyear, Smytka was president of the North American Building Systems & Services division of Carrier Corp. from 2007 to 2008. He previously worked 17 years at General Electric Co., where he held positions including president of its Engineered Systems division, president and of the Asia Pacific Consumer and Industrial group and general manager of the refrigeration product line.

Mr Smytka earned a master's degree in corporate finance and operations research from the University of Memphis. He received bachelor's degrees with dual majors in business economics and psychology from Creighton University.



RAJEEV ANAND

Vice Chairman & Managing Director

Mr Rajeev Anand has been associated with the Company for over 33 years, in various executive capacities, including as Manufacturing Director – ASEAN & India and Director Manufacturing & Strategic Initiatives – India. Prior to his appointment in 2009 as whole time Managing Director of the Company, Mr Anand was holding the position of Chief Operations Officer.



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.



RAJIV LOCHAN JAIN

Director

Mr Rajiv Jain is a Chemical Engineer from IIT Kharagpur and an MBA from the USA. Mr Jain was a member on the Board of ICI India Limited for over 12 years and the Managing Director from April 2003 to May 2009. Mr Jain successfully led the portfolio reshaping of ICI India from a diversified Company to a focused and fastest growing 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. Currently, he is the Executive Chairman of Performance Capital Partners LLP. He advises Indian companies on strategy development and implementation, and global corporates on their entry strategies for India. He serves on the Board of Tara Jewels Limited and Fresenius Kabi Oncology Limited.



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.



YASHWANT SINGH YADAV

Director – HR & Corporate Affairs

Mr Yashwant Singh Yadav, aged 55 years, is a Bachelor in Law and an MBA with specialization in Human Resources. He has more than 32 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.



MARK CHANDRAN RAVUNNI

Chief Financial Officer (CFO)

Mr Mark Chandran Ravunni joined Goodyear in May 2011 from The Ansell Group where he was Asian Operations Controller with finance responsibility for eight manufacturing operations throughout Asia. Prior to Ansell, Mark was Chief Financial Officer (CFO) for Basis Bay Group Malaysia, Regional Financial Controller for Polyfelt Asia, Finance Manager for Western Digital Malaysia, Plant Accountant and Business Analysis for Cargill Malaysia, and Senior Auditor for KPMG, Malaysia. Mark holds a Masters degree in International Business Management from St. George's University (US) and is a Chartered Accountant registered in the United Kingdom and Malaysia.

HEAD - LEGAL & COMPANY SECRETARY

Mr Pankaj Gupta

STATUTORY AUDITORS

M/s Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

COST AUDITORS

M/s Vijender Sharma & Co.
11, (3rd Floor), Hargovind Enclave,
Vikas Marg, Delhi- 110092

DIRECTORS' REPORT

Dear Member,

Your Directors present the audited results of your company for the year ended December 31, 2013 as under:

1. FINANCIAL SUMMARY

	(Rs. in Lakhs)	
Particulars	2013	2012
Total Sales & Other Income	173,611	163,513
Less: Excise Duty	13,717	13,205
Net Sales & Other Income	159,894	150,308
Less: Total Expenditure Excluding Interest & Depreciation	142,968	139,054
Profit before Interest, Depreciation & Tax	16,926	11,254
Less: i) Finance Cost	216	382
ii) Depreciation	2,518	2,409
Profit before Tax	14,192	8,463
Less: Provision for Taxation:		
Current Tax	4,604	2,821
Deferred Tax	181	10
Profit after Tax	9,407	5,632

2. DIVIDEND

Your Board recommends a dividend @ Rs. 9/- per equity share for the year 2013. The recommended dividend will absorb a sum of Rs. 2,076 Lakhs and tax on dividend will be Rs. 353 Lakhs. Out of the surplus, an amount of Rs. 1,000 Lakhs is transferred to General Reserve and balance carried to the Balance Sheet as at December 31, 2013 is Rs. 5,978 Lakhs.

3. OPERATIONS

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 (OTR) bias tyres] manufactured by Goodyear South Asia Tyres Private Limited (GSATPL), Aurangabad. The other products in which the Company markets and sells include tubes and flaps.

The sales performance during the year is as follows:

	(Rs. in Lakhs)
Tyres	160,836
Flaps	43
Tubes	9,710

Your Company feels proud to have been acclaimed by some of the key tractor Original Equipment Manufacturers ("OEMs") like Best Supplier Award by Eicher Tractors, and Best Supplier in Overall Performance by TAFE (Tractors & Farm Equipment Limited) in the year 2013.

Your Company has also earned global recognition as a Partner-level supplier for the year 2013 in the John Deere Achieving Excellence Program. The Partner-level status is Deere & Company's highest supplier rating. The honor is in recognition of your Company's dedication to providing products and service of outstanding quality as well as commitment to continuous improvement.

In the OTR category, your Company has been awarded with a Platinum Certificate, the highest level certification to a vendor by India's leading earthmover brand, Caterpillar. The process involves stringent requirements on Parts Per Million, 100% PPAP (Production Part Approval Process) completed on time, Rejections and supplier shipping performance.

Your Company's farm business has been re-certified as being a Class A S&OP entity by Goodyear's internal global audit team. This certification reinforces the commitment of the business towards process orientation and a drive towards continuous improvement.

Your Company feels proud to have been recognized once again by Hyundai Motors Company for being the best supplier for the year in the tyre commodity. In addition to this, Goodyear has also been re-certified with the Ford Q1 supplier award.

This year also saw the introduction of Run-on-Flat tyres into the consumer replacement market.

4. FINANCE AND ACCOUNTS

During the year, additions to fixed assets amounted to Rs. 3,807 Lakhs as against Rs. 3,254 Lakhs in the previous year. The Capital expenditure incurred amounted to Rs. 5,724 Lakhs. The interest and other finance cost during the year was Rs. 216 Lakhs.

As of the end of December 2013, an amount of NIL matured deposits remained unclaimed.

The Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

5. FINANCIAL STATEMENTS (Full & Abridged)

In terms of Clause 32 of the Listing Agreement, your Company shall supply:

- (i) Soft copies of full Annual Reports containing its Balance Sheet, Profit & Loss account and Directors' Report to all those shareholder(s) who have registered their email address(es) for the purpose.
- (ii) Abridged Annual Report - Hard copy of statement containing the salient features of all the documents, as prescribed in sub-clause (iv) of clause (b) of proviso to section 219 of the Companies Act, 1956 to those shareholder(s) who have not so registered their email address(es); and
- (iii) Hard copies of full Annual Reports to those shareholders, who request the same.

The Board of Directors has decided to circulate the abridged Annual Report containing salient features of the Balance Sheet and Profit And Loss account to the shareholders for the financial year 2013. A Full version of the Annual Report will be available on Company's website www.goodyear.co.in and will also be made available to investors upon request.

6. 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 judgments and statements so as to give a true and fair view of the state of affairs of the Company and of the results of the operations of the Company. Significant accounting policies followed and other disclosures are appearing in Note 2 to the Notes of the financial statements.

These financial statements of the Company have been audited by M/s Price Waterhouse & Co., Bangalore (FRN 007567S). A reference may be made to their report dated February 27, 2014 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 including internal financial controls of the Company is monitored by an independent internal audit team, which encompasses examination/periodic reviews to ascertain adequacy of internal controls and compliance to Company's policies. Weaknesses noted along with agreed upon action plans are shared with audit committee which ensures orderly and efficient conduct of the business and effectiveness of the system of internal control. Internal auditors, Audit Committee members and Statutory Auditors have full and free access to all the information and records considered necessary to carry out the assigned responsibilities. The issues raised from time to time are suitably acted upon and followed up at different levels of management.

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

Directors have laid down internal financial controls to be followed by the Company; through periodic internal audits they monitor compliance to the internal financial controls to ascertain whether they are adequate and operating effectively. The Directors have devised appropriate systems to ensure compliance with the provisions of all applicable laws and they monitor adequacy and operating effectiveness of the same on periodic basis.

7. FUTURE OUTLOOK

The Consumer replacement tyre industry is likely to post a modest growth in the year 2014 on the back of a suppressed year 2013. Your Company will continue to introduce new products to its existing consumer tyre portfolio with the objective of enhancing brand share.

Tractor sales in India is expected to grow at 7-9 per cent over next 5 years driven by improving irrigation facilities, resulting into greater certainty on farm income and increasing cropping intensity and higher yields resulting into higher incomes. (Source: 2013 CRISIL Research estimate).

The Prime Minister's Economic Advisory Council (PMEAC) has estimated farm sector growth for current fiscal at 4.8 per cent, more than double from last year's 1.9 per cent.

In light of the above optimistic scenario, your Company's farm business is projected to grow at mid single digit.

8. DIRECTORS

Mr Rajiv Lochan Jain and Mr R V Gupta are retiring by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

Mr Rajeev Anand is re-appointed as Vice Chairman & Managing Director of the company for a further period of five years with effect from February 20, 2014, and his

re-appointment be placed before the members for seeking their approval in the ensuing Annual General Meeting of the Members of the Company.

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

9. STATUTORY AUDITORS

M/s Price Waterhouse & Co., Bangalore (FRN 007567S), retires at the conclusion of this Annual General Meeting and are eligible for reappointment.

10. COST AUDITORS

M/s Vijender Sharma & Co., Cost Accountants, 11, 3rd Floor, Hargovind Enclave, Vikas Marg, New Delhi - 110092 was appointed as Cost Auditor for conducting the Cost Audit for the year ending December 31, 2013. The due date for filing of the cost audit report with the Ministry of Corporate Affairs (MCA) for the year ended December 31, 2012 was June 29, 2013. The said report was filed on June 27, 2013.

11. CORPORATE GOVERNANCE

As per the applicable provisions of Clause 49 of the Listing Agreement, a detailed Corporate Governance Report together with the Auditors' Certificate on the compliance of conditions of Corporate Governance and a Management Discussion & Analysis Report form part of the Annual Report.

12. HUMAN RESOURCE

The employer-employee relations throughout the year remained cordial. Measures for training and development that focused on ethics and compliance, 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. In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Abridged Annual Report has been sent to the shareholders excluding this annexure.

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

The particulars related to the conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956, are given in a separate Annexure 'B' attached hereto and forms part of this report.

14. ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

February 27, 2014
New Delhi

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

Annexure B 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:

Electrical power:

1. Reduction in plant dead load of 2%.
2. Standardization of cylinders in plant to reduce power consumption.
3. Interlocking provided in machines.
4. Optimize Wartsila DG set running.
5. Unit power factor to reduce reactive power consumption.
6. Plant energy consumption Kwh/Kg of product reduced.

Steam & Nitrogen:

7. Pet coke boiler efficiency improvement of 1%.
8. Convert steam cure to nitrogen cure to save steam consumption.
9. Insulation provided on steam headers and dome body to avoid heat losses.

10. Flash steam and condensation recovery

11. Improve kg steam/kg of product by 1%

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

- 1) Redesigning – cooling rack fans at banbury's to reduce power consumption
- 2) Energy efficient power packs - tyre buildings to reduce power consumption
- 3) Change in lay out - cooling tower to save power consumption in winter
- 4) Energy efficient power packs in tire building machines

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 contributed to a reduction in energy consumption, quality improvement, and reduction in utility 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:

A	Power & Fuel Consumption	Year -2013	Year- 2012
1)	ELECTRICITY (KWH)		
	a) PURCHASED		
	UNIT (000)	40629	36980
	Total Amount (Rs. In Lakhs)	2262	2061
	Rs./ UNIT	5.57	5.57
	b) OWN GENERATION		
	Through Generator		
	Units (000)	1373	822
	Unit / Ltr of Fuel	3.38	2.46
	COST/UNIT (Rs.)	39.92	61.40
2)	STEAM		
	a) HSD/LDO		
	Quantity (K.Ltrs)	98	64
	Total Amount (Rs. In Lakhs)	49	26
	Average Rate (Rs./K.Ltr)	49790	40220
	b) Residual Furnace Oil / Furnace Oil		
	Quantity (Tonnes)	195	164
	Total cost (Rs. In Lakhs)	87	78
	Average Rate (Rs./Tonne)	44559	47502
	c) Petcoke (For Process Steam)		
	Quantity (Tonnes)	10199	9564
	Total Cost (Rs. In Lakhs)	868	842
	Average Rate (Rs./Tonne)	8514	8805
3)	Nitrogen		
	Quantity (cubic meters-000)	1745	1711
	Total Cost (Rs. In Lakhs)	125	143
	Average Rate (Rs./cubic meter)	7.15	8.34
B	Consumption per Tonne of Production		
	**Electricity (KWH)	773	757
	***FUEL (K.LTRES.-EXCL.NITROGEN GAS)FOR STEAM	0.199	0.2202
	Nitrogen (m3)	12.21	25.93

** Increased Electricity because of new additional load like New Chiller, ETP and cooling towers.

*** Fuel (K.Litres – Excluding Nitrogen Gas) for Steam – includes HSD (High Speed Diesel), FO (Furnace Oil), RFO (Residual Furnace Oil) and Pet Coke.

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:

- (i) The Company, in close co-ordination with The Goodyear Tire & Rubber Company, Akron, Ohio, USA and its Innovation Centers based in Akron and Luxembourg carried out R&D activities in specific areas.
- (ii) New products development for export and local market .
- (iii) Developed and introduced farm radial tyres.
- (iv) Emphasis on continual improvement in manufacturing process and product quality to cater to customer satisfaction. Reduction in organic solvent usage, process waste and energy usage.
- (v) Usage of Continuous Improvement Systems (“CIS”) tools like six sigma / lean with technical support resulted in stabilizing process and improvement in productivity with lower product cost.
- (vi) Optimization of construction and compound formulations resulted in enhancements in product performance.
- (vii) Equipped with farm tyre testing facility to new product industrialization for faster new product launch.

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

The R&D activities helped the Company to add new products to its portfolio, increase size ranges and meet customer requirement. These activities also enabled the Company to reduce process waste, lower energy consumption, increase productivity and release new products, thereby achieving higher “Customer Acceptance and Satisfaction.” The results of such R&D activities are not used by any other Goodyear affiliates for its operations.

3. Future plan of action

The Company plans to continue introducing and promoting new products of high quality to the existing range of front and rear farm tyres in order to help meet market demand and exceed customer expectations.

4. Expenditure on R&D (Rs. In Lakhs)

a.	Capital	NIL
b.	Recurring	18
c.	Total	18
d.	Total R & D expenditure	.0113%
	[As a percentage of total turnover]	

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

(a) New product introductions

R&D activities assisted the Company in introducing new product designs for farm tyres with new construction

to meet customer expectations and thereby improving market acceptance.

(b) Process improvements

Continued efforts made in the areas of quality improvement, waste reduction and product optimization to specifically improve the market acceptance of Company’s product group.

(c) System improvements

Continual efforts made to implement and sustain Quality Management System and Environmental Management Systems in the plant to help meet and enhance customers’ present and emerging needs.

2. Benefits derived as a result of above efforts:

The technical innovations and adaptation made at Goodyear’s Innovation Centers in Akron and Luxembourg along with Company’s inputs helped the Company to introduce new products and drive market acceptance of Goodyear products.

3. Imported technology:

a)	Technology imported	Radial farm tyre Bias farm tubeless tyre
b)	Year of import	2012
c)	Has technology been fully absorbed?	Technology to the extent of specific sizes of radial farm tyre and bias farm tubeless tyres has been absorbed
d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	Product and process fine tuning in progress. In future, require for new size addition in bias farm tubeless and radial farm tyres

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:

The countries of export during 2013 -- Australia, Nepal, Bangladesh, Japan, New Zealand, Pakistan, Peru, South Africa, Sri Lanka, Thailand, Phillipines, Singapore, United Arab Emirates, United States of America.

g) Foreign exchange (Rs. in ‘Lakhs’)

Total foreign exchange used and earned :

Year	Earned		Used			
	Export (FOB)	Others	Capital Goods	Stores & Spares	Raw Material	Others
2013	2,318	860	555	34	22,615	9,305

(Rs in ‘Lakhs’)

On behalf of the Board of Directors

February 27, 2014
New Delhi

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

REPORT ON CORPORATE GOVERNANCE AS ON DECEMBER 31, 2013

1. Company's Philosophy on Code of Governance

Goodyear India Limited is a subsidiary Company of the Goodyear Orient Company (Private) Limited, Singapore ("GOCPL") effective November 29, 2011, which is 100% subsidiary of The Goodyear Tire & Rubber Company, Akron ("GTRC") and hence, GTRC became the Ultimate Holding Company. The Company's Corporate Philosophy is enshrined in a manual titled 'Business Conduct Manual' for GTRC global operations. The Business Conduct Manual is designed to help associates understand our commitment to upholding high standards and to act with honesty, integrity and fairness to protect the business and our good name. The core elements, inter-alia, include to act with honesty, integrity and respect; attract, develop, motivate and retain the best team of associates; drive an efficient, aligned and effective organization; earn and build long lasting relationships with customers, consumers, business partners and exceed their expectations; and create a sustainable business model that consistently delivers a strong return on investments. The Company is in compliance of the requirements placed under Clause 49 of the Listing Agreement ("Clause 49").

One of the Shared Values included in the Goodyear Mission requires all associates to "act with honesty, integrity and respect." Whether performing important business transactions, attending business meetings, collaborating with others on projects or socializing in less formal business situations, this value is essential to who we are as Goodyear associates all around the world.

2. Code of Conduct

In terms of the requirement of clause 49(I)(D) of the Listing Agreement, the Board of Directors of the Company, in line with the Corporate Philosophy laid down the Code of Conduct ("Code") for all Board Members and Senior Management of the Company. The Code is displayed at the Company's website (www.goodyear.co.in). As required, a declaration duly signed by the Vice Chairman & Managing Director regarding affirmation of compliance with the Code of Conduct is attached as Annexure-A.

3. 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, 2013 is given below:

Name and Designation	Status i.e. Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee Director	Number of Board Meetings of the Company		*Number of Directorships held in other companies	**Number of Committee positions held in other Companies (as a member or Chairperson)	Whether Attended the last AGM
		Held during the year	Attended during the year			
Daniel Lawrence Smytka, Chairman	Non-Executive	5	1 ⁽ⁱ⁾	NONE	NONE	NO
Rajeev Anand, Vice Chairman & Managing Director	Executive	5	5	NONE	NONE	YES
Yashwant Singh Yadav, Director- HR & Corporate Affairs	Executive	5	4	NONE	NONE	YES
R V Gupta, Director	Independent Non-Executive	5	5	5	3 (including 1 as Chairman)	YES
C Dasgupta, Director	Independent Non-Executive	5	4	NONE	NONE	YES
Rajiv Lochan Jain, Director	Independent Non-Executive	5	5	3	1 (as Chairman)	YES

* Excluding interest in Societies/Trust/Private Companies/Foreign Companies and Companies under section 25 of Companies Act, 1956 and includes Limited Liability Partnerships (LLPs)

** Includes Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies only.

(i) These are physical attendance by Mr Daniel Lawrence Smytka at the Board Meetings. In addition, he participated through teleconference at the Board Meeting held on February 27, 2013.

During the year, there has been no pecuniary relationship or business transaction by the Company with any Independent Non-Executive Director, other than the sitting fee (service tax paid extra) for attending the Board/Committee meetings as well as the traveling/conveyance expenses and reimbursement of expenses incurred for participating/attending the Company's meetings.

During the year ending on December 31, 2013, five (5) Board Meetings were held on February 27, 2013, April 26, 2013, June 7, 2013, August 9, 2013 and October 29, 2013.

4. Audit Committee

The constituted Audit Committee has the terms and roles as specified in Clause 49 of the Listing Agreement and

Section 292A of the Companies Act, 1956. As per the Listing Agreement at least two-thirds of the members of Audit Committee shall be Independent Directors. The current Audit Committee of your Company consists of four Directors namely Messers R V Gupta, C Dasgupta and Rajiv Lochan Jain, Independent Directors and Mr Rajeev Anand, Vice Chairman & Managing Director.

Mr R V Gupta, an Independent Non-Executive Director who possesses accounting or related financial management expertise, is the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee.

During the year ending December 31, 2013, six Audit Committee meetings were held: February 27, 2013, April 26, 2013, June 7, 2013, August 9, 2013, October 29, 2013 and December 17, 2013.

Attendance at Audit Committee Meetings:

Name of the Member	No. of Meetings Attended
Mr R V Gupta	6
Mr C Dasgupta	5
Mr Rajiv Lochan Jain	6
Mr Rajeev Anand	6

5. Remuneration of Directors

The remuneration policy for the whole time Director/ Managing Director of the Company is based on the broad principles of remuneration by GTRC, 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 brief information is as under:

Names of the whole time Directors

(Rs. in Lakhs)

S.No.	Details	Rajeev Anand Vice Chairman & Managing Director		Yashwant Singh Yadav Wholetime Director	
		From January 1, 2013 to April 30, 2013	From May 1, 2013 to December 31, 2013	From January 1, 2013 to April 30, 2013	From May 1, 2013 to December 31, 2013
	Service Contract Valid Up To	February 19, 2019* ##		October 31, 2015*	
	<u>Period</u>	From January 1, 2013 to April 30, 2013	From May 1, 2013 to December 31, 2013	From January 1, 2013 to April 30, 2013	From May 1, 2013 to December 31, 2013
1.	Monthly Salary	Rs. 4.80	Rs. 5.28	Rs. 3.33	Rs. 3.56
2.	Monthly Special Allowance	Rs. 4.07	Rs. 4.48	Rs. 2.99	Rs. 3.21
3.	Performance Bonus	As determined by the Board based on the net profit restricted to Rs. 188.7 in a year	As determined by the Board based on the net profit restricted to Rs. 270.00 in a year	As determined by the Board based on the net profit restricted to Rs. 76.95 in a year	As determined by the Board based on the net profit restricted to Rs. 95.00 in a year

* Terminable by giving 90 days notice from either side.

In terms of Board resolution dated October 29, 2013 and subject to the approval of shareholders in the forthcoming general meeting, Mr Rajeev Anand is re-appointed as Vice Chairman & Managing Director for a further period of 5 years with effect from February 20, 2014.

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 each of the wholetime Directors, inter-alia, include Personal Accident Insurance (premium not to exceed Rs. 0.05 lakhs per annum, a Club fee, Medical Reimbursement for self and family (subject to a ceiling of four months' basic salary for each completed year of service or twelve months' basic salary over a period of three completed years of service), Medical Insurance (as per the rules applicable for other senior management staff of the Company), the Company's car and telephone at residence (personal long distance calls on telephone and use of car for private purpose shall be billed by the Company), House Rent Allowance/Leased Accommodation (restricted to 60% of the basic salary). Mr Yashwant Singh Yadav entitled for Personal Driver Salary Reimbursement not exceeding Rs. 2.5 lakhs in a year and Mr Rajeev Anand entitled for Personal Driver Salary Reimbursement and Reimbursement of running and maintenance of personal car of Rs. 3 lakhs in a year. In case of Mr Anand, the entitlement on expenditure on gas, electricity and water on actual shall be upto to 3.5 lakhs in a year during the period January 1, 2013 to April 30, 2013 and upto Rs. 3.85 lakhs in a year during the period May 1, 2013 to December 31, 2013. In case of Mr Yadav, the entitlement on expenditure on gas, electricity and water on actual shall

be upto to Rs. 2.5 lakhs in a year during the period January 1, 2013 to April 30, 2013 and upto Rs. 2.70 lakhs in a year during the period May 1, 2013 to December 31, 2013.

Contribution to Provident Fund & Superannuation Fund in case of Mr Anand/ Contribution to Provident Fund in case of Mr Yashwant Singh Yadav (as per the applicable laws), Recreation/holiday trip ("Holiday Trip"), once in a year for self and family (in accordance with the rules of the Company In case of Mr Anand, Holiday Trip upto Rs. 2 lakhs in a year or Rs. 4 lakhs in a block of two years during the period January 1, 2013 to April 30, 2013 and upto Rs. 2.5 lakhs in a year or Rs. 5 lakhs in a block of two years during the period May 1, 2013 to December 31, 2013. In case of Mr Yadav, Holiday Trip upto Rs. 2 lakhs in a year during the period January 1, 2013 to April 30, 2013 and upto Rs. 2.5 lakhs in a year during the period May 1, 2013 to December 31, 2013. Gratuity of one half month's salary for each completed year of service in the Company and encashment of leave as at the end of the tenure, (as per the rules of the Company).

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 Shareholders of the Company.

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 remuneration paid to key managerial personnel under Note 31 of the notes to the financial statements of the Company for the year ended December 31, 2013 can also be made for Directorship remuneration details.

6. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consists of Mr C Dasgupta, an independent Non-Executive Director as Chairman and Messers R V Gupta and Rajiv Lochan Jain, Independent Directors and Mr Yashwant Singh Yadav, Director - HR & Corporate Affairs as members to look into the matters concerning redressal of Shareholders'/Investors' complaints like non-receipt of dividend, duplicate Share Certificates, etc.

During the year 2013, two Shareholders'/Investors' Grievance Committee Meetings were held on June 7, 2013 and October 29, 2013.

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
M Yashwant Singh Yadav	2

M/s Skyline Financial Services Private Limited, New Delhi, is the Registrar & Share Transfer Agent of the Company. The Company has delegated the authority for share transfers to the employee(s) of the Company to ensure that the share transfers are complied regularly.

Mr Pankaj Gupta, Company Secretary is the Compliance Officer of the Company.

During the year 2013, two (2) reminders/complaints were received and all of which have duly been resolved.

7. Details of the Directors Seeking Appointment/ Re-appointment

The details of the Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting as required under Clause 49(IV) (G) (i) of the Listing Agreement are listed below:

I. Mr R V Gupta is retiring by rotation in the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. His brief resume is given below:

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. He is not holding any shares of the Company.

Names of Companies* in which Mr R V Gupta is a Chairman/Managing Director/Director

S.No.	Name of the Companies	Nature of Interest
1	Delhi Safe Deposits Limited, New Delhi	Director
2	DCM Engineering Limited	Director
3	M/s Seshasayee Paper & Board Limited	Director
4	Mawana Sugars Limited, New Delhi	Director
5	Honda Seil Power Products Limited.	Director

Details of Membership of the Committees** of the Board

Name of the Companies	Name of the Committee	Nature of Interest whether Member/ Director/Managing Director/Chairman
M/s Seshasayee Paper & Board Limited	Audit Committee	Chairman
Honda Seil Power Products Limited	Audit Committee	Member
Mawana Sugar Limited	Audit Committee	Member

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

Mr Rajiv Jain is a Chemical Engineer from IIT Kharagpur and an MBA from the USA. Mr Jain was a member on the Board of ICI India Limited for over 12 years and the Managing Director from April 2003 to May 2009. Mr Jain successfully led the portfolio reshaping of ICI India from a diversified Company to a focused and fastest growing 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. Currently, he is the Executive Chairman of Performance Capital Partners LLP. He advises Indian companies on strategy development and implementation, and global corporates on their entry strategies for India. He serves on the Board of Tara Jewels Limited and Fresenius Kabi Oncology Limited. He is not holding any shares of the Company.

Names of Companies* in which Mr Rajiv Lochan Jain is a Chairman/ Managing Director/Director

S.No.	Name of the Companies	Nature of Interest
1	Performance Capital Partners (LLP)	Chairman
2	Tara Jewels Limited	Director
3	Fresenius Kabi Oncology Limited	Director

Details of Membership of the Committees** of the Board

Name of the Companies	Name of the Committee	Nature of Interest whether Member/ Director/Managing Director/Chairman
Tara Jewels Limited	Shareholders/ Investors Grievances Committee	Chairman

III. Mr Rajeev Anand is re-appointed as Vice Chairman & Managing Director of the Company for a further period of five years with effect from February 20, 2014 and his re-appointment would be placed before the Members for seeking their approval in the ensuing Annual General Meeting of the Members of the Company. His brief resume is given below:

Mr Rajeev Anand has been associated with the Company for over 33 years, in various executive capacities, including as Manufacturing Director – ASEAN & India and Director Manufacturing & Strategic Initiatives – India. Prior to his appointment in 2009 as whole time Managing Director of the Company, Mr Anand was holding the position of Chief Operations Officer. He is not holding any shares of the Company.

Names of Companies* in which Mr Rajeev Anand is a Chairman/Managing Director/Director - NIL

Details of Membership/ Chairmanship in Committees of the Board – NIL**

Note:

* Excluding interest in Societies/Trust/Private Companies/ Foreign Companies and Companies under section 25 of Companies Act, 1956 and includes Limited Liability Partnerships (LLPs)

** Includes Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies only.

The items related to the re-appointment of Mr Gupta and Mr Jain have been included in the notice for the ensuing Annual General Meeting.

8. General Body Meetings

Location and time where the last three Annual General Meetings (“AGM”) were held are as under:-

Meeting	Venue	Date	Time
52 nd AGM	Magpie Tourism Complex Sector-16A, Faridabad-121002, Haryana	June 7, 2013	3:30 P.M.
51 st AGM	Magpie Tourism Complex Sector-16A, Faridabad-121002, Haryana	May 25,2012	3:30 P.M.
50 th AGM	Magpie Tourism Complex Sector-16A, Faridabad-121002, Haryana	June 21, 2011	3:30 P.M.

Special Resolution passed at the last three Annual General Meetings:

Date of AGM	Description of Special Resolution
June 7, 2013	1.) Revision in remuneration of Mr Rajeev Anand, Wholetime Managing Director w.e.f. May 1, 2013. 2.) Revision in remuneration of Mr Yashwant Singh Yadav, Wholetime Director w.e.f. May 1, 2013. 3.) Post facto approval in terms of the Central Government approval no. 4/376/T-1/2012/D/5537 dated 17.10.2012 read with corrigendum dated 07.11.2012 for consultancy services taken from M/s Performance Capital Partners,LLP.

May 25, 2012	1.) Revision in remuneration of Mr Rajeev Anand, Wholetime Managing Director w.e.f. May 1, 2012. 2.) Revision in remuneration of Mr Yashwant Singh Yadav, Wholetime Director w.e.f. May 1, 2012.
June 21, 2011	1.) Appointment and payment of remuneration to Mr Yashwant Singh Yadav as Wholetime Director of the Company w.e.f. November 1, 2010. 2.) Revision in remuneration of Mr Yashwant Singh Yadav, Wholetime Director w.e.f. May 1, 2011. 3.) Appointment and payment of remuneration to Mr Jean Philippe Lecerf as wholetime Finance Director of the Company for the period July – October, 2010. 4.) Revision in remuneration of Mr Rajeev Anand, Wholetime Managing Director w.e.f. May 1, 2010. 5.) Revision in remuneration of Mr Rajeev Anand, Wholetime Managing Director w.e.f. May 1, 2011.

None of the resolution(s) were put through Postal Ballot during the year 2013.

9. Disclosures

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

The Company, in its normal course of business, had sale/purchase transactions with:

- a. GTRC and/or its subsidiaries outside India;
- b. Goodyear South Asia Tyres Private Limited (“GSATPL”), pursuant to the offtake agreement effective April 1, 2012, in terms of Government approval(s) no. 4/202/T-1/2012/D/2157; 4/203/T-1/2012/D/2158 and 4/204/T-1/2012/D/2159 dated July 2, 2012 (read with approval no. 4/369/T-1/2013/D/5916 dated September 6, 2013 and 4/369/T-1/2012/D/10678 dated January 31, 2014).

The Company is having a Service Agreement effective January 1, 2011 to avail the support from GTRC in all the areas of its operations, to receive services of Information Technology, Procurement, Production, Supply Chain, Sales & Marketing, Finance, General & Administration and other special requests.

The Company also has a Trademark License Agreement effective October 1, 2006 with GTRC to use its trade name and trademarks and is paying a fee of 1% on domestic sales and 2% on export sales.

During the year 2013, Mr Rajeev Anand, wholetime Managing Director of your Company was also on the Board of GSATPL.

The above were not considered to be in 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 31 of the notes to financial statements with the Company for the year ended December 31, 2013.

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

None

- (iii) The Business Conduct Manual of GTRC applicable for global operations including your Company, a copy of which is accessible to associates of the Company, inter-alia provides that associates can anonymously report violations by calling on the toll free number mentioned therein. It is affirmed that no personnel have been denied access to the Audit Committee.

- (iv) The Company has not adopted the non mandatory requirements as mentioned in Annexure-I D of Clause 49 of the Listing Agreement.

10. Means of Communication

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

The Company’s shareholding pattern, financial results, Code of Conduct, AGM Notice, Annual Reports, details of unclaimed dividends under the head - Investor Education Protection Fund (“IEPF”), Corporate Governance Reports, Investor Contact details, etc and other information as required under Clause 53 & 54, of the Listing Agreement are being displayed at Company’s website www.goodyear.co.in under the head ‘Investor Relations’. In compliance of the provisions as contained under Clause 52 of the Listing Agreement, certain documents/information relating to the Company is also accessible on the website www.corpfiling.co.in.

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

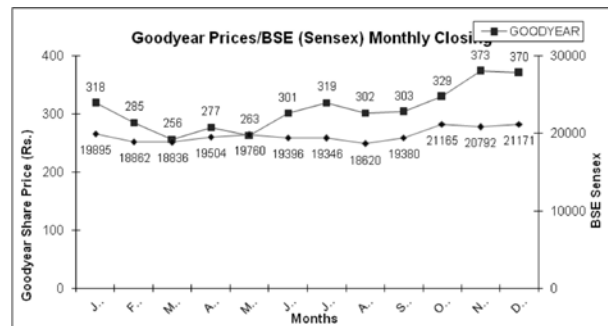
11. General Shareholders Information

(i)	AGM: Date, Time and Venue	Thursday, May 15, 2014 at 12.00 P.M. Magpie Tourism Complex, Sector 16A, Faridabad-121002, Haryana.
(ii)	Financial Year	January 1 to December 31
(iii)	Date of Book Closure	May 3, 2014 to May 15, 2014 (both days inclusive)
(iv)	Dividend Payment Date	On or after May 15, 2014 but within the statutory time limit of 30 days.
(v)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Tower Dalal Street, Mumbai-400 001. Listing fees up to 2013-2014 duly paid
(vi)	Stock Code	BSE- 500168

- (vii) Market Price Data: High, Low on BSE Limited (BSE) during each month in the last Financial Year 2013.

MONTH	Price per equity share of the face value of Rs.10/- each		MONTH	Price per equity share of the face value of Rs.10/- each	
	HIGH	LOW		HIGH	LOW
JANUARY	376.95	314.10	JULY	345.00	294.25
FEBRUARY	329.95	271.40	AUGUST	338.00	292.05
MARCH	292.00	244.70	SEPTEMBER	323.95	295.30
APRIL	300.00	237.00	OCTOBER	346.35	300.00
MAY	309.00	260.05	NOVEMBER	379.35	326.10
JUNE	362.70	261.00	DECEMBER	398.90	352.30

- (viii) Performance of Goodyear India Limited (“GIL”) share prices in comparison to BSE sensex (Monthly Closing)



- (ix) Registrar & Share Transfer Agent:

M/s Skyline Financial Services Private Limited, D-153/A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi – 110 020.

Email: info@skylinerta.com
Phone: +9111-26812682, 83
+9111- 64732681

- (x) Share Transfer System

M/s Skyline Financial Services Private Limited, Registrar & Share Transfer Agent (“RTA”) of the Company looks after share transfer, transmission, transposition, dematerialization and re-materialization of shares, issue of duplicate share certificates, split and consolidation of shares etc on regular basis. In terms of SEBI circular no. CIR/MIRSD/10/2013 dated October 28, 2013, the timeline for processing the transmission requests for securities held in dematerialized mode and physical mode shall be 7 days and 21 days respectively, after receipt of the prescribed documents. The Company’s RTA follows this and accordingly processes the requests. Furthermore, in terms of SEBI circular no. CIR/MIRSD/8/2012 dated July 05, 2012 effective October 1, 2012, share transfer requests received at the RTA normally gets processed and delivered within 15 days from the date of lodgment, if the documents are complete in all respects. Requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 15 days from receipt if the documents are in order.

(xi) Distribution of Shareholding as on December 31, 2013

No. of Shares held	Folios		Shares held	
	Numbers	Percentage	Numbers	Percentage
up to 500	23508	96.06	1536328	6.66
501 – 1000	560	2.29	416676	1.80
1001 - 5000	332	1.36	721844	3.13
5001 - 10000	35	0.14	262219	1.14
10001 and above	36	0.15	20129440	87.27
TOTAL	24471	100.00	23066507	100.00

• Shareholding Pattern as on December 31, 2013

Description of Investors	No. of shares Held	% of shareholding
1. Promoters	17069215	74.00
2. Financial Institutions, Insurance Companies, Bank and Mutual Fund etc.	1983468	8.60
3. Foreign Institutional Investor	416962	1.80
4. Private Corporate Bodies	549111	2.38
5. NRIs/ OCBs	146951	0.64
6. Indian Public, Trust & HUF	2900800	12.58
TOTAL	23066507	100.00

(xii) Dematerialization of shares and liquidity:

As on December 31, 2013, 96.49% of the Company's total Share Capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

(xiii) 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.

(xiv)	Plant location	Mathura Road, Ballabgarh, (Dist. Faridabad) – 121 004, Haryana
(xv)	Corporate Office	1st Floor, ABW Elegance Tower, Plot No. 8, Commercial Centre Jasola, New Delhi – 110025
	Investors' Correspondence : may be Addressed to	M/s Skyline Financial Services Private Limited, D -153/A, 1st floor, Okhla industrial Area Phase -1, New Delhi -110 020
	Website	www.goodyear.co.in
	E-mail ID	goodyearindia_investorcell@goodyear.com

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

During the year 2013, in compliance with the Ministry of Corporate Affairs ("MCA") notification dated May 10, 2012 related to IEPF where MCA had notified rules for the uploading of information regarding unpaid and unclaimed amounts lying with the companies. The Company had furnished the same to MCA and uploaded the same on Company's website (www.goodyear.co.in) as well as on the IEPF website (www.iepf.gov.in).

(xvii) Goodyear India Limited - Unclaimed Suspense Account ("Unclaimed Suspense Account")

In compliance with the Clause 5A of the Listing Agreement, the details of equity shares ("shares") held in an Unclaimed Suspense Account are as follows:

S No.	Particulars	Details
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the financial year 2013.	<ul style="list-style-type: none"> Aggregate number of Shareholders - 2694 Number of outstanding Shares - 68453 shares
2.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the financial year 2013.	7
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the financial year 2013.	13***
4.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the financial year 2013.	<ul style="list-style-type: none"> Aggregate number of shareholders - 2681 Number of outstanding shares - 67957 shares

*** Out of 13 cases, 6 cases were received in the financial year 2012.

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

12. Other Information

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.

13. CEO/CFO Certificate

In terms of the requirement of the Clause 49(V) of the Listing Agreement, the certificates from CEO/CFO had been obtained.

On behalf of the Board of Directors

New Delhi
February 27, 2014

Rajeev Anand
Vice Chairman
& Managing Director

Annexure-A

Corporate Governance Report
of Goodyear India Limited

Declaration regarding Affirmation of compliance with the Code of Conduct

Pursuant to the requirements of Clause 49(I) (D) of the Listing Agreement, I hereby confirm that the Company has received affirmations on compliance with the Code of conduct for the financial year ended December 31, 2013 from all the Board Members and Senior Management Personnel.

For Goodyear India Limited

Rajeev Anand
Vice Chairman
& Managing Director

Place: New Delhi
February 27, 2014

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. Industry Structure & Developments

There has been a robust growth registered in the tractor industry. Your Company has taken the opportunity to capitalize on the growth momentum and continues to be the market leader in the farm category with a growth of 9% in the year 2013 as compared to last year.

In the year 2013, passenger vehicles sales declined by 8% (Source: Society of Indian Automobile Manufacturers), which translated to a depressed passenger tyre demand from the Original Equipment Manufacturer (OEM) customers. However, with your Company, the OEM business has registered a growth in these market conditions thereby continuing to add valuable market share. Despite the continuing pressure on consumers purchasing ability as a result of higher interest rates, fuel prices and food inflation, the Consumer replacement tyre business has done well and your Company has increased replacement market share in the year 2013.

2. Opportunities and Threats

Good monsoons and better minimum support price for the crops have resulted in a healthy demand in farm segment across the country in 2013. The demand for the current year would primarily depend on the timing and quantum of monsoons. Your Company has capitalized on the healthy demand through focus on strengthening its replacement channel by building channel health, channel expansion and extraction. Your company is working to strengthen Goodyear's premium positioning and leadership in farm product innovation while working on an innovation pipeline of products to capture opportunities in select segments. In addition, the product innovation through launch of Vajra Super continues to be a key strategic driver. Your Company has plans to expand the production capacity to grow business.

Based on market demand, your Company has not phased out the MCT tyre business. Going forward, a periodic review will be done on MCT strategy.

In the passenger radial segment, the increasing sophistication of the vehicles and the burgeoning portfolio of SUV offerings in India provide your Company with a significant opportunity to capitalize on Goodyear's global technology. They also represent an increasing opportunity to grow contributions in the higher rim sizes of the business. In the year 2013, your Company has had major share in three of the successful OE (Car / SUV) launches. The competitive environment is likely to intensify this year. Low cost imported products continue to add to the market challenges. Your Company remains committed to bringing in the best technology to add value, combined with strong branding and product differentiation to compete vigorously and balance these threats. Rising interest rates will continue to put pressure on consumers looking for finance to fund their passenger vehicles. Consumer sentiments have been impacted as a result of unfavorable macroeconomic indicators.

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 (OTR) bias tyres] manufactured by Goodyear South Asia Tyres Private Limited (GSATPL), Aurangabad. The other products in which the Company markets and sells include tubes and flaps.

The sales performance during the year is as follows:

(Rs. in Lakhs)

Tyres	160,836
Flaps	43
Tubes	9710

Your Company feels proud to have been acclaimed by some of the key tractor Original Equipment Manufacturers ("OEMs") like Best Supplier Award by Eicher Tractors, and Best Supplier in Overall Performance by TAFE (Tractors & Farm Equipment Limited) in the year 2013.

Your Company has also earned global recognition as a Partner-level supplier for the year 2013 in the John Deere Achieving Excellence Program. The Partner-level status is Deere & Company's highest supplier rating. The honor is in recognition of your Company's dedication to providing products and service of outstanding quality as well as commitment to continuous improvement.

In the OTR category, your Company has been awarded with a Platinum Certificate, the highest level certification to a vendor by India's leading earthmover brand, Caterpillar. The process involves stringent requirements on Parts Per Million, 100% PPAP (Production Part Approval Process) completed on time, Rejections and supplier shipping performance.

Your Company's has been re-certified as being a Class A S&OP entity by Goodyear's internal global audit team. This certification reinforces the commitment of the business towards process orientation and a drive towards continuous improvement.

Your Company feels proud to have been recognized once again by Hyundai Motors Company for being the best supplier for the year in the tyre commodity. In addition to this, Goodyear has also been re-certified with the Ford Q1 supplier award.

This year also saw the introduction of Run-on-Flat tyres into the consumer replacement market.

4. Outlook

The Reserve Bank has estimated growth to fall below 5 per cent in 2013-14 in absence of pick-up in manufacturing sector, but likely to recover to 5.5 per cent in the next financial year. Inflation rate is likely to drop marginally from the estimated 9.5% levels in 2014 to 8.5% by the end of 2014.

In this context, your Company will intensify efforts in all key areas of its operations to increase profitability through initiatives that are targeted at improving revenues and margin in order to address market realities and increasing competitiveness.

Tractor sales in India is expected to grow at 7-9 per cent over next 5 years driven by improving irrigation facilities, resulting into greater certainty on farm income and

increasing cropping intensity and higher yields resulting into higher incomes (Source: 2013 CRISIL Research estimate).

The Prime Minister's Economic Advisory Council (PMEAC) has estimated farm sector growth for current fiscal at 4.8 per cent, more than double from last year's 1.9 per cent.

In light of the above optimistic scenario, your Company's farm business is projected to grow at mid single digit.

The passenger tyre industry is expected to stage a moderate recovery in the year 2014. This will be on the back of a drop in both OE car sales and production in the year 2013. Your Company will continue to seek new OEM fitments, strengthen relationships with existing OEMs and introduce award winning new products to its existing consumer tyre portfolio with the objective of enhancing brand share.

5. Risks and Concerns

The country's macro economic conditions have not been so good owing to static policy movements, higher interest rates and stubborn inflation. However, early signs of agriculture growth are positive signs for economic recovery. The year 2014, being an election year for India will carry its own challenges. The outcome of general elections could have an impact on the growth prospects for the country and resultantly for the automobile industry.

Approximately 20% of the net sales of your Company were attributable to the sale of products procured from Goodyear South Asia Tyres Private Limited (GSATPL), Aurangabad.

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

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

6. Internal Control Systems and Their Adequacy

Your Company has a proper and adequate system of internal control including internal financial controls. 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, and reviewing the performance of statutory and internal auditors with management. The internal control system, including internal financial controls of the Company, is monitored by an independent internal audit team, which encompasses examination/periodic reviews to ascertain adequacy of internal controls and compliance to Company's policies. Weaknesses noted along with agreed upon action plans are shared with audit committee which ensures orderly and efficient conduct of the business and effectiveness of the system of internal control. The audit function also looks into related party transactions, preventive controls, investigations, detection of frauds as well as other areas requiring mandatory review per clause 49 of the Listing Agreement and applicable laws. The powers of the Audit Committee, inter-alia, include

seeking information from any employee, obtaining outside legal or other professional advice, and investigating any activity of the company within the committee's term of reference. Your Company's internal audit department verifies the information concerning the reliability of the financial statements as well as the compliance with your Company's policies so as to maintain accountability and ensuring controls are in place to safeguard of all its assets and correctness of accounting records. The internal audit department shares regular updates regarding the work done, coverage, weaknesses noted and other relevant issues with appropriate management levels including Audit Committee. Observations/ weaknesses noted from time to time are suitably acted upon and followed up at different levels of management.

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 Lakhs)

Particulars	2013	2012
Total Sales & Other Income	173,611	163,513
Less: Excise Duty	13,717	13,205
Net Sales & Other Income	159,894	150,308
Profit Before Interest, Depreciation & Tax	16,926	11,254

The financial performance of your Company has been further explained in the Directors' Report of your Company for the year 2013, appearing separately.

8. Human Resources

Industrial harmony was maintained during the year through cordial and productive employee relations. High priority was given to aspects related to the safety of the employees and training and development on functional and ethical areas. The total number of salaried and hourly paid associates, as of December 31, 2013, stood at 909.

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, government or court decisions and other factors such as industry relations and economic developments, etc. Investors should bear the above in mind.

On behalf of the Board of Directors

New Delhi
February 27, 2014

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Goodyear India Limited

We have examined the compliance of conditions of Corporate Governance by Goodyear India Limited, for the year ended December 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with 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 the above mentioned Listing Agreement.

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

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Avijit Mukerji
Partner

Place: New Delhi
Date: February 27, 2014

Membership Number: 056155

INDEPENDENT AUDITORS' REPORT

To the Members of Goodyear India Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Goodyear India Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying

financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, 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, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Avijit Mukerji

Partner

Place: New Delhi
Date: February 27, 2014

Membership Number: 056155

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Goodyear India Limited on the financial statements as of and for the year ended December 31, 2013.

- i. (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 the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (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.
- iii. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, 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 and fixed assets and for the sale of goods. 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.
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 - vi. 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.
 - vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
 - viii. 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.
 - ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and sales tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and excise duty as at December 31, 2013 which have not been deposited on account of a dispute, are as follows:

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Goodyear India Limited on the financial statements as of and for the year ended December 31, 2013.

Sr. No.	Name of the statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where the dispute is pending
1.	Central and State Tax Acts	Sales Tax/Value Added Tax	1,716	1979-1980; 1985-1987; 1995-2013	First level of Appellate Authority i.e. Assistant Commissioner/ Deputy Commissioner/ Joint Commissioner/ Commissioner/ Commercial Tax Appellate and Revisional Board
			25	1992-1993; 2004-2005; 2008-2009	Sales Tax Tribunal
			8	1978-1979; 1987-1988	High Court
2.	The Central Excise Act, 1994	Excise Duty	1	2006-2011	Commissioner (Appeals)
			551	1997-1998; 2005-2011	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		Service Tax	26	2007-2010	Commissioner (Appeals)
			60	2004-2009	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
3.	The Income Tax Act, 1961	Income Tax	152	2004-2005	Commissioner of Income Tax (Appeals)
			1,648	2005-2009	The Income Tax Appellate Tribunal

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the

company, we report that the no funds raised on short-term basis have been used for long-term investment.

- xviii. 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. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Avijit Mukerji
Partner

Place: New Delhi
Date: February 27, 2014

Membership Number: 056155

GOODYEAR INDIA LIMITED

BALANCE SHEET AS AT DECEMBER 31, 2013

	Note	As at Dec 31, 2013 (Rs.' lakhs)	As at Dec 31, 2012 (Rs.' lakhs)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	2,307	2,307
(b) Reserves and surplus	4	40,043	33,089
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (net)	5	1,294	1,113
(b) Other long-term liabilities	6	279	-
(c) Long-term provisions	7	1,973	1,881
(3) Current Liabilities			
(a) Trade payables	8	29,167	25,725
(b) Other current liabilities	9	7,968	7,719
(c) Short-term provisions	10	2,904	2,372
TOTAL		85,935	74,206
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	11	21,023	19,757
(ii) Intangible assets	11	1	1
(iii) Capital work in progress		3,182	1,749
(b) Long-term loans and advances	12	1,724	1,851
(c) Other non-current assets	13	3	1
(2) Current Assets			
(a) Inventories	14	9,900	10,426
(b) Trade receivables	15	16,530	15,437
(c) Cash and bank balances	16	31,656	23,834
(d) Short-term loans and advances	17	971	747
(e) Other current assets	18	945	403
TOTAL		85,935	74,206

This is the Balance Sheet referred to in our report of even date

The notes referred to above form an integral part of Balance Sheet

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 0075675
Chartered Accountants

Rajeev Anand
Vice Chairman &
Managing Director

Yashwant Singh Yadav
Director

Avijit Mukerji
Partner
Membership Number: 056155

R V Gupta
Director

C Dasgupta
Director

Rajiv Lochan Jain
Director

Mark C Ravunni
Chief Financial Officer

Place: New Delhi
Date: February 27, 2014

Pankaj Gupta
Company Secretary

GOODYEAR INDIA LIMITED

Statement of Profit and Loss for the year ended December 31, 2013

	Note	For the year ended Dec 31, 2013 (Rs.' lakhs)	For the year ended Dec 31, 2012 (Rs.' lakhs)
I. Revenue from operations (gross)	22	170,589	161,334
II. Less : Excise duty		13,717	13,205
III. Revenue from operations (net)		156,872	148,129
IV. Other income	23	3,022	2,179
Total Revenue (III + IV)		159,894	150,308
V. Expenses :			
Cost of materials consumed	24	73,737	81,615
Purchases of stock-in-trade	25	38,439	28,604
Change in inventories of finished goods, work-in-process and stock-in-trade	26	(584)	69
Employee benefits expense	27	8,784	8,085
Finance costs	28	216	382
Depreciation and amortization expense (net)	11	2,518	2,409
Other expenses	29	22,592	20,681
Total Expenses		145,702	141,845
VI. Profit before tax		14,192	8,463
VII. Tax Expense :			
(a) Current tax		4,604	2,821
(b) Deferred tax		181	10
VIII. Profit for the year (VI - VII)		9,407	5,632
IX. Basic Earnings per Equity Share	30	40.78	24.41
Diluted Earnings per Equity Share		40.78	24.41
Nominal value per Equity Share (Rs.)		10	10

This is the Statement of Profit and Loss referred to in our report of even date

The notes referred to above form an integral part of Statement of Profit and Loss

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Avijit Mukerji
Partner
Membership Number: 056155

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

Rajiv Lochan Jain
Director

Pankaj Gupta
Company Secretary

Yashwant Singh Yadav
Director

C Dasgupta
Director

Mark C Ravunni
Chief Financial Officer

Place: New Delhi
Date: February 27, 2014

GOODYEAR INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

	For the year ended Dec 31, 2013 (Rs.' lakhs)	For the year ended Dec 31, 2012 (Rs.' lakhs)
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	14,192	8,463
Adjustments for :		
Depreciation and amortization expense (net)	2,518	2,409
Loss on sale of fixed assets (net)	9	35
Interest and other finance costs	216	382
Interest income	(2,005)	(1,258)
Liabilities/provisions no longer required written back	(502)	(112)
Provision for doubtful debts and other current assets	13	78
Provision for gratuity	231	306
Provision for leave encashment/compensated absences	233	200
Unrealised foreign exchange gain	(72)	(37)
	<u>641</u>	<u>2,003</u>
Operating profit before working capital changes	14,833	10,466
Adjustments for working capital :		
(Increase) / Decrease in Trade Receivables	(1,103)	(2,482)
(Increase) / Decrease in Loans and Advances and Other Bank Balances	140	(548)
(Increase) / Decrease in Inventories	526	(1,881)
Increase / (Decrease) in Trade and Other Payables	<u>3,360</u>	<u>(112)</u>
	<u>2,923</u>	<u>(5,023)</u>
Cash generated from operations	17,756	5,443
Income Tax (net of refunds)	<u>(4,314)</u>	<u>(2,877)</u>
Net cash flow from operating activities	<u>13,442</u>	<u>2,566</u>
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of tangible assets	(5,010)	(2,632)
Interest received	1,456	1,148
Fixed deposits with maturity more than 3 months but less than 12 months	(8,890)	(16,310)
Sale proceeds of tangible assets	<u>2</u>	<u>21</u>
Net cash used in investing activities	<u>(12,442)</u>	<u>(17,773)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Interest and other finance costs	(239)	(371)
Dividend paid	(1,585)	(1,583)
Dividend distribution tax paid	<u>(274)</u>	<u>(256)</u>
Net cash used in financing activities	<u>(2,098)</u>	<u>(2,210)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,098)	(17,417)
Cash and cash equivalents at beginning of the year	5,348	22,765
Unrealised foreign exchange gain	-	-
Cash and cash equivalents at end of the year	<u>4,250</u>	<u>5,348</u>

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.
- Figures in brackets indicate cash outflow.
- Previous year figures have been regrouped and recasted, wherever necessary, to conform to the current year's classification.
- The schedules referred to in the Balance Sheet and Statement of Profit and Loss form an integral part of the Cash Flow Statement.

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

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Avijit Mukerji
Partner
Membership Number: 056155

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

Rajiv Lochan Jain
Director

Pankaj Gupta
Company Secretary

Yashwant Singh Yadav
Director

C Dasgupta
Director

Mark C Ravunni
Chief Financial Officer

Place: New Delhi
Date: February 27, 2014

Notes to the financial statements :

(All the figures are in rupee lakhs and figures in brackets, wherever given, are in respect of previous year, unless stated otherwise).

(1) GENERAL INFORMATION

Goodyear India Limited (the "Company"), an existing company under the Companies Act, 1956, is a step-down subsidiary of The Goodyear Tire & Rubber Company, Akron, Ohio, USA ("GTRC"). The Company was originally registered and incorporated as a private company on October 10, 1922 and converted into a public company on March 24, 1961. The Company is engaged in the business of manufacturing and trading of tyres, tubes and flaps with manufacturing facility at Ballabgarh, Haryana, India. The Company is presently listed with the Mumbai stock exchange (BSE Limited).

(2) SIGNIFICANT ACCOUNTING POLICIES

i) Accounting Convention and Basis for Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

ii) Fixed Assets

Tangible assets are stated at cost of acquisition/construction net of accumulated depreciation and accumulated impairment losses, if any 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.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

iii) Depreciation/Amortization

- a) 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) and (d).
- b) 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.
- c) 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.
- d) 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.
- e) Intangible Assets : Softwares are amortized over a period of 6 years based on the estimated economic useful life of the asset.
- f) The depreciation on the assets capitalized during the year is charged from beginning of the month following the date of capitalization.

iv) Inventories

Inventories are valued at lower of cost and net realizable 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 all duties and input taxes which are available for set-off against output taxes. Finished goods are inclusive of excise duty. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The basis of determining cost for various categories of inventories is as follows:

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

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 : Sales are recognized when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of trade discounts, rebates, sales taxes and excise duties.

vii) **Other Income**

Interest : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Export Incentives : Income from duty draw back or other export incentives is recognized on an accrual basis.

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

viii) **Employee Benefits**

Defined Contribution Plans

Employee State Insurance and Employee Pension Scheme 1995 : Contribution towards these are made to the regulatory authorities. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

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

Defined Benefit Plans

Provident Fund : Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

The contributions made to the trust are recognized as plan assets. The defined benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets and the same is disclosed as 'Interest on Provident Fund contributions'.

Gratuity : The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Other Employee Benefits

Compensated Absences : Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

ix) **Income Tax**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the prevailing taxation laws.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

x) Foreign Currency Translations

Initial Recognition : On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition : As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of monetary items are recognized in the Statement of Profit and Loss.

xi) Lease Rental

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

xii) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

xiii) Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group

of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

xiv) Provisions and Contingencies

Provisions : Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

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

	As at Dec 31, 2013 (Rs.' lakhs)	As at Dec 31, 2012 (Rs.' lakhs)
(3) SHARE CAPITAL		
Authorised		
30,000,000 (30,000,000) equity shares of Rs. 10 each	3,000	3,000
Issued, subscribed and paid-up		
23,066,507 (23,066,507) equity shares of Rs. 10 each (fully paid-up)	<u>2,307</u>	<u>2,307</u>
(a) Reconciliation of number of shares outstanding :		
	As at Dec 31, 2013	As at Dec 31, 2012
	No. of Shares	Amount (Rs.' lakhs)
	No. of Shares	Amount (Rs.' lakhs)
Balance as at the beginning of the year	<u>23,066,507</u>	<u>2,307</u>
Balance as at the end of the year	<u>23,066,507</u>	<u>2,307</u>
(b) Details of equity shares held by shareholders holding more than 5% of total equity shares :		
	As at Dec 31, 2013	As at Dec 31, 2012
	No. of Shares	% of holding
	No. of Shares	% of holding
Goodyear Orient Company (Private) Limited, Singapore	17,069,215	74
SBI Magnum Sector Funds Umbrella - Emerging Businesses Fund	1,805,590	7.8
	1,729,252	7.5
Notes :		
i) The Company has only one class of shares i.e. equity shares having a par value of Rs. 10/- per share which rank pari passu in all respects including voting rights and entitlement to dividend. In terms of applicable laws, in the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
ii) 17,069,215 (17,069,215) equity shares are held by Goodyear Orient Company (Private) Limited, Singapore, the Holding Company.		
(4) RESERVES AND SURPLUS		
Securities Premium		
Balance as at the beginning of the year	<u>6,314</u>	<u>6,314</u>
Balance as at the end of the year	<u>6,314</u>	<u>6,314</u>
General Reserve		
Balance as at the beginning of the year	4,400	3,800
Add : Transferred from surplus in Statement of Profit and Loss during the year	1,000	600
Balance as at the end of the year	<u>5,400</u>	<u>4,400</u>
Revaluation Reserve		
Balance as at the beginning of the year	296	308
Less : Amount utilized for current year depreciation	12	12
Balance as at the end of the year	<u>284</u>	<u>296</u>
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	22,079	18,924
Add : Profit for the year	9,407	5,632
Less : Appropriations		
Transferred to General Reserve	1,000	600
Proposed dividend on the equity shares	2,076	1,615
Dividend distribution tax on Proposed dividend	365	262
Balance as at the end of the year	<u>28,045</u>	<u>22,079</u>
Total	<u>40,043</u>	<u>33,089</u>

	As at Dec 31, 2013 (Rs.' lakhs)	As at Dec 31, 2012 (Rs.' lakhs)
(5) DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability		
Depreciation	2,005	1,826
Deferred tax assets		
a) Provision for employee benefits	593	540
b) Provision for doubtful debts/advances	44	83
c) Other provisions	74	90
Total Deferred tax assets	<u>711</u>	<u>713</u>
Deferred Tax Liabilities (net)	<u>1,294</u>	<u>1,113</u>
Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.		
(6) OTHER LONG-TERM LIABILITIES		
Advance from customer	<u>279</u>	<u>-</u>
	279	-
(7) LONG-TERM PROVISIONS		
Provision for Employee Benefits **		
Gratuity	1,160	1,066
Leave encashment/compensated absences	264	261
Other provisions		
Provision for customs/excise litigations *	361	370
Provision for sales tax litigations [Net of payments under protest Rs. 110 (Rs. 106)] *	57	61
Provision for lease equalisation	110	94
Provision for replacement loss *	21	29
	<u>1,973</u>	<u>1,881</u>
* Refer note '32' of notes to the financial statements.		
** Refer note '42' of notes to the financial statements.		
(8) TRADE PAYABLES		
Trade payables *	<u>29,167</u>	<u>25,725</u>
	29,167	25,725
* Refer note '41' of notes to the financial statements.		
(9) OTHER CURRENT LIABILITIES		
Security deposits [including accrued interest Rs. 73 (Rs. 96)]	2,968	4,181
Statutory dues	1,309	1,380
Employee benefits payable	1,794	1,153
Unpaid dividend *	206	176
Creditors for capital items	1,347	633
Advances from customers	344	196
	<u>7,968</u>	<u>7,719</u>

* No amount is due as at Dec 31, 2013 for credit to Investors' Education and Protection Fund. Amount remaining due after adjustment to be claimed from the Company will be transferred on the respective due dates to the said Fund.

	As at Dec 31, 2013 (Rs.' lakhs)	As at Dec 31, 2012 (Rs.' lakhs)
(10) SHORT-TERM PROVISIONS		
Provision for Employee Benefits **		
Gratuity	151	186
Leave encashment/compensated absences	132	92
Interest on Provident Fund contributions	37	58
Other provisions		
Provision for excise - others *	-	42
Provision for income tax [net of advance income tax/ payments under protest Rs.17,329]	72	-
Provision for replacement loss *	83	117
Proposed dividend @ Rs. 9 (Rs. 7) per share	2,076	1,615
Dividend distribution tax on Proposed dividend	353	262
	2,904	2,372

* Refer note '32' of notes to the financial statements.

** Refer note '42' of notes to the financial statements.

(11) FIXED ASSETS

(Rs.' lakhs)

	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at Jan 1, 2013	Additions during the year	Deductions/ adjustments during the year	As at Dec 31, 2013	As at Jan 1, 2013	Additions during the year	Deductions/ adjustments during the year	As at Dec 31, 2013	As at Dec 31, 2013	As at Dec 31, 2012
Tangible Assets										
Freehold Land	173	-	-	173	-	-	-	-	173	173
Buildings	4,677	637	-	5,314	1,595	163	-	1,758	3,556	3,082
Plant and Machinery	32,943	3,073	476	35,540	16,862	2,269	473	18,658	16,882	16,081
Furniture and Fittings	171	10	-	181	101	29	-	130	51	70
Office Equipments	1,165	87	115	1,137	833	65	107	791	346	332
Vehicles	55	-	18	37	36	4	18	22	15	19
Total Tangible Assets	39,184	3,807	609	42,382	19,427	2,530	598	21,359	21,023	19,757
Intangible Assets										
Computer Software	646	-	4	642	645	-	4	641	1	1
Total Intangible Assets	646	-	4	642	645	-	4	641	1	1
TOTAL	39,830	3,807	613	43,024	20,072	2,530	602	22,000	21,024	19,758
Previous Year	37,343	3,254	767	39,830	18,362	2,421	711	20,072		

Notes :

- Gross book value includes Rs.1,408 (Rs. 1,443) on account of revaluation of certain fixed assets in 1984. Amount added to fixed assets and revaluation was credited to revaluation reserve.
- The depreciation charge for the current year represents gross Rs. 2,530 (Rs. 2,421) less transfer from revaluation reserve Rs. 12 (Rs. 12). Such transfer represents the amount equivalent to the additional charge necessitated on account of revaluation of certain fixed assets referred to in note (2)(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.

	As at Dec 31, 2013 (Rs.' lakhs)	As at Dec 31, 2012 (Rs.' lakhs)
(12) LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good :		
Capital advances	506	22
Security deposits	549	982
Advance income tax/payments under protest [net of provisions (Rs.12,797)]	-	218
Balances with government authorities	157	157
Payments under protest - Excise/service tax matters	386	376
- Sales tax matters [net of provisions Rs. 48 (Rs. 48)] *	126	96
	1,724	1,851
* Refer note '32' of notes to the financial statements.		
(13) OTHER NON-CURRENT ASSETS		
Long term deposits with bank with maturity period more than 12 months *	3	1
	3	1
* Held as lien by bank against bank guarantee.		
(14) INVENTORIES		
Raw materials [includes intransit Rs. 771 (Rs. 1,438)]	3,808	5,070
Work-in-process	492	457
Finished goods [includes intransit Rs. 787 (Rs. 860)]	2,243	2,061
Traded goods [includes intransit Rs. 237 (Rs. 106)]	1,833	1,464
Stores and spare parts [includes intransit Rs. 29 (Rs. 7)]	1,524	1,374
	9,900	10,426
(15) TRADE RECEIVABLES		
Outstanding for a period exceeding 6 months from the date they are due for payment :		
Unsecured, considered doubtful	120	256
Provision for doubtful debts	(120)	(256)
Others :		
Secured, considered good	1,811	1,552
Unsecured, considered good *	14,719	13,885
	16,530	15,437
* Includes Rs. 30 (Rs. 26) due from Goodyear South Asia Tyres Private Limited, having common directors.		
(16) CASH AND BANK BALANCES		
Cash and cash equivalents :		
Cash on hand	2	2
Cheques on hand	463	335
Cheques in transit	43	-
Bank balances - Current accounts	1,342	1,511
- Demand deposits (maturity less than 3 months)	2,400	3,500
Other bank balances :		
Fixed deposits with maturity more than 3 months but less than 12 months	27,200	18,310
Bank balances for unpaid dividend	206	176
	31,656	23,834

	As at Dec 31, 2013 (Rs.' lakhs)	As at Dec 31, 2012 (Rs.' lakhs)
(17) SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
Advances to vendors	233	206
Balances with government authorities	121	24
Security deposits	57	63
Prepaid expenses	127	144
Loans and advances to related parties *	375	271
Others #	58	39
	971	747

* Includes Rs. 88 (Rs. 86) due from Goodyear South Asia Tyres Private Limited, having common directors.

Others includes advances to employees Rs. 25 (Rs. 24)

(18) OTHER CURRENT ASSETS

Unsecured, considered good unless otherwise stated

Accrued interest on fixed deposits		759		210
Recoverable from government authorities	193		196	
Less : Provision for doubtful other current assets	(7)	186	(3)	193
		945		403

(19) Contingent liabilities :

	As at Dec 31, 2013 (Rs.' lakhs)	As at Dec 31, 2012 (Rs.' lakhs)
i) Guarantee to Gurgaon Gramin Bank	133	126
ii) Other moneys for which Company is contingently liable Price Differential pending settlement	474	474
iii) Claims against the Company disputed and not acknowledged as debts **		
A. Excise duty and Service tax matters		
a) Cases decided in the Company's favour by Appellate authorities and for which Department has filed further appeal.	484	484
b) Cases pending before Appellate authorities in respect of which the Company has filed appeals. Amounts deposited under protest Rs. 386 (Rs. 376).	1,241	1,152
B. Income tax matters		
Cases pending before Appellate authorities/Dispute Resolution Panel in respect of which the Company has filed appeals. Amounts deposited under protest Rs. 133 (Rs. 63).	1,932	1,295
C. Sales tax matters		
Cases pending before Appellate authorities in respect of which the Company has filed appeals. Amounts deposited under protest Rs. 284 (Rs. 250).	663	676

D. Haryana Urban Development Authority (HUDA) demand matter *	662	662
Demand for proportionate external development charges by HUDA.		
E. Other matters	266	909
These include claims against the Company for recovery lodged by various parties. Amounts deposited under protest Rs. Nil (Rs. 443).		

* During the year 2003, a demand of Rs. 662 lakhs 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. 5 lakhs and which was duly paid. In the year 2010, the entire demand had been set aside by the First Court. However, HUDA challenged the same before the Court of Hon'ble District & Session Judge, Faridabad. In December 2011, the said appeal was dismissed by Hon'ble District and Session Judge. HUDA has further gone into appeal before the Hon'ble High Court of Punjab and Haryana, to our knowledge the same has not yet been admitted.

E Haryana Local Area Development Tax (HLADT)

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 lakhs 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 lakhs.

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 assesseees 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's assessment, no provision for HLADT and Entry tax has been considered necessary.

** These represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

	As at Dec 31, 2013 (Rs.' lakhs)	As at Dec 31, 2012 (Rs.' lakhs)
(20) Capital and other commitments :		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,165	186
b) Estimated amount of other contracts remaining to be executed for supply of goods and services contracts	3,505	3,482

(21) The Company's business activity falls within a single primary business segment viz. 'Automotive tyres, tubes and flaps'. Secondary segment reporting is based on the geographical location of the customers. Details of secondary segments are not disclosed as more than 90% of the Company's revenues, results and assets relate to the domestic market. Therefore, no further disclosure is considered as required under Accounting Standard (AS-17) "Segment Reporting".

	For the year ended Dec 31, 2013 (Rs.' lakhs)	For the year ended Dec 31, 2012 (Rs.' lakhs)
(22) REVENUE FROM OPERATIONS		
Sale of finished goods		
Automotive Tyres	126,054	120,440
Flaps	28	59
Automotive Tubes	3,655	7,582
	<u>129,737</u>	<u>128,081</u>
Sale of traded goods		
Automotive Tyres	34,782	32,467
Flaps	15	2
Automotive Tubes	6,055	784
	<u>40,852</u>	<u>33,253</u>
Total sale of goods	<u>170,589</u>	<u>161,334</u>
(23) OTHER INCOME		
Interest income	2,005	1,258
Net gain on foreign currency transactions and translation	-	3
Liabilities/provisions no longer required written back	502	112
Export incentives	81	139
Miscellaneous income *	434	667
	<u>3,022</u>	<u>2,179</u>
* 1) Includes scrap sales of Rs. 163 (Rs. 166). 2) Includes profit of Rs. 11 (Rs. 32) against sale of raw materials of Rs. 396 (Rs. 756). 3) Includes Rs. 190 (Rs. 345) recovery of insurance claim.		
(24) COST OF MATERIALS CONSUMED		
Rubber	43,449	53,358
Fabrics	8,818	8,353
Carbon black	11,641	11,023
Pigments and chemicals	8,463	7,652
Beadwire	1,085	1,032
Others [net of scrap sales of Rs. 240 (Rs. 305)]	281	197
	<u>73,737</u>	<u>81,615</u>
(25) PURCHASES OF STOCK-IN-TRADE		
Automotive Tyres	32,019	27,905
Flaps	17	37
Automotive Tubes	6,403	662
	<u>38,439</u>	<u>28,604</u>
(26) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Inventory as at the end of the year :		
Finished goods	2,243	2,061
Stock-in-trade	1,833	1,464
Work-in-process	492	457
Total (a)	<u>4,568</u>	<u>3,982</u>
Inventory as at the beginning of the year :		
Finished goods	2,061	2,200
Stock-in-trade	1,464	1,315
Work-in-process	457	486
Total (b)	<u>3,982</u>	<u>4,001</u>
Increase/(decrease) in excise duty on finished goods (c)	2	50
(Increase)/decrease in inventories of finished goods, work-in-process and stock-in-trade (b - a + c)	<u>(584)</u>	<u>69</u>

	For the year ended Dec 31, 2013 (Rs.' lakhs)	For the year ended Dec 31, 2012 (Rs.' lakhs)
(27) EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	7,193	6,521
Contribution to provident and other funds	416	413
Workmen and staff welfare expenses	711	645
Gratuity	231	306
Leave encashment/compensated absences	233	200
	8,784	8,085
(28) FINANCE COSTS		
Interest	201	342
Others	15	40
	216	382
(29) OTHER EXPENSES		
Consumption of stores and spare parts	242	195
Power and fuel	3,768	3,535
Travelling	720	639
Repairs and maintenance		
-Buildings *	12	28
-Machinery *	665	563
-Others	2	4
Rent	673	713
Insurance	152	106
Telecommunication	163	153
Rates and taxes	346	274
Legal and professional	353	332
Auditors remuneration :		
Audit fees for statutory audit	38	42
Audit fees for tax accounts	8	8
Various certificates/reports	29	90
Out of pocket expenses	18	9
Carrying and forwarding agent expenses	365	338
Freight, transport and delivery	2,950	2,763
Advertising and sales promotion	1,243	918
Trade mark fees	1,182	1,120
Regional service charges	4,589	4,316
Cash discounts	2,276	2,060
Conversion charges	409	885
Net loss on foreign currency transactions and translation	694	-
Loss on sale of fixed assets (net)	9	35
Provision for doubtful debts and other current assets	13	78
Bad debts and other current assets written off	134	126
Less : Provision held for doubtful debts and other current assets	(134)	(126)
Miscellaneous expenses	1,673	1,477
	22,592	20,681
* Includes consumption of spare parts Rs. 304 (Rs. 231)		
(30) Earnings per Share calculations :		
Profit for the year (Rs.' lakhs)	9,407	5,632
No. of equity shares of Rs. 10/- each	23,066,507	23,066,507
Basic earnings per share (Rs.)	40.78	24.41
Diluted earnings per share (Rs.)	40.78	24.41

(31) Disclosures under Accounting Standard 18 :

i) List of related parties with whom the Company had transactions during the year :

Ultimate Holding Company :

The Goodyear Tire & Rubber Company, Akron, Ohio, USA
 { Holding company until November 28, 2011 }
 { Ultimate holding company since November 29, 2011 }

Holding Company :

Goodyear Orient Company (Private) Limited, Singapore
 (Holding company since November 29, 2011)

Fellow Subsidiaries :

- i) Goodyear SA (Luxembourg)
- ii) Goodyear Middle East, FZE
- iii) Goodyear Dalian Tire Company Limited
- iv) Goodyear Dunlop Tires France
- v) Goodyear (Thailand) Public Company Limited
- vi) Goodyear do Brasil Produtos de Borracha Ltda
- vii) Goodyear De Colombia S.A
- viii) PT. Goodyear Indonesia Tbk
- ix) Goodyear South Africa (Pty.) Limited
- x) Goodyear Singapore Tyres
- xi) Goodyear & Dunlop Tyres (NZ) Limited
- xii) Goodyear Marketing & Sales SDN Bhd
- xiii) TC Debica SA
- xiv) Goodyear & Dunlop Tyres (Australia) Pty Limited
- xv) Goodyear South Asia Tyres Private Limited
- xvi) Goodyear Earthmover Pty Limited
- xvii) Goodyear International Corporation
- xviii) Goodyear Dunlop Tires Operations SA
- xix) Compania Goodyear Del Peru SA
- xx) Goodyear SA R&D (Luxembourg)
- xxi) Goodyear Dunlop Tires Germany
- xxii) GRBS Inc., Philippines

Key management personnel :

- i) Mr Rajeev Anand
- ii) Mr Yashwant Singh Yadav
- iii) Mr Mark C Ravunni

ii) Transactions with related parties on an arm's length basis :

	For the year ended Dec 31, 2013 (Rs.' lakhs)	For the year ended Dec 31, 2012 (Rs.' lakhs)
The Goodyear Tire & Rubber Company, Akron, Ohio, USA		
Purchase of raw materials, finished goods and spare parts	592	2,300
Purchase of capital items	323	208
Expenditure for Trade mark fees	1,182	1,120
Expense reimbursed to ultimate holding company	15	32
Reimbursement of expense by ultimate holding company	2	3
Recovery for deputation of employees	33	45
Expenditure for Regional service charges	4,589	4,316
Payment for deputation of employees	11	214
Share in insurance recovery	190	-
Goodyear Orient Company (Private) Limited, Singapore		
Dividend paid	1,195	1,195

	For the year ended Dec 31, 2013 (Rs.' lakhs)	For the year ended Dec 31, 2012 (Rs.' lakhs)
Fellow subsidiaries :		
Purchase of raw materials, finished goods and spare parts		
Goodyear South Asia Tyres Private Limited *	30,642	27,523
Goodyear Dalian Tire Company Limited	253	190
Goodyear (Thailand) Public Company Limited	186	10
PT. Goodyear Indonesia TBK	189	243
Goodyear Dunlop Tires Operations SA	287	32
Goodyear Marketing & Sales SDN Bhd	38	35
Goodyear Earthmovers Pty Limited	1,076	777
Others	13	11
* Net of recovery for replacement loss Rs. 821 (Rs. 615)		
Sale of finished goods		
Goodyear & Dunlop Tyres (Australia) Pty Limited	821	1,871
Compania Goodyear Del Peru SA	36	63
Goodyear Middle East, FZE	129	224
Goodyear South Africa (Pty.) Limited	16	42
Goodyear Singapore Tyres	58	10
Goodyear International Corporation	587	28
Others	66	43
Purchase of capital items		
Goodyear International Corporation	23	57
Goodyear Marketing & Sales SDN Bhd	40	-
Recovery for deputation of employees		
Goodyear Singapore Tyres	431	200
Goodyear Marketing & Sales SDN Bhd	-	15
Goodyear (Thailand) Public Company Limited	114	102
Goodyear Dalian Tire Company Limited	62	60
Goodyear SA R&D (Luxembourg)	57	43
Goodyear & Dunlop Tyres (Australia) Pty Limited	45	20
Payment for deputation of employees		
Goodyear Dunlop Tires France	-	168
Goodyear Marketing & Sales SDN Bhd	209	51
Goodyear Dunlop Tires Operations SA	-	6
Sale of raw materials and spare parts and other charges		
Goodyear South Asia Tyres Private Limited	115	717
Expenses recovered from related parties		
Goodyear SA (Luxembourg)	21	-
Goodyear Marketing & Sales SDN Bhd	-	1
Goodyear Singapore Tyres	61	35
Goodyear South Asia Tyres Private Limited *	254	244
Goodyear SA R&D (Luxembourg)	24	14
Others	9	5

* Net of reimbursement Rs. 60 (Rs. 27)

	For the year ended Dec 31, 2013 (Rs.' lakhs)	For the year ended Dec 31, 2012 (Rs.' lakhs)
Reimbursement of expenses to related parties		
Goodyear (Thailand) Public Company Limited	1	5
PT. Goodyear Indonesia TBK	-	10
Goodyear Marketing & Sales SDN Bhd	8	3
Others	4	4
Reimbursement of product warranty claim to related parties		
Goodyear Singapore Tyres	-	16
Goodyear & Dunlop Tyres (Australia) Pty Limited	-	45
Goodyear Dunlop Tires Germany	-	9
Sale of capital items		
Goodyear South Asia Tyres Private Limited	-	5
Job work charges received		
Goodyear South Asia Tyres Private Limited	-	114
Key management personnel :		
Remuneration paid to key management personnel		
Mr Rajeev Anand	459	319
Mr Yashwant Singh Yadav	218	163
Mr Mark C Ravunni	419*	137
Mr Jean Philippe Lecerf	-	352
* The above does not include Rs. 36 lakhs pertaining to incentive for 2012 which was paid in 2013.		
iii) Balances outstanding as at the year end :		
Ultimate holding company :		
Trade Payables	1,445	1,940
Other Receivables	4	16
Fellow subsidiaries :		
Trade Payables		
Goodyear South Asia Tyres Private Limited	4,261	2,734
Goodyear Dunlop Tires Operations SA	16	39
Goodyear Earthmover Pty Limited	226	143
PT. Goodyear Indonesia Tbk	47	33
Goodyear Dunlop Tires France	389	391
Others	210	142
Trade Receivables		
Goodyear Middle East, FZE	11	65
Goodyear & Dunlop Tyres (Australia) Pty Limited	69	358
Goodyear South Asia Tyres Private Limited	30	26
Goodyear International Corporation	105	29
Others	8	-
Other Receivables		
Goodyear South Asia Tyres Private Limited	88	86
Goodyear Singapore Tyres	169	91
Goodyear (Thailand) Public Company Limited	27	29
PT. Goodyear Indonesia Tbk	-	3
Others	87	47

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

(Rs.’ lakhs)

Description		Balance as at Jan 1, 2013	Additions during the year	Utilized/ Reversed during the year	Balance as at Dec 31, 2013	Current	Non-current
(i)	Replacement loss (a)	146 (323)	- -	42 # (177)#	104 (146)	83 (117)	21 (29)
	Others (b)						
(i)	Customs/excise litigation matters	412 (394)	- (42)	51 (24)	361 (412)	- (42)	361 (370)
(ii)	Sales tax litigation matters	215 (227)	7 -	7 (12)	215 (215)	- -	215** (215)**
	Total (b)	627 (621)	7 (42)	58 (36)	576 (627)	- (42)	576 (585)
	Total (a) + (b)	773 (944)	7 (42)	100 (213)	680 (773)	83 (159)	597 (614)

Net of additions during the year.

**Disclosed as under in note ‘7’ (Long-Term Provisions) and note ‘12’ (Long-Term Loans and Advances) respectively :

Description	Long-Term Provisions		Long-Term Loans and Advances		Total	
	Dec 31, 2013 (Rs.’ lakhs)	Dec 31, 2012 (Rs.’ lakhs)	Dec 31, 2013 (Rs.’ lakhs)	Dec 31, 2012 (Rs.’ lakhs)	Dec 31, 2013 (Rs.’ lakhs)	Dec 31, 2012 (Rs.’ lakhs)
Gross provision	167	167	48	48	215	215
Payments under protest	(110)	(106)	(174)	(144)	(284)	(250)
Net provision/(advance tax)	57	61	(126)	(96)	(69)	(35)

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.

(33) 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 and certain vehicles, the schedule of future minimum lease payment which is set out below :

Particulars	Dec 31, 2013 (Rs.’ lakhs)	Dec 31, 2012 (Rs.’ lakhs)
Not later than one year	345	287
Later than one year but not later than five years	1,149	1,190
Later than 5 years	-	240
Total	1,494	1,717

	For the year ended Dec 31, 2013 (Rs.' lakhs)	For the year ended Dec 31, 2012 (Rs.' lakhs)
(34) CIF value of imports		
Raw materials	22,615	20,282
Stores and spare parts	34	21
Capital goods	555	356
	23,204	20,659
(35) Expenditure in foreign currency		
Import of finished goods	2,030	1,286
Commission on exports	2	13
Travelling	42	41
Trade mark fees	1,182	1,120
Regional service charges	4,589	4,316
Payment for deputation of employees	221	439
Other expenses	44	230
	8,110	7,445
(36) Dividend remitted in foreign currency		
(i) Number of non-resident shareholder	1	1
(ii) Number of shares held by such non-resident shareholder	17,069,215	17,069,215
(iii) Dividend paid during the year	1,195	1,195
(iv) Year to which the dividends relate to	2012	2011
(37) Earnings in foreign currency		
FOB value of goods exported	2,318	3,877
Recovery for deputation of employees	742	485
Reimbursement of expenses by related parties	118	58
	3,178	4,420

	For the year ended Dec 31, 2013 (Rs.' lakhs)	%	For the year ended Dec 31, 2012 (Rs.' lakhs)	%
(38) Consumption of raw materials, stores and spare parts :				
Raw materials				
Imported	25,905	35.1	21,865	26.8
Indigenous	47,832	64.9	59,750	73.2
	73,737		81,615	
Stores and spare parts				
Imported	14	2.6	12	2.8
Indigenous	532	97.4	414	97.2
	546		426	

(39) Particulars of unhedged foreign currency exposures :

Particulars	Currency	As at Dec 31, 2013		As at Dec 31, 2012	
		(Foreign Currency' lakhs)	(Rs.' lakhs)	(Foreign Currency' lakhs)	(Rs.' lakhs)
Trade and other payables	USD	92.4	5,712	78.5	4,318
	EURO	4.8	406	6.0	436
	JPY	385.7	226	226.7	143
	AUD	-	-	0.8	45
Trade and other receivables	USD	9.4	581	23.1	1,268

- (40) The management is of the opinion that its international transactions with associated enterprises have been undertaken at arm's 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, 2013 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.
- (41) Disclosures under the Micro, Small and Medium Enterprises 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 :
- i) Delayed payments due as at the end of accounting year on account of principal - Rs. Nil (Rs. Nil) and Interest due thereon - Rs. Nil (Rs. Nil)
 - ii) Total interest paid on all delayed payments during the year under the provisions of the Act - Rs. Nil (Rs. Nil)
 - iii) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act - Rs. Nil (Rs. Nil)
 - iv) Interest accrued but not due - Rs. Nil (Rs. Nil)
 - v) Total interest due but not paid - Rs. Nil (Rs. Nil)
- (42) In accordance with AS-15 (revised) "Employee Benefits", the Company has calculated the various benefits provided to employees as under :
- A. Defined Contribution Plans**
- a) Superannuation Fund
 - b) Employee's State Insurance (State Plan)
 - c) Employee's Pension Scheme 1995 (State plan)

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss :

	For the year ended Dec 31, 2013 (Rs.' lakhs)	For the year ended Dec 31, 2012 (Rs.' lakhs)
Employer's contribution to Superannuation Fund *	26	56
Employer's contribution to Employee's State Insurance (State Plan)	6	12
Employer's contribution to Employee's Pension Scheme 1995 (State Plan) *	85	83

* Included in 'Contribution to provident and other funds' under Employee Benefits Expense (Refer note '27').

C. Defined Benefit Plans

- a) Gratuity
- b) Provident Fund

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:

Particulars	Gratuity		Head Office Provident Fund Trust		Factory Provident Fund Trust	
	For the year ended		For the year ended		For the year ended	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Expected statutory interest rate on the fund	N.A.	N.A.	8.75%	8.50%	8.75%	8.50%
Discount rate (per annum)	8.75%	8.40%	8.75%	8.50%	8.75%	8.50%
Rate of increase in compensation level	5.75%	5.50%	N.A.	N.A.	N.A.	N.A.
Expected shortfall in interest earnings of fund	N.A.	N.A.	0.05%	0.05%	0.05%	0.05%

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

(Rs.' lakhs)

Particulars	Gratuity		Head Office Provident Fund Trust		Factory Provident Fund Trust	
	For the year ended		For the year ended		For the year ended	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Present value obligation as at beginning of the year	1,252	1,127	1,654	1,417	3,677	3,644
Interest cost	105	94	145	120	322	310
Current service cost	91	81	167	149	141	133
Contribution by employees	N.A.	N.A.	179	146	312	278
Benefits paid	(172)	(181)	(181)	(205)	(445)	(653)
Actuarial (gain) / loss on obligations	35	131	(26)	(28)	(73)	(35)
Settlements / Transfer in	-	-	254	55	-	-
Present value obligation as at end of the year	1,311	1,252	2,192	1,654	3,934	3,677

Liability for Gratuity is not funded. Fair value of plan assets in respect of Provident Fund administered by the Trusts is as under :

Particulars	Head Office Provident Fund Trust		Factory Provident Fund Trust	
	As at Dec 31, 2013	As at Dec 31, 2012	As at Dec 31, 2013	As at Dec 31, 2012
Balance as at the beginning of the year	1,596	1,315	3,696	3,644
Expected return on plan asset	139	113	323	310
Employer contribution	167	149	141	133
Plan participants / employee contribution	179	146	312	278
Benefits paid	(181)	(205)	(445)	(653)
Asset gain/(loss)	1	23	(19)	(16)
Settlements/transfer in	254	55	-	-
Balance as at the end of the year	2,155	1,596	4,008	3,696
Actual return on plan assets	144	119	303	296

Amount of the obligation recognized in the Balance Sheet :

(Rs.' lakhs)

Particulars	Gratuity		Head Office Provident Fund Trust		Factory Provident Fund Trust	
	As at Dec 31, 2013	As at Dec 31, 2012	As at Dec 31, 2013	As at Dec 31, 2012	As at Dec 31, 2013	As at Dec 31, 2012
Present value of obligation as at year end	1,311	1,252	2,192	1,654	3,934	3,677
Fair value of plan assets as at year end	-	-	2,155	1,596	4,008	3,696
Liability recognized in the Balance Sheet						
- Current	151	186	37	58	-	-
- Non-Current	1,160	1,066	-	-	-	-

Amounts recognized in current year and previous four years :

(Rs.' lakhs)

Gratuity	As at Dec 31, 2013	As at Dec 31, 2012	As at Dec 31, 2011	As at Dec 31, 2010	As at Dec 31, 2009
Present value of obligation as at year end	1,311	1,252	1,127	1,020	960
Fair value of plan assets as at year end	-	-	-	-	-
Surplus/(Deficit)	(1,311)	(1,252)	(1,127)	(1,020)	(960)
Experience Adjustment on plan liabilities (loss)/gain	(7)	(70)	(77)	(30)	(23)

(Rs.' lakhs)

Provident Fund *	Head Office Provident Fund Trust			Factory Provident Fund Trust		
	As at Dec 31, 2013	As at Dec 31, 2012	As at Dec 31, 2011	As at Dec 31, 2013	As at Dec 31, 2012	As at Dec 31, 2011
Present value of obligation as at year end	2,192	1,654	1,417	3,934	3,677	3,644
Fair value of plan assets as at year end	2,155	1,596	1,315	4,008	3,696	3,644
Surplus/(Deficit)	(37)	(58)	(102)	74	19	-

*In respect of Provident Fund, since the disclosure requirements are effective March 31, 2012, the comparative figures for Dec 31, 2010 and Dec 31, 2009 are not available.

Major category of plan assets as percentage of total plan assets :

Sl. No.	Type of Securities	Head Office Provident Fund Trust		Factory Provident Fund Trust	
		As at Dec 31, 2013	As at Dec 31, 2012	As at Dec 31, 2013	As at Dec 31, 2012
a)	Government of India Securities	23%	21%	9%	8%
b)	State Government Securities	18%	18%	7%	12%
c)	High Quality Corporate Bonds	34%	29%	34%	26%
d)	Equity Shares of listed companies	7%	7%	-	-
e)	Property	-	-	-	-
f)	Special Deposit Scheme	14%	20%	50%	54%
g)	Funds Managed by Insurer	4%	5%	-	-
	Total	100%	100%	100%	100%

Expenses recognized in Statement of Profit and Loss :

(Rs 'lakhs)

Particulars	Gratuity **		Head Office Provident Fund Trust		Factory Provident Fund Trust	
	For the year ended		For the year ended		For the year ended	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Current service cost	91	81	167	149	141	133
Interest cost	105	94	145	120	322	310
Expected Return on Plan Assets	N.A.	N.A.	(139)	(113)	(323)	(310)
Net Actuarial (gain) / loss recognized during the year	35	131	(31)	(35)	(52)	(20)
Total expense recognized in the Statement of Profit and Loss	231	306	142	121	88	113

** Gratuity is included under Employee Benefits Expenses (Refer note '27').

Best estimate of contribution during next year for Gratuity is Rs. 248 lakhs (Rs. 239 lakhs).

- (43) The Goodyear Tire & Rubber Company, Akron, Ohio, USA (Ultimate holding company) has various 'non - qualified stock appreciation rights plan' (SARs) whereby certain employees of its subsidiaries are granted cash-settled SARs. These SARs entitles the holder to receive cash payout equivalent to the fair market value of the underlying shares on the date of exercise as reduced by the designated exercise price of SARs. The eligible employees do not receive / own shares directly / as a beneficiary at any point of time under the SARs. The said SARs generally have a graded vesting period of four years. Once a SAR vests, an employee can exercise it at any time prior to its expiration. The cost related to these SARs exercised by the employees of Goodyear India Limited ('Company') is accounted for in the books of the Company. Accordingly, a sum of Rs. 72 lakhs (Rs. Nil) has been included under Employee Benefits Expense (Refer note '27').
- (44) Stock and book debts are subject to a maximum charge of Rs. 3,500 lakhs (Rs. 3,500 lakhs) for all credit facilities/guarantees sanctioned by BNP Paribas Bank.
- (45) Previous year figures have been regrouped and recasted, wherever necessary, to conform to the current year's classification.

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Rajeev Anand
Vice Chairman &
Managing Director

Yashwant Singh Yadav
Director

Avijit Mukerji
Partner
Membership Number: 056155

R V Gupta
Director

C Dasgupta
Director

Rajiv Lochan Jain
Director

Mark C Ravunni
Chief Financial Officer

Place: New Delhi
Date: February 27, 2014

Pankaj Gupta
Company Secretary

GOODYEAR
One Revolution Ahead

GOODYEAR
One Revolution Ahead



Goodyear India Limited

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