



**PARTNER IN  
CREATING  
VALUE**





**GOOD YEAR**

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# Message from the MD

Dear Shareholders,

Your company has built great positive momentum in recent years, and has continued it during 2014 through focus on delivering key consumer value propositions such as product revitalization, improving customer reach, effective key account management, and operational excellence.

Your company's farm tyre business in the year 2014 did witness softness in demand on account of erratic weather conditions that impacted two consecutive crops (the Kharif crop and Rabi crop). This also impacted our OE customers' domestic tractor sales, which witnessed a decline of 8.3 percent from April to December 2014.

Your company responded to the headwinds faced in of farm business by adopting a multifaceted approach in the form of a continued focus on internal cost efficiency, driving growth in the replacement channel by leveraging its strong OE presence, and channel expansion initiatives. Your company has also scaled up exports to the Asia Pacific region, including commencing commercial and grader tyre manufacturing to optimize plant capacity and maximize business profitability.

In the year 2014, your company was ably supported by a remarkable performance in its consumer tyre business in the passenger car segment. This business unit registered strong growth in the replacement market, attaining an improvement in share of market. This was achieved in the face of challenging market conditions and intense competitive pressures. Your company continues to remain a significant player and one of the preferred global brands in the consumer replacement segment.

Moderation in global commodity prices and a fall in domestic fuel costs have contributed to a decline in Consumer Price Index (CPI) inflation, adding to the positive outlook for 2015-16. The revised methodology of computing Gross Domestic Product (GDP) and the resultant revised growth numbers also augurs well for the India story moving forward. Continuation on the reforms path, with measures to boost industry and consumer sentiments, is likely to ensure ongoing momentum.

In 2015-16, your company will continue with its strong commitment of partnering with its stakeholders across the value chain to build success. New product launches in both the farm and consumer businesses (like the recently launched and award-winning Goodyear Assurance TripleMax) will be the key to driving and creating value for our customers and our dealer fraternity through a revitalized product portfolio. The considerable investments made in 2014 in expanding and building new channel capabilities will also continue to be at the forefront of our efforts to grow our consumer tyre business. New prospects in the form of developing our retail presence are also being worked on to build the growth pipelines for the future.

Over the past few years, your company has been aggressively looking at creating value for both shareholders and customers through an absolute focus on performance, and a strong culture of robust corporate governance and values. Additionally, your company is contributing to the community through investing in Corporate Social Responsibility (CSR) initiatives. Further developing our CSR program will be a key initiative for your company in the year 2015-16.

Creating value for our partners is a driving force for your company and will continue to guide our growth efforts for the year 2015-16. I would like to take this opportunity to thank all of our valued investors for their continued support and the trust you have shown in the company.

I would also like to acknowledge all of my colleagues and the channel partners at Goodyear India, who remain our key strength, for their commitment shown towards your company.

I wish all our investors and stakeholders a happy and prosperous year ahead!

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

# Board of Directors



## **DANIEL LAWRENCE SMYTKA (Dan Smytka)**

Chairman (DIN:05139358)

Mr. Dan Smytka is president of The Goodyear Tire & Rubber 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 tire business. Prior to joining Goodyear, Mr. 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 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 from the University of Memphis. He received bachelor's degrees with dual majors in business economics and psychology from Creighton University.

Born May 21, 1962 in Detroit, Michigan, Mr. Smytka currently lives in Shanghai, China.

Goodyear is one of the world's largest tire companies. It employs approximately 67,000 people and manufactures its products in 50 facilities in 22 countries around the world.



## **RAJEEV ANAND**

Vice Chairman & Managing Director (DIN:02519876)

Mr. Rajeev Anand has been associated with Goodyear for over 34 years in various executive capacities. For almost 28 years, he held diverse leadership positions in Manufacturing both at India and Asia Pacific level. He was appointed as Vice Chairman & whole time Managing Director in 2009. Prior to this he held the position of Chief Operations Officer.



## **R V GUPTA**

Director (DIN:00017410)

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



## C DASGUPTA

Director (DIN:00381799)

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



## YASHWANT SINGH YADAV

Director – HR & Corporate Affairs (DIN:03288600)

Mr. Yashwant Singh Yadav, aged 56 years, is a Bachelor in Law and an MBA with specialization in Human Resources. He has more than 36 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.



## SUDHA RAVI

Director (DIN:06764496)

Ms. Sudha Ravi is presently Executive Director, Piramal Fund Management Pvt Ltd. (PFMPL) and CEO of Piramal Finance P Limited. She is currently Chairperson of National Council on NBFCs of ASSOCHAM. Prior to joining Piramal Group, Ms Ravi was with **State Bank of India** for over 30 years. Working across varied functional areas at the Bank, including International, Corporate, Retail and Rural banking has given Ms. Ravi a wide-ranging perspective on the financial sector and business strategy. Ms. Ravi has held key positions as General Manager, Enterprise Risk Management, Chief Representative, Washington DC, USA. Ms Ravi has received recognition(s)/plaques presented by the Indian Associations in USA jointly for outstanding contribution in the sphere of banking for the community in DC.



## 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 LLP  
Firm Registration Number: 007567S/ S-200012  
(formerly 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

## Boards' / Directors' Report

Dear Member,

Your Directors are delighted to present the report on the business and operations of the Company for the year ended December 31, 2014:

### 1. THE COMPANIES ACT, 2013

The Ministry of Corporate Affairs ("MCA") has notified 282 sections of the Companies Act, 2013 in tranches in September 2013 and March 2014 with majority of the sections as well as rules being notified in March 2014. The Companies Act, 1956 continues to be in force to the extent of the corresponding provisions of the Companies Act, 2013, which are yet to be notified. MCA vide its Circular dated April 4, 2014 has clarified that the financial statements (and documents attached thereto), auditors' report and Board's report in respect of financial years that commenced earlier than 1<sup>st</sup> April, 2014 shall be governed by the relevant provisions/Schedules/rules of the Companies Act, 1956. Accordingly the Company has prepared this Board's Report in accordance with the provisions of the Companies Act, 1956, however, the Company has made such disclosures under the Companies Act 2013, as considered appropriate.

### 2. FINANCIAL SUMMARY

A brief summary of the audited financials of the Company for the year ended December 31, 2014 is as follows:

	(Rs. In Lakhs)	
Particulars	2014	2013
<b>Total Sales &amp; Other Income</b>	174,061	173,611
Less: Excise Duty	12,962	13,717
<b>Net Sales &amp; Other Income</b>	<b>161,099</b>	<b>159,894</b>
Less: Total Expenditure Excluding Interest & Depreciation	142,556	142,968
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>18,543</b>	<b>16,926</b>
Less: i) Finance Cost	341	216
ii) Depreciation	2,851	2,518
<b>Profit before Tax</b>	<b>15,351</b>	<b>14,192</b>
Less: Provision for Taxation:		
Current Tax	5,164	4,604
Deferred Tax	63	181
<b>Profit after Tax</b>	<b>10,124</b>	<b>9,407</b>

Except, as disclosed elsewhere in the Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the financial year and the date of this Report.

### 3. DIVIDEND

Your Board recommends a dividend @ Rs 10 per equity share for the year 2014. The recommended dividend will absorb a sum of Rs. 2307 lakhs and tax on dividend will be Rs. 472 lakhs. Out of the surplus, an amount of Rs. 1020 lakhs is transferred to General Reserve and balance carried to the Balance Sheet as at December 31, 2014 is Rs. 6325 lakhs.

### 4. OPERATIONS

The Company manufactures automotive bias tyres viz. farm tyres and commercial truck tyres at its Ballabgarh plant and also trades in "Goodyear" branded tyres [including radial passenger 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, flaps and Radial OTR imported tyres.

The sales performance during the year is as follows:

	(Rs. in Lakhs)
Tyres	161,200
Flaps	51
Tubes	9,626

Your Company feels proud to have been awarded "Business Partner of the Year Award" from Mahindra & Mahindra (M&M). This is the highest level award for any supplier bestowed by M&M.

Your Company has been conferred second consecutive global recognition as a Partner-level supplier by John Deere. This is also the highest level global award in their achieving excellence program. 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.

Your Company has been re-certified as being a Class A S&OP (Sales and Operations Planning) 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.

This year also saw the introduction of Assurance Triple Max tyres catering to the need of consumers who are looking for safety (braking ability being a key driver) as a key requirement from their tyres. We have also strengthened our presence and portfolio in SUV segment with launch of Wrangler ATSA tyres. In our Consumer business we have been able to increase contribution from higher rim sizes, thereby improving overall profitability and adding market share.

### 5. FINANCE AND ACCOUNTS

During the year, additions to fixed assets amounted to Rs. 5,855 lakhs as against Rs. 3,807 lakhs in the previous year. The Capital expenditure incurred amounted to Rs.4,120 lakhs. The interest and other finance cost during the year was Rs. 341 lakhs.

As of the end of December 2014, 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.

## 6. 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) Hard copy of Abridged Annual Report containing the salient features of all the documents, as prescribed in 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 2014. A Full version of the Annual Report will be available on Company's website [www.goodyear.co.in](http://www.goodyear.co.in) and will also be made available to investors upon request.

## 7. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134 (3) (c) OF COMPANIES ACT, 2013<sup>1</sup> CORRESPONDING TO SECTION 217 (2AA) OF COMPANIES ACT, 1956 READ WITH CLAUSE 49 (III) (D) (4) (A) OF LISTING AGREEMENT

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 Price Waterhouse & Co., Bangalore LLP (FRN: 007567S/S-200012). A reference may be made to their report dated February 27, 2015 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 applicable laws for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The internal control system including internal financial controls of the Company is monitored by an independent internal audit team, which encompasses examination/periodic reviews to ascertain adequacy of internal controls and compliance to 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 periodically.

## 8. FUTURE OUTLOOK

Indian tractor penetration still lags behind the global average (19 vs. 21 per 1000 hectares) (*Source: CRISIL Research 2013*). Tractor growth in India is likely to remain robust in future. With the current shortage of labor, there is an increasing trend towards mechanization, which will boost the tractor demand in the future. Mid term outlook seems positive with better winter crop expected leading to better disposable income. Long term outlook remains robust based on industry and macro trends (*Source: CRISIL Research 2015*).

The passenger tyre industry is likely to register a modest recovery in the year 2015. Your Company will continue to work closely with OEMs for the introduction of new products from their dealerships. We shall also be focusing on increasing distribution reach and presence in branded retail segment in the market.

## 9. DIRECTORS

Mr Daniel Lawrence Smytka, Chairman is retiring by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for reappointment. The information relating to his reappointment is also appearing under the head 'Directors' in the Corporate Governance Report.

The Board of Directors, at its meeting held on June 6, 2014, had appointed Ms Sudha Ravi as an Additional Director in the capacity of an Independent Director of the Company with effect from June 7 2014. The Board at its Meeting held on November 5, 2014 also proposed the re – appointment of its existing Independent Directors Mr Ravi Vira Gupta and Mr. C Dasgupta in terms of the Companies Act, 2013. The said appointment of Ms Sudha Ravi and reappointment of existing Independent Directors is being proposed for approval of Members via postal ballot notice dated January 16, 2015, the results of which will be announced on March 12, 2015. The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

During the year ended on December 31, 2014, Five (5) Board Meetings were held on February 27, 2014, May 15, 2014, June 6, 2014, July 30, 2014 and November 5, 2014.

<sup>1</sup>Clause 49 (III) (D) (4) (A) of the Listing Agreement mandates that Director's Responsibility Statement shall include matters required as per Section 134(3)(c) of the Companies Act, 2013

The details regarding Company's remuneration policy, evaluation of Board and the Directors is mentioned in the Corporate Governance Report forming part of this Director's Report.

#### 10. CHANGE IN FINANCIAL YEAR

In compliance of applicable provisions of the Companies Act 2013, read with rules made thereunder, as amended, the Board of Directors of your Company at its meeting held on February 27, 2015 approved the change of the Financial Year from (January 1 to December 31) to (April 1 to March 31). In view of the above, for the first year of implementation, the Financial Year would be from January 1, 2015 to March 31, 2016 (i.e. 15 months) and thereafter, would be effective April 1 of that year to March 31 of next year.

#### 11. STATUTORY AUDITORS

M/s. Price Waterhouse & Co., Bangalore LLP (FRN: 007567S/ S-200012) [(formerly Price Waterhouse & Co., Bangalore, Firm Registration Number: 007567S)], the Statutory Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment as Statutory Auditors for Financial Year 2015-16 (15 Months) and to hold office till the conclusion of next Annual General Meeting to be held in the year 2016. In view of the above, a "written consent" and a "Certificate" to act as an auditor of the Company for a period beginning the date of ensuing Annual General Meeting till the conclusion of Annual General Meeting for the year ending on March 31, 2016 subject to the compliance of Section 139 of Companies Act, 2013 and other applicable provisions of the Act and Rules, as amended, has been received from M/s. Price Waterhouse & Co., Bangalore LLP (FRN: 007567S/ S-200012).

#### 12. 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, 2014. The due date for filing of the cost audit report with the Ministry of Corporate Affairs (MCA) for the year ended December 31, 2013 was June 29, 2014. The said report was filed on June 25, 2014.

Based on the recommendation of audit committee, M/s Vijender Sharma & Co., Cost Accountants, being eligible, have also been appointed by the Board as the Cost Auditors of the Company for the Financial Year 2015-16 subject to ratification of remuneration by the Members. The Company has received a letter from them to the effect that their re-appointment would be within the limits prescribed under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of section 141 of the Companies Act, 2013.

#### 13. 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.

In terms of Clause 49 (II)(F)(3) of Listing Agreement, the Company has formulated its whistle blower policy, the detail

of which is mentioned in the Corporate Governance Report under the head Disclosures. The Corporate Governance also includes details of the various Committees of the Board.

#### 14. HUMAN RESOURCES

Industrial harmony was maintained during the year through cordial and productive employee relations. The Collective Bargaining Agreement (CBA) effective May 1, 2014 and valid till April 30, 2017 was under discussions with the Union and a Memorandum of Understanding (MoU) was reached with the Union on January 03, 2015. A formal tripartite settlement was signed before the Deputy Labour Commissioner, Faridabad, Haryana on February 05, 2015. This new settlement will help the Ballabgarh factory to improve productivity and operational efficiencies, which will offset the cost of the CBA. High priority was given by the management to training and development related to ethics and compliance, discipline, safety of the employees and environmental awareness. The total number of salaried and hourly paid associates, as of December 31, 2014, stood at 905.

The statement of particulars of the employees of the Company, pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forming part of this Report as Annexure 'A'.

In terms of the applicable provisions of the Companies Act, 2013, the abridged Annual Report has been sent to the shareholders excluding this annexure.

#### 15. 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, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in a separate Annexure 'B' and forming part of this report.

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

None

#### 17. 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

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

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

New Delhi  
February 27, 2015

# Annexure A to the Directors' Report -2014

Statement of particulars of Employees pursuant to the provisions of section 217 (2A) of the companies Act ,1956

## Employed throughout the year

Name of Employee	Age	Designation / Nature of duties	Remuneration received (Rs)	Qualification	Experience (Years)	Date of Joining	Last Employment Held	
							Company	Designation
Rajeev Anand <sup>^</sup>	54	Vice Chairman & Managing Director	47152811	Diploma Mech. Engg.	33	01.01.1982		
Anuj Thakar	43	Associate Director - Farm OE Sales	6002141	BE (Mechanical) from Delhi College of Engineering (Delhi University)	19	31.07.2009	JCB India Ltd [Worked with Mesto Mineral (India) Pvt. Ltd. for a brief period of 46 days, before joining Goodyear India Limited]	DGM - Parts Sales and Marketing [After Market-Sales Head, Construction Business Line]
Hundal Sarabjit Singh*	54	Manufacturing Director - Thailand	12487848	M.S., Chemistry (University of Bombay), Advanced Course in Management (IIM, Ahmedabad), AMP (ISB, Hyderabad)	29	15.11.2010	CEAT Ltd.	VP-Manufacturing
Jenender Anand	45	Head - 4S & Fleet sales	6353370	BSc. (Delhi University), MBA (Delhi University)	24	09.09.2013	ExxonMobil Lubricants	National Manager Automotive Lubricants
K Banerjee*	57	Sr Program Manager. Responsible for AP PMO	7115236	B. Tech (Mechanical Engineering), Mysore University, Mangalore	34	04.10.1993	ICI India Ltd	Captive Power Plant Manager
Mark Chandran Ravunni	47	Chief Financial Officer	46137393	Masters in International Business Management (St. George International University (USA)), ACCA (The Chartered Association of Certified Accountants (UK),	24	16.07.2012	Goodyear Thailand Public Ltd. Co.	Finance Director
P. K. Walia	52	Vice President - Consumer PBU	18020116	MBA, The University of Chicago - Booth School of Business	30	01.08.1984		
Pankaj Gupta	41	Head - Legal & Company Secretary	6686342	B. Com. (Hons.), FCS, LL.B	17	21.04.2010	Aricent Technologies (Holdings) Ltd.	Sr. Manager (Legal) and Company Secretary
Randeep Singh Kanwar*	40	Consumer PBU Director - ASEAN	7888542	B.Tech, PGDM (Symbiosis Institute of Mgmt Studies)	17	14.11.2011	Assa Abloy India Ltd	Country Head India
Sandeep Mahajan	50	Vice President - Farm, Commercial & OTR PBU	12146983	BE (Mechanical), MBA (Indian Institute of Management, Bangalore)	25	20.06.2012	LG Electronics India Pvt. Ltd.	General Manager - Rural, Brand Shop & Channel Management
Sanjeev Arora	38	Associate Director - Financial Planning & Analysis	6882275	Chartered Accountant	15	21.11.2008	Nokia India Pvt Ltd	Business Controller
Shailendra Jindal	45	Country Head - Taxation	6412916	B Com (H) (Delhi University), Chartered Accountant	19	30.09.2011	Symphony Teleca (previously known as Symphony Services Corporation), Bangalore	Sr. Director - Finance & Taxation
Soumava Laha*	47	Director - Supply Chain Asia Pacific	14277582	Bachelor of Engineering (Mechanical), PGDIM (Operations and Finance), Diploma in Business Finance (ICFAI, Hyderabad)	24	10.10.2007	Valvoline Cummins Ltd.	Asstt. General Manager- Sourcing and Plant Operations
Sujit Guha	49	Director - Supply Chain	9315936	B.Tech (Electrical), IIT Kanpur, PGDBM (IIM, Kolkata)	26	03.06.2013	Britannia Industries Ltd.	General Manager - Replenishment
Sunil Kumar Sharma	43	Associate Director - Marketing (Consumer PBU)	7156387	B.Com., MBA (Jainlal Bajaj Institute of Management Studies, Mumbai)	18	17.12.2013	Abbott TrueCare Pharma	Director, Sales and Marketing
Vipul Sethi	50	Associate Director - Sales Replacement (Consumer PBU)	8847138	BSc. , PGDBM (Bhopal University)	29	05.06.2013	Castrol India Ltd.	General Manager, West and South
Yashwant Singh Yadav <sup>^</sup>	56	Director - Human Resources & Corporate Affairs	22298438	LLB, MBA (University of Rajasthan)	34	12.11.2009	General Motors India Pvt Ltd	Vice President - Human Resources

## Employed for Part of the year

Name of Employee	Age	Designation / Nature of duties	Remuneration received (Rs)	Qualification	Experience (Years)	Date of Joining	Last Employment Held	
							Company	Designation
Akhilesh Sinha	55	Manufacturing Director - Ballabgarh	4918309	B Tech (Mech.) from Indian Institute of Technology, Delhi	30	08.07.2014	Birla Tyres	Chief Operating Officer (Laksar Operations)
Amit Gupta	36	Business Centre Manager	1214570	Diploma-Electrical	17	01.10.1997		
Dinesh Kumar Sukhija	51	Manufacturing Director - Ballabgarh	6312145	Diploma-Mechanical	28	01.05.1986		
Gurkirpal Singh Bedi	49	Head - OTR Business	2285601	BSc, PGDBA	26	29.12.1998	Indag Rubber Ltd	Asstt. Divisional Manager
Manoj Verma	46	Plant Head - Human Resources	597328	B.Sc. (Hon's) in Physics, PG Diploma in Personnel Management & Industrial Relation from XISS, Ranchi	20	03.12.2014	Alstom India Ltd.	HR Projects Manager
Samrat Sehgal	40	Head- Supply Planning, Logistics and Distribution	1581080	B.Tech (Electrical Engineering) from NIT, Kurukshetra, and PGDIM (Eqv to MBA) from NITIE, Mumbai	16	10.11.2014	Reckitt Benckiser	Project Lead- Leapfrog

### Notes:

- Remuneration as shown above includes salaries, bonus, Company's contribution to Provident Fund, Leave Travel, House Rent Allowance, Expenditure incurred on providing Housing, Medical and other facilities.
- Employees named above are/were whole time employees of the Company.
- Conditions of employment provide for termination of services by either party upon giving three month's notice.
- None of the employees named above is a relative of any director.
- Designation of the employees indicates the nature of duties.

<sup>^</sup> Board Member as on December 31, 2014.

\* These associates / employees are being seconded to Goodyear entities outside India.

On behalf of the Board of Directors

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

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

New Delhi  
February 27, 2015

## 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:

- 1) Redesigned – cooling rack fans at banburys 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 tyre building machines.
- 5) Reduction of Wartsila Aux. power consumption.
- 6) SS#4 eliminate to save power consumption.
- 7) Optimization of Wartsila operation.

#### Steam and nitrogen:

- 1) Improved Pet Coke Efficiency through air and fuel ratio.
- 2) Increasing Feed Water Temp by Flash Steam.

- 3) Boiler Conversion from FO to Petcoke.
  - 4) Steam Saving through CP Cylinder and slide pipe.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
- 1) Shifting from 33KVA to 66KVA.
  - 2) Energy efficient pump in Curing.
  - 3) Nitrogen Plant Efficiency Improvement.
  - 4) Centac Compressor efficiency to be improved.
  - 5) Heat losses to be avoid through Insulation.
- c) Impact of the measures at (a) and (b) above for reduction of energy Consumption and consequent impact on the cost of production of goods:
- The above measures contributed to a reduction in energy consumption and quality improvement.
- 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-2014	Year-2013
1) ELECTRICITY (KWH)		
a) PURCHASED		
UNIT (000)	41640	40629
Total Amount (Rs. In Lakhs)	2995	2262
Rs./UNIT	7.19	5.57
b) OWN GENERATION		
Through Generator		
Units (000)	843	1373
Unit/Ltr of Fuel	3.88	3.38
COST/UNIT (Rs.)	57.16	39.92
2) STEAM		
a) HSD/LDO		
Quantity (K.Ltrs)	33	98
Total Amount (Rs. In Lakhs)	18	49
Average Rate (Rs./K.Ltr)	53600	49790
b) Residual Furnace Oil/Furnace Oil		
Quantity (Tonnes)	8	195
Total cost (Rs. In Lakhs)	4	87
Average Rate (Rs./Tonne)	45910	44559
c) Petcoke (For Process Steam)		
Quantity (Tonnes)	11340	10199
Total Cost (Rs. In Lakhs)	1032	868
Average Rate (Rs./Tonne)	9097	8514
3) Nitrogen		
Quantity (cubic meters-000)	1745	1745
Total Cost (Rs. In Lakhs)	155	125
Average Rate (Rs./cubic meter)	8.87	7.15
B Consumption per Tonne of Production		
**Electricity (KWH)	778	773
***FUEL (K.LTRES.-EXCL.NITROGEN GAS)FOR STEAM	0.208	0.199
Nitrogen ( m3)	30.57	12.21

Increased electricity consumption because of new additional load like New Chiller, ETP and cooling towers.

\*\* Low efficiency due to 6 days working in 4<sup>th</sup> Quarter

\*\*\* 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 were carried out by the Company:**

- (i) The Company supports The Goodyear Tire & Rubber Company, Akron, Ohio, USA (“GTRC”) and its Innovation Centers based in Akron and Luxembourg with technical inputs for carrying out R&D activities in specific areas for farm tyres.
- (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 for new product industrialization and new product launches with minimum lead time, as well as for product benchmarking.

**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, and making improvement to the existing range of front and rear farm tyres. This will help the Company meet market demand, exceed customer expectations and to plan new product roadmaps in accordance with future market expectations.

**4. Expenditure on R&D (Rs. in Lakhs)**

a.	Capital	NIL
b.	Recurring	17
c.	Total	17
d.	Total R & D expenditure [As a percentage of total turnover]	0.011%

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

**1. Efforts in brief made towards technology absorption, adaptation and 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 improve 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 the Company’s products.

**(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 adaptations made at Goodyear’s Innovation Centers in Akron and Luxembourg, along with the Company’s inputs, helped the Company to introduce new products and drive market acceptance of the Company’s products.

**3. Imported technology:**

a)	Technology imported	Radial farm tyre Bias farm tubeless tyre (IPR lies with GTRC)
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 the future, technology will be required 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 2014 — Australia, Nepal, Bangladesh, Chile, Egypt, Germany, Guatemala, Japan, Kenya, Mexico, New Zealand, Nicaragua, Pakistan, Peru, Sri Lanka, Philippines, Qatar, Singapore, Uruguay, United Arab Emirates, United States of America, Vietnam.

**g) Foreign Exchange (Rs. in ‘Lakhs’)**

Total foreign exchange used and earned :

Year	Earned		Used (Rs in ‘Lakhs’)			
	Export (FOB)	Others	Import (CIF)			
			Capital Goods	Stores & Spares	Raw Material	Others
2014	1,729	582	1,494	73	22,298	12,488

On behalf of the Board of Directors

	<b>Rajeev Anand</b> Vice Chairman & Managing Director (DIN: 02519876)	<b>R V Gupta</b> Director (DIN: 00017410)
New Delhi February 27, 2015		

## Report on Corporate Governance as on December 31, 2014

### 1. (i) Company's Philosophy on Code of Governance

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

The Company's corporate governance practices and disclosures are in compliance of the requirements placed under Clause 49 of the Listing Agreement, as amended ("Clause 49").

### (ii) Code of Conduct

In terms of the requirement of clause 49(II)(E) of the Listing Agreement & Section 149(8) read with Schedule IV of the Companies Act, 2013, the Board of Directors of the Company, in line with the Corporate Philosophy, laid down the Code of Conduct ("Code") for all Board Members and Senior Management of the Company. The Code is displayed at the Company's website [www.goodyear.co.in](http://www.goodyear.co.in) (in investor relation section). As required, a declaration duly signed by the Vice Chairman & Managing Director regarding affirmation of compliance with the Code of Conduct is attached as Annexure-A.

### 2. Board of Directors

(i) In compliance with Clause 49, the details of composition and category of the Board of Directors of the Company as on December 31, 2014 is given below:

Name and Designation	Category (i.e. Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee Director)	Number of Board Meetings of the Company		*Number of other Boards in which he / she is a Director or Chairperson	**Number of other Board Committee(s) in which he / she is a Member or Chairperson	Attendance at the last AGM
		Held during the year	Attended during the year			
Daniel Lawrence Smytka, Chairman	Promoter Non-Executive	5	1	NONE	NONE	NO
Rajeev Anand, Vice Chairman & Managing Director	Executive	5	5	NONE	NONE	YES
Yashwant Singh Yadav, Director- HR & Corporate Affairs	Executive	5	5	NONE	NONE	YES
Ravi Vira Gupta, Director	Independent Non-Executive	5	4	5	4 (including 2 as Chairman)	YES
C Dasgupta, Director	Independent Non-Executive	5	3	NONE	NONE	NO
Sudha Ravi Director (appointed effective June 7, 2014 as additional director)	Independent Non-Executive	5 (2 after her appointment)	2	NONE	NONE	NOT APPLICABLE
<b>Ceased to be Director</b>						
Rajiv Lochan Jain, Director (Resigned effective June 7, 2014)	Independent Non-Executive	5 (3 during his tenure)	3	NA	NA	YES

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

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

- (ii) During the year ended on December 31, 2014, Five (5) Board Meetings were held on February 27, 2014, May 15, 2014, June 6, 2014, July 30, 2014 and November 5, 2014.
- (iii) In addition to the above a Separate Meeting of the Independent Directors (attended by Mr Ravi Vira Gupta, Mr C Dasgupta and Ms Sudha Ravi) was held on November 5, 2014 to discuss the agenda as prescribed under Clause 49(II)(B)(6)(b).
- (iv) Terms and conditions of appointment of Independent Director(s) is also available at the Company's website at [www.goodyear.co.in](http://www.goodyear.co.in) (in investor relation section).

### 3. 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. It was reconstituted as per section 177 of the Companies Act, 2013 read with rules made thereunder and Clause 49, as amended, by the Board of Directors in its meeting held on June 6, 2014 to act in accordance with the terms of reference as provided under applicable laws and as may be specified by Board from time to time. The role of the audit committee *inter alia* includes the following (i) oversight of the Company's financial reporting process and disclosure of financial information's (ii) recommendation to the Board of appointment, remuneration etc. of auditors (iii) review of financial statement and auditor's report (iv) discussion with statutory auditors of the Company about their findings, observations, suggestions, scope of audit etc. (v) review of internal control systems and accounting policies followed by the Company (vi) review of the financial statements with the management before their submission to the Board for approval etc. In addition to the above, audit committee carries out all such other functions as provided under applicable laws and specified by the Board of Directors from time to time.

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

Mr Ravi Vira Gupta, an Independent Non-Executive Director is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

During the year ending December 31, 2014, the Audit Committee meetings were held on February 27, 2014, May 15, 2014, June 6, 2014, July 30, 2014 and November 5, 2014.

#### Attendance at Audit Committee Meetings:

Name of the Member	No. of Meetings Attended
Mr. Ravi Vira Gupta	4
Mr. C Dasgupta	3
Ms. Sudha Ravi (appointed effective June 7, 2014 as additional director)	2 (2 held after her appointment)
Mr. Rajeev Anand	5
<b>Ceased to be Member</b>	
Mr. Rajiv Lochan Jain (Resigned effective June 7, 2014)	3 (3 held during his tenure)

In addition to the abovementioned meetings, a meeting of audit committee was held on December 11, 2014, which was

attended by all the independent directors and the statutory auditor of the Company.

### 4. Nomination and Remuneration Committee (NRC)

As per section 178 of the Companies Act, 2013 and rules made thereunder and Clause 49 (effective October 1, 2014), the Board constituted the Nomination and Remuneration Committee ("NRC") by approving the NRC Constitution Charter in its meeting held on July 30, 2014. The said Charter captures all the terms of reference as required under applicable laws. The terms of the reference of the NRC *inter alia*, includes the following: (i) selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning; (ii) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders; (iii) Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board; (iv) Monitoring and reviewing Board Evaluation framework; (v) Direct access to the officers and advisors, both external and internal, and to have authority to seek external independent professional advice, as it may need from time to time, for the effective implementation of its responsibilities. In addition to the above, NRC will carry out all such other functions as provided under applicable laws and specified by the Board of Directors from time to time.

The current NRC of your Company consists of three directors, namely, Ms. Sudha Ravi & Mr. Ravi Vira Gupta, Independent Directors(s) and Mr. Daniel Lawrence Smytka, Chairman of the Company and a Promoter Non – Executive Director.

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

During the year ending December 31, 2014, one NRC meeting was held on November 5, 2014.

#### Attendance at NRC Meeting(s):

Name of the Member	No. of Meetings Attended
Ms. Sudha Ravi	1
Mr. Ravi Vira Gupta	1
Mr. Daniel Lawrence Smytka	None

The remuneration policy for the whole time Director/Managing Director, key managerial personnels and senior managerial personnels of the Company is based on the broad principles of remuneration i.e. a portion of remuneration is paid on fixed basis and the remaining portion of the remuneration is variable which is linked with the financial performance of the Company.

The Board in consultation with NRC annually evaluates the performance of the Board of Directors (including Committees thereof) as a whole and also of individual Directors, including independent directors. As an evaluation methodology, the Board may use any method(s) as it may deem appropriate in order to assess the Board's/committees effectiveness and Directors performance. Some of the indicators/criteria based on which the independent directors are evaluated are personal qualities, characteristics, substantial business/professional experience, experience and stature, ability and willingness to devote time etc.

## Remuneration of Directors

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

### Name(s) of the whole time Directors

(Rs. in Lakhs)

S.No.	Details	Rajeev Anand Vice Chairman & Managing Director		Yashwant Singh Yadav Wholetime Director	
	Service Contract Valid upto	February 19, 2019*		October 31, 2015*	
	<u>Period</u>	From January 1, 2014 to April 30, 2014	From May 1, 2014 to December 31, 2014 #	From January 1, 2014 to April 30, 2014	From May 1, 2014 to December 31, 2014 #
1.	Monthly Salary	Rs 5.28	Rs 5.81	Rs 3.56	Rs 3.92
2.	Monthly Special Allowance	Rs 4.48	Rs 4.93	Rs 3.21	Rs 3.53
3.	Performance Bonus	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 300.00 in a year	As determined by the Board based on the net profit restricted to Rs 95.00 in a year	As determined by the Board based on the net profit restricted to Rs 110.00 in a year

\* Terminable by giving 90 days notice from either side.

# Approved by the Board of Directors in its meeting held on May 15, 2014, subject to approval of shareholders. Item(s) for approval has been sent to the shareholders as a part of Postal Ballot Notice dated January 16, 2015, the result of which will be declared on March 12, 2015.

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

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

Personal Accident Insurance (premium not to exceed Rs. 0.05 lakhs per annum), a Club fee, 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 during the period January 1, 2014 to April 30, 2014 and not exceeding Rs 2.75 lakhs in a year during the period May 1, 2014 to December 31, 2014 and Mr. Rajeev Anand entitled for Reimbursement of Personal Driver Salary and Reimbursement of running and maintenance of personal car not exceeding Rs 3 lakhs in a year during the period January 1, 2014 to April 30, 2014 and not exceeding Rs. 3.50 lakhs in a year during the period May 1, 2014 to December 31, 2014. In case of Mr. Anand, the entitlement on expenditure on gas, electricity and water on actual shall be up to Rs. 3.85 lakhs in a year during the period January 1, 2014 to April 30, 2014 and up to Rs. 4.29 lakhs in a year during the period May 1, 2014 to December 31, 2014. In case of Mr. Yadav, the entitlement on expenditure on gas, electricity and water on actual shall be up to Rs. 2.70 lakhs in a year during the period January 1, 2014 to April 30, 2014 and up to Rs. 3.22 lakhs in a year during the period May 1, 2014 to December 31, 2014.

Contribution to Provident Fund & Superannuation Fund in case of Mr. Anand and 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 up to Rs. 2.5 lakhs in a year or Rs. 5 lakhs in a block of two years and in case of Mr. Yadav, Holiday Trip up to Rs. 2.5 lakhs in a year during the period

January 1, 2014 to April 30, 2014 and up to Rs. 2.5 lakhs in a year or Rs. 5 lakhs in a block of two years during the period May 1, 2014 to December 31, 2014. Gratuity as per applicable laws and rules of the Company and encashment of leave as at the end of the tenure (as per the rules of the Company). The Performance bonus is based on the performance of the Company.

The remuneration paid during the year 2014, is within the limits specified in Schedule-XIII of the Companies Act, 1956 (as amended) and has due approval from the Board of Directors of the Company.

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

A reference, to remuneration paid to the directors and key managerial personnel under Note 31 of the notes to the financial statements of the Company for the year ended December 31, 2014 can also be made for the remuneration details.

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) (please see note below) for attending the Board/Committee meetings as well as the travelling/conveyance expenses and reimbursement of expenses, if any, incurred for participating/ attending the Company's meetings.

**Note:** In terms of the applicable provisions of the Companies Act, 2013 read with rules made thereunder, the Board of Directors in its meeting held on May 15, 2014, approved the sitting fee for Board/Committee meetings @ INR 50,000/- per meeting to be paid after May 15, 2014. Prior to May 15, 2014, it was being paid @ INR 20,000/- per meeting. As per Section 149(7) of the Companies Act, 2013, the Company has received declaration of independence from all the Independent Directors as on December 31, 2014.

Non-executive directors of the Company do not hold any shares in the Company.

**5. Stakeholders' Relationship Committee ("SRC") (formerly Shareholders'/Investors' Grievance Committee)**

In compliance of Section 178 of the Companies Act, 2013, rules made thereunder and Clause 49 (VIII)(E)(4) of the revised Listing agreement effective October 1, 2014, the existing Shareholders'/Investors' Grievance Committee was renamed as Stakeholders' Relationship Committee (SRC) by the Board of Directors in its meeting held on May 15, 2014.

The current Stakeholders' Relationship Committee (SRC) of your Company consists of Mr C Dasgupta, Mr. R V Gupta and Ms. Sudha Ravi, Independent Director(s) and Mr. Yashwant Singh Yadav, Director - HR & Corporate Affairs.

Mr. C. Dasgupta, an Independent Non-Executive Director is the Chairman of the SRC and the Company Secretary of the Company acts as the Secretary of the SRC.

During the year ending December 31, 2014, two meetings i.e. one Shareholders'/Investors' Grievance Committee Meeting on May 15, 2014 and one Stakeholders' Relationship Committee Meeting on November 5, 2014 were held.

Attendance at Shareholders'/Investors' Grievance Committee and / or Stakeholders' Relationship Committee (SRC) Meeting(s):

Name of the Member	No. of Meetings Attended
Mr. R V Gupta	2
Mr. C Dasgupta	1
Ms. Sudha Ravi (appointed effective June 7, 2014 as additional director)	1 (1 held after her appointment)
Mr. Yashwant Singh Yadav	2
<b>Ceased to be Member</b>	
Mr. Rajiv Lochan Jain (Resigned effective June 7, 2014)	1 (1 held during his tenure)

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 2014, Five (5) reminders/complaints were received and all of which have duly been resolved. There are no pending complaints as of December 31, 2014.

**6. Corporate Social Responsibility (CSR) Committee**

In compliance of Section 135 of the Companies Act, 2013 and rules made thereunder, a Corporate Social Responsibility ("CSR") Committee was constituted by the Board of Directors of the Company in its meeting held on May 15, 2014 to formulate and monitor the CSR policy of the Company. The CSR Committee of your company consists of three directors namely Mr. Rajeev Anand, Vice Chairman & Managing Director, Mr. Yashwant Singh Yadav, Director – HR & Corporate Affairs and Mr. C Dasgupta, an Independent Director.

Mr. Rajeev Anand, Vice Chairman & Managing Director, is the Chairman of the CSR Committee. The Company Secretary acts as the Secretary of the Committee.

During the year ending December 31, 2014, one CSR Committee Meeting was held on June 6, 2014.

Attendance at CSR Meeting(s):

Name of the Member	No. of Meetings Attended
Mr. Rajeev Anand	1
Mr. C Dasgupta	1
Mr. Yashwant Singh Yadav	1

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

**7. General Body Meetings**

Location and time where the last three Annual General Meetings ("AGM") were held is as under:-

Meeting	Venue	Date	Time
53 <sup>rd</sup> AGM	Magpie Tourism Complex Sector-16A, Faridabad-121002, Haryana	May 15, 2014	12:00 PM
52 <sup>nd</sup> AGM	Magpie Tourism Complex Sector-16A, Faridabad-121002, Haryana	June 7, 2013	3:30 P.M.
51 <sup>st</sup> AGM	Magpie Tourism Complex Sector-16A, Faridabad-121002, Haryana	May 25, 2012	3:30 P.M.

Special Resolution passed at the last three Annual General Meetings:

Date of AGM	Description of Special Resolution(s)
May 15, 2014	<ol style="list-style-type: none"> <li>1) Revision in remuneration of Mr. Rajeev Anand, Vice Chairman &amp; Managing Director of the Company with effect from May 1, 2013.</li> <li>2) Revision in remuneration of Mr. Yashwant Singh Yadav, Director – HR &amp; Corporate Affairs of the Company with effect from May 1, 2013.</li> <li>3) Re-appointment of Mr. Rajeev Anand as Vice Chairman &amp; Managing Director of the Company with effect from February 20, 2014.</li> <li>4) Revision in remuneration of Mr. Rajeev Anand as Vice Chairman &amp; Managing Director of the Company with effect from February 20, 2014.</li> </ol>

	<p>5) Post facto approval in terms of Central Government approval for availing and providing of services, i.e., sharing of employees, infrastructure, third parties services and charges for mixing and conversion of raw material into compound rubber from/ to Goodyear South Asia Tyres Private Limited.</p> <p>6) Post facto approval in terms of Central Government approval for purchase of all kinds of tyres, tubes and flaps, raw materials, spare parts, components, store items, moulds and movable machineries by Goodyear India Limited from Goodyear South Asia Tyres Private Limited.</p>
June 7, 2013	<p>1) Revision in remuneration of Mr. Rajeev Anand, Wholetime Managing Director w.e.f. May 1, 2013.</p> <p>2) Revision in remuneration of Mr. Yashwant Singh Yadav, Wholetime Director w.e.f. May 1, 2013.</p> <p>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.</p>
May 25, 2012	<p>1) Revision in remuneration of Mr. Rajeev Anand, Wholetime Managing Director w.e.f. May 1, 2012.</p> <p>2) Revision in remuneration of Mr. Yashwant Singh Yadav, Wholetime Director w.e.f. May 1, 2012.</p>

None of the resolution(s) were put through Postal Ballot during the year 2014. However, the Board of Directors in its meeting held on January 16, 2015 approved the Postal Ballot Notice which was dispatched to the shareholders on February 3, 2015. The voting would remain open from February 4, 2015 (9.30 AM) to March 5, 2015 (6.00 PM) and the result of the Postal Ballot would be declared on March 12, 2015. The Board of Directors also appointed Mr. Chetan Gupta, Practicing Company Secretary (CP No. 7077) & Partner in APAC & Associates as the Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner. The Company has also offered e-voting facility as an additional and alternate to its members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form.

Following are the resolutions proposed to be conducted in terms of Postal Ballot Notice dated January 16, 2015:

*Ordinary Resolutions:*

1. Appointment of Ms. Sudha Ravi as an Independent Director.
2. Appointment of Mr. Ravi Vira Gupta as an Independent Director.

3. Appointment of Mr. Chandrashekhar Dasgupta as an Independent Director.

*Special Resolutions:*

1. Revision in the Remuneration of Mr. Rajeev Anand, Vice Chairman & Managing Director effective May 1, 2014.
2. Revision in the Remuneration of Mr. Yashwant Singh Yadav, Director – HR & Corporate Affairs effective May 1, 2014.
3. Amendment of Articles of Association of the Company.

**8. Disclosures**

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

In compliance of applicable laws, your company has formulated a policy on materiality and dealing with related party transactions and details of the policy is available on the website [www.goodyear.co.in](http://www.goodyear.co.in) (in investor relation section)

The Company, in its normal course of business, had sale/purchase transactions with Goodyear South Asia Tyres Private Limited (“GSATPL”), pursuant to an 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) and Members’ approval dated May 15, 2014 as required in terms of applicable Government Approval(s); thereafter, pursuant to an offtake agreement effective July 1, 2014, in terms of approval of the Audit Committee and Board of Directors dated July 30, 2014. The latter offtake agreement is being proposed for Members’ approval as per revised Clause 49 of the Listing Agreement.

During the year 2014, Mr Rajeev Anand, whole time Managing Director of your Company was also on the Board of GSATPL.

The above materially significant related party transactions may not have potential conflict with the interests 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, 2014.

**(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) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee**

The Business Conduct Manual of GTRC applicable for global operations including 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. In compliance of applicable provisions of the Companies Act, 2013, rules made thereunder and Clause 49 of the Listing agreement, the Board of Directors of your Company had approved the Vigil Mechanism (including Whistle Blower Mechanism /Policy). The details of which are appearing on the website [www.goodyear.co.in](http://www.goodyear.co.in) (in investor relation section). It is also affirmed that no personnel have been denied access to the Audit Committee.

(iv) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the Listing Agreement:**

The Company had duly complied with all the mandatory requirements under Clause 49 of the Listing Agreement. The Company had not adopted the non-mandatory requirements as mentioned in Annexure XIII of the said clause except that the Company has separate post for the Chairman as well as the Managing Director and that the Internal Auditor reports directly to the Audit Committee.

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

None

(vi) **Disclosure of accounting treatment**

Accounting has been done in accordance with applicable accounting standards. There has been no change in accounting policies of the company during the year from the last financial year.

**9. Means of Communication**

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

The Company's shareholding pattern, financial results, Code of Conduct, AGM Notice, Annual Reports, details of unclaimed dividends under the head - Investor Education Protection Fund ("IEPF"), Corporate Governance Reports, Corporate Social responsibility Policy, Details of familiarization programmes for Independent Directors, Vigil Mechanism (including Whistle Blower Mechanism / Policy), Terms and Conditions for appointment of an Independent Director, Policy on Dealing with related Party Transactions, Investor Contact details etc and other information as required under applicable provisions of the Companies Act, 2013 read with rules made thereunder and Listing Agreement including clause 53 and 54 are being displayed at Company's website [www.goodyear.co.in](http://www.goodyear.co.in) (in investor relation section) 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](http://www.corpfiling.co.in).

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

**10. General Shareholders Information**

(i)	AGM: Date, Time and Venue	June 26, 2015 (Friday), 11.30 A.M and Magpie Tourism Complex, Sector 16A, Faridabad-121002, Haryana.
(ii)	Financial Year	January 1 to December 31 <i>(In compliance of applicable provisions of the Companies Act 2013, read with rules made thereunder, as amended, the Board of Directors of your Company at its meeting held on February 27, 2015 approved the change of the Financial Year from (January 1 to December 31) to (April 1 to March 31). In view of the above, for the first year of implementation, the Financial year would be from January 1, 2015 to March 31, 2016 (i.e 15 months) and thereafter, would be effective April 1 of that year to March 31 of next year.)</i>
(iii)	Date of Book Closure	13 <sup>th</sup> June 2015 to 26 <sup>th</sup> June 2015 (both days inclusive)
(iv)	Dividend Payment Date	On or after June 26, 2015 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 2014-2015 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 2014.**

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	394.95	350.10	July	627.00	497.00
February	398.40	346.00	August	623.85	539.95
March	445.00	396.20	September	720.00	575.65
April	464.00	401.90	October	679.60	627.65
May	439.30	381.00	November	690.00	606.00
June	514.75	420.25	December	712.50	585.85

(viii) **Performance of Goodyear India Limited ("GIL") share prices in comparison to BSE sensdex (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: [admin@skylinerta.com](mailto:admin@skylinerta.com)

Phone: +9111-26812682, 83  
+9111-64732681

(x) Share Transfer System

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

(xi) Distribution of Shareholding as on December 31, 2014

No. of Shares held	Folios		Shares held	
	Nos.	%	Nos.	%
up to 500	25956	96.24	1614797	7.00
501 – 1000	583	2.16	434824	1.89
1001 - 5000	356	1.32	777645	3.37
5001 - 10000	33	0.12	238963	1.04
10001 and above	42	0.16	20000278	86.71
<b>TOTAL</b>	<b>26970</b>	<b>100.00</b>	<b>23066507</b>	<b>100.00</b>

• Shareholding Pattern as on December 31, 2014

Sl. No.	Description of Investors	No. of shares held	% of shareholding
1.	Promoters	17069215	74.00
2.	Financial Institutions, Insurance Companies, Bank and Mutual Fund etc.	2103678	9.12
3.	Foreign Institutional Investor	48529	0.21
4.	Private Corporate Bodies	627201	2.72
5.	NRIs/ OCBs	147713	0.64
6.	Indian Public, Trust & HUF*	3070171	13.31
<b>TOTAL</b>		<b>23,066,507</b>	<b>100.00</b>

\* Includes clearing members

(xii) Dematerialization of shares and liquidity:

As on December 31, 2014, total 2,30,66,507 equity shares of face value of Rupees 10 each are listed at BSE. As on December 31, 2014, 96.64% 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 1<sup>st</sup> Floor, ABW Elegance Tower, Plot No. 8, Commercial Centre Jasola, New Delhi – 110025.
- Investors’ Correspondence : Skyline Financial Services Private Limited, D -153/A, 1st floor, Okhla industrial Area Phase -1, New Delhi -110 020
- may be Addressed to
- Website [www.goodyear.co.in](http://www.goodyear.co.in)
- E-mail Id [goodyearindia\\_investorcell@goodyear.com](mailto:goodyearindia_investorcell@goodyear.com)

(xvi) Investor Education Protection Fund (“IEPF”)

In compliance with the Ministry of Corporate Affairs (“MCA”) notification dated May 10, 2012 related to IEPF where MCA had notified rules for the uploading of information regarding unpaid and unclaimed amounts lying with the companies. The Company had furnished the same to MCA and uploaded the same on Company’s website ([www.goodyear.co.in](http://www.goodyear.co.in)) as well as on the IEPF website ([www.iepf.gov.in](http://www.iepf.gov.in)). Also, the unclaimed dividend for the year 2007, which was declared by the members of the Company on May 16, 2008, was transferred to unpaid dividend account as per the provisions of applicable law. On expiry of a period of seven years on 17<sup>th</sup> June 2015, it will be due for transfer to IEPF. Kindly note that the once the amount is transferred to the IEPF, no claims shall lie against the Company.

(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 2014.	<ul style="list-style-type: none"> <li>Aggregate number of Shareholders - 2681</li> <li>Number of outstanding Shares – 67957 shares</li> </ul>
2.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the financial year 2014.	6 (139 Shares)
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the financial year 2014.	6 (139 Shares)
4.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the financial year 2014.	<ul style="list-style-type: none"> <li>Aggregate number of shareholders - 2675</li> <li>Number of outstanding shares 67818 shares</li> </ul>

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

## 11. Other Information

### (i) Details of the Directors Seeking Appointment/Re-appointment under Clause 49(VIII) (E) (1) of the Listing Agreement:

Mr Daniel Lawrence Smytka is retiring by rotation in the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

The details are as under:

Particulars	Mr Daniel Lawrence Smytka
Date of Birth	May 21, 1962
Date of first Appointment	December 16, 2011
Qualification	<ul style="list-style-type: none"> <li>Master's degree in corporate finance and operations research from the University of Memphis</li> <li>Bachelor's degrees with dual majors in business economics and psychology from Creighton University</li> </ul>
Expertise in specific functional area	<ul style="list-style-type: none"> <li>He is president of the company's Asia Pacific business and was named to the position on November 14, 2011.</li> <li>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.</li> <li>He joined Goodyear in October 2008 as vice president of the Asia Pacific region's consumer tyre business.</li> <li>He has more than 26 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.</li> <li>Prior to joining Goodyear, Mr. Smytka was president of the North American Building Systems &amp; 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.</li> </ul>
Directorships held in Other Public Limited Companies in India	None
Directorships held in Other Companies in India	None
Chairman/ Member of Committee of the Board of other Companies in which they are director	None
Shareholding in Goodyear India Limited	NIL
Inter-se Relationship between Directors	None

(ii) In compliance of clause 49(II)(B)(7)(b), please note that the details of the familiarization programmes as organized by the company in compliance of clause 49(II)(B)(7)(a) are appearing on the website of the Company [www.goodyear.co.in](http://www.goodyear.co.in) (in investor relation section)

## 12. Management Discussion and Analysis Report

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

## 13. CEO/CFO Certificate

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

On behalf of the Board of Directors

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

New Delhi  
February 27, 2015

**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(II)(E) 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, 2014 from all the Board Members and Senior Management Personnel.

For Goodyear India Limited

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

New Delhi  
February 27, 2015

## Management Discussion & Analysis Report

In compliance of Clause 49 of the listing agreement, please find Management Discussion and Analysis Report forming part of Annual Report.

### 1. Industry Structure & Developments

After the tractor industry witnessed a robust growth in 2013, erratic monsoons impacted agriculture output in 2014. A delayed paddy crop, lower yield, low MSP (Minimum Support Price) for sugarcane, cotton and paddy has led to a cash crunch with the rural consumers and impacted demand. Your Company had taken various initiatives to counter the challenging scenario and continues to be one of the leading brands in the farm category (*Source: CRISIL Research 2015*).

The consumer replacement business has been able to outpace industry growth in 2014 and in the process gained valuable market share. This has been despite tough market conditions and increased competitive intensity in the overall tyre market.

### 2. Opportunities and Threats

The short term demand has been impacted on account of poor and erratic monsoonal rains. Lower incremental MSPs over previous year, has resulted in lower disposable income with the farmers.

Your Company has responded to the lower demand by strengthening its replacement channel and building brand salience. In the OE business, we continue to focus on excellence in key account management.

Your Company is exploring exports opportunities as one of the next growth drivers. Current exports are confined to neighboring markets like Nepal, Bangladesh, Pakistan and Sri Lanka.

Based on and initial sign of revival in the commercial industry, your Company is working to take advantage of the opportunity.

For passenger segment, the increasing sophistication of vehicles and resultant performance requirement from tyres along with strong growth in SUV segment will provide Goodyear opportunities for growth in volumes and improved profitability.

The overall competitive intensity is likely to further intensify this year and pricing is likely to be one of the key levers. There are strong expectations on the budget this year to provide a boost to the Indian economy and the industry at large.

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

The Company manufactures automotive bias tyres viz. farm tyres and commercial truck tyres at its Ballabgarh plant and also trades in "Goodyear" branded tyres [including radial passenger 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, flaps and Radial OTR imported tyres.

The sales performance during the year is as follows:

(Rs. in Lakhs)	
Tyres	161,200
Flaps	51
Tubes	9,626

Your Company feels proud to have been awarded "Business Partner of the Year Award" from Mahindra & Mahindra (M&M). This is the highest level award for any supplier bestowed by M&M.

Your Company has been conferred second consecutive global recognition as a "Partner-level Performance" by John Deere. This is also the highest level global award in their achieving excellence program. 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.

Your Company has been re-certified as being a Class A S&OP (Sales and Operations Planning) 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.

This year also saw the introduction of Assurance Triple Max tyres catering to the need of consumers who are looking for safety (braking ability being a key driver) as a key requirement from their tyres. We have also strengthened our presence and portfolio in SUV segment with launch of Wrangler ATSA tyres. In our Consumer business we have been able to increase contribution from higher rim sizes, thereby improving overall profitability and adding market share.

### 4. Outlook

Indian tractor penetration still lags behind the global average (19 vs. 21 per 1000 hectares) (*Source: CRISIL Research 2013*). Tractor growth in India is likely to remain robust in future. With the current shortage of labor, there is an increasing trend towards mechanization, which will boost the tractor demand in the future. Mid term outlook seems positive with better winter crop expected leading to better disposable income. Long term outlook remains robust based on industry and macro trends (*Source: CRISIL Research 2015*).

The passenger tyre industry is likely to register a modest recovery in the year 2015. Your Company will continue to work closely with OEMs for the introduction of new products from their dealerships. We shall also be focusing on increasing distribution reach and presence in branded retail segment in the market.

### 5. Risks and Concerns

The current rural economy has been impacted by the lower disposable income due to erratic and poor summer monsoonal rains. This has resulted in lower sales in the

tractor industry with the trend expected to continue until March 2015 (*Source: CRISIL Research 2014*). The OEM industry contributes to approximately two third of the Company's overall farm tyre business.

Initial estimates of winter crops looks encouraging. Any change in the current rural consumer sentiment will depend on the winter harvest, together with support from government through better Minimum Support Price (MSP) and rural programs.

There has been optimism post the new government formation, however this is yet to translate into a real pick up in the economy. Additional reforms may be required to ensure that a sustained and broad-based recovery takes place (*Source: ICRA Q3 2014 Economy Report*).

Approximately 23% 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, 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 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. The internal control is supplemented by an extensive program of audits and periodic review by the management.

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

The details of the financial performance of 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	2014	2013
Total Sales & Other Income	174,061	173,611
Less: Excise Duty	12,962	13,717
Net Sales & Other Income	161,099	159,894
Profit Before Interest, Depreciation & Tax	18,543	16,926

The financial performance of your Company has been further explained in the Directors' Report of your Company for the year 2014, appearing separately.

#### 8. Human Resources

Industrial harmony was maintained during the year through cordial and productive employee relations. The Collective Bargaining Agreement (CBA) effective May 1, 2014 and valid till April 30, 2017 was under discussions with the Union, and a Memorandum of Understanding (MoU) was reached with the Union on January 03, 2015. A formal tripartite settlement was signed before the Deputy Labour Commissioner, Faridabad, Haryana on February 05, 2015. This new settlement will help the Ballabgarh factory to improve productivity and operational efficiencies, which will offset the cost of the CBA. High priority was given by management to training and development related to the ethics and compliance, discipline, safety of the employees and environmental awareness. The total number of salaried and hourly paid associates, as of December 31, 2014, stood at 905.

#### 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 this in mind when considering the above statements.

On behalf of the Board of Directors

	<b>Rajeev Anand</b>	<b>R V Gupta</b>
	Vice Chairman &	Director
	Managing Director	(DIN: 00017410)
New Delhi	(DIN: 02519876)	
February 27, 2015		

## 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, 2014, 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 LLP  
Firm Registration Number: 007567S/S-200012  
(formerly Price Waterhouse & Co., Bangalore,  
Firm Registration Number: 007567S)  
Chartered Accountants

Avijit Mukerji

Partner

Place: New Delhi

Date: February 27, 2015

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, 2014, 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 notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, 2014;
- (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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (e) On the basis of written representations received from the directors as on December 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2014, 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 LLP  
Firm Registration Number: 007567S/S-200012  
(formerly Price Waterhouse & Co., Bangalore,  
Firm Registration Number: 007567S)  
Chartered Accountants

Avijit Mukerji

Partner

Place: New Delhi

Date: February 27, 2015

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, 2014

- 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), (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. The Company's operations do not involve sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (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 accounts 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, 2014 which have not been deposited on account of a dispute, are as follows:

Sr No.	Name of the statute	Nature of dues	Amount (Rs. in Lacs)*	Period to which the amount relates	Forum where the dispute is pending
1.	Central and State Tax Acts	Sales Tax/Value Added Tax	1,436	1979-1980; 1987-1988; 1997-1998; 2000-2013	First level of Appellate Authority i.e. Assistant Commissioner/ Deputy Commissioner/ Joint Commissioner/ Commissioner/ Commercial Tax Appellate and Revisional Board
			125	2003-2005; 2007-2013	Sales Tax Tribunal
			7	1978-1979; 2002-2003	High Court
2.	The Central Excise Act, 1994	Excise Duty	140	2011-2012 2012-2013	Commissioner (Appeals)
			703	1997-1998; 2005-2012	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		Service Tax	12	2007-2009	Commissioner (Appeals)
			86	2004-2011	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
3.	The Income Tax Act, 1961	Income Tax	1,164	2006-2007 2009-2010	Commissioner of Income Tax (Appeals) /Dispute Resolution Procedure
			1,904	2004-2009	The Income Tax Appellate Tribunal
			26	2005-2006	High Court

\*Net of payments under protest, where applicable.

- 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 terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- 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 LLP  
Firm Registration Number: 007567S/S-200012  
(formerly Price Waterhouse & Co., Bangalore,  
Firm Registration Number: 007567S)  
Chartered Accountants

Avijit Mukerji

Partner

Place: New Delhi

Date: February 27, 2015

Membership Number: 056155

## GOODYEAR INDIA LIMITED

### Balance Sheet as at December 31, 2014

	Note	As at Dec 31, 2014 (Rs 'Lakhs)	As at Dec 31, 2013 (Rs 'Lakhs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	3	2,307	2,307
(b) Reserves and surplus	4	47,376	40,043
<b>(2) Non-Current Liabilities</b>			
(a) Deferred tax liabilities (net)	5	1,357	1,294
(b) Other long-term liabilities	6	500	279
(c) Long-term provisions	7	2,054	1,973
<b>(3) Current Liabilities</b>			
(a) Trade payables	8	24,659	28,841
(b) Other current liabilities	9	8,090	8,294
(c) Short-term provisions	10	3,004	2,904
<b>TOTAL</b>		<b>89,347</b>	<b>85,935</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	11	23,964	21,023
(ii) Intangible assets	11	1	1
(iii) Capital work in progress		1,709	3,182
(b) Long-term loans and advances	12	1,921	1,724
(c) Other non-current assets	13	54	3
<b>(2) Current Assets</b>			
(a) Inventories	14	12,336	9,900
(b) Trade receivables	15	11,213	16,530
(c) Cash and bank balances	16	36,499	31,656
(d) Short-term loans and advances	17	628	971
(e) Other current assets	18	1,022	945
<b>TOTAL</b>		<b>89,347</b>	<b>85,935</b>

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 LLP  
Firm Registration No. 007567S/ S-200012  
(formerly Price Waterhouse & Co., Bangalore,  
Firm Registration Number: 007567S)  
Chartered Accountants

For and on behalf of the Board

Rajeev Anand  
Vice Chairman &  
Managing Director

Yashwant Singh Yadav  
Director

Avijit Mukerji  
Partner  
Membership Number: 056155

R V Gupta  
Director

Sudha Ravi  
Director

Place: New Delhi  
Date: February 27, 2015

Mark C Ravunni  
Chief Financial Officer

Pankaj Gupta  
Company Secretary

# GOODYEAR INDIA LIMITED

## Statement of Profit and Loss for the year ended December 31, 2014

	Note	For the Year Ended Dec 31, 2014 (Rs 'Lakhs)	For the Year Ended Dec 31, 2013 (Rs 'Lakhs)
I. Revenue from operations (gross)	22	170,877	170,589
II. Less : Excise duty		12,962	13,717
III. Revenue from operations (net)		157,915	156,872
IV. Other income	23	3,184	3,022
<b>Total Revenue (III + IV)</b>		<b>161,099</b>	<b>159,894</b>
V. <b>Expenses :</b>			
Cost of materials consumed	24	68,289	73,737
Purchases of stock-in-trade	25	44,384	38,439
Change in inventories of finished goods, work-in-process and stock-in-trade	26	(3,244)	(584)
Employee benefits expense	27	9,888	8,784
Finance costs	28	341	216
Depreciation and amortization expense (net)	11	2,851	2,518
Other expenses	29	23,239	22,592
<b>Total Expenses</b>		<b>145,748</b>	<b>145,702</b>
VI. <b>Profit before tax</b>		<b>15,351</b>	<b>14,192</b>
VII. <b>Tax Expense :</b>			
(a) Current tax		5,164	4,604
(b) Deferred tax		63	181
VIII. <b>Profit for the year (VI - VII)</b>		<b>10,124</b>	<b>9,407</b>
IX. <b>Basic Earnings per Equity Share</b>	30	43.89	40.78
<b>Diluted Earnings per Equity Share</b>		43.89	40.78
<b>Nominal value per Equity Share (Rs.)</b>		10	10

This is the statement of Profit & Loss referred to in our report of even date.

The notes referred to above form an integral part of the statement of Profit & Loss.

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

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Rajeev Anand  
Vice Chairman &  
Managing Director

Yashwant Singh Yadav  
Director

Avijit Mukerji  
Partner  
Membership Number: 056155

R V Gupta  
Director

Sudha Ravi  
Director

Place: New Delhi  
Date: February 27, 2015

Mark C Ravunni  
Chief Financial Officer

Pankaj Gupta  
Company Secretary

# GOODYEAR INDIA LIMITED

## Cash Flow Statement for the year ended December 31, 2014

	For the year ended Dec 31, 2014 (Rs `Lakhs)	For the year ended Dec 31, 2013 (Rs `Lakhs)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax	15,351	14,192
Adjustments for :		
Depreciation and amortization expense (net)	2,851	2,518
Loss/(Profit) on sale of fixed assets (net)	(42)	9
Interest and other finance costs	341	216
Interest income	(2,318)	(2,005)
Liabilities/provisions no longer required written back	(463)	(502)
Provision for doubtful debts and other current assets	9	13
Provision for gratuity	276	231
Provision for leave encashment/compensated absences	187	233
Unrealised foreign exchange loss/(gain) - net	79	(72)
Operating profit before working capital changes	<u>16,271</u>	<u>14,833</u>
Adjustments for working capital :		
(Increase) / Decrease in Trade Receivables	5,324	(1,103)
(Increase) / Decrease in Loans and Advances and Other Bank Balances	67	140
(Increase) / Decrease in Inventories	(2,436)	526
Increase / (Decrease) in Trade and Other Payables	<u>(3,561)</u>	<u>3,034</u>
Cash generated from operations	15,665	17,430
Income Tax (net of refunds)	<u>(5,727)</u>	<u>(4,314)</u>
Net cash flow from operating activities	<u>9,938</u>	<u>13,116</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of tangible assets	(4,936)	(4,684)
Interest received	2,471	1,456
Fixed deposits with maturity more than 3 months but less than 12 months	14,000	(8,890)
Sale proceeds of tangible assets	<u>93</u>	<u>2</u>
Net cash used in investing activities	<u>11,628</u>	<u>(12,116)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest and other finance costs	(332)	(239)
Dividend paid	(2,057)	(1,585)
Dividend distribution tax paid	<u>(353)</u>	<u>(274)</u>
Net cash used in financing activities	<u>(2,742)</u>	<u>(2,098)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	18,824	(1,098)
Cash and cash equivalents at beginning of the year	4,250	5,348
Cash and cash equivalents at end of the year	<u>23,074</u>	<u>4,250</u>
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	2	2
Cheques on hand	769	463
Cheques in transit	-	43
Bank balances - Current accounts	1,586	1,342
- Demand deposits (maturity less than 3 months)	20,715	2,400
Effect of exchange rate changes	2	-
<b>Total</b>	<u>23,074</u>	<u>4,250</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 & Loss form an integral part of the Cash Flow Statement.
- This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse & Co., Bangalore LLP  
 Firm Registration No. 007567S/ S-200012  
 (formerly Price Waterhouse & Co., Bangalore,  
 Firm Registration Number: 007567S)  
 Chartered Accountants

For and on behalf of the Board

Rajeev Anand  
 Vice Chairman &  
 Managing Director

Yashwant Singh Yadav  
 Director

Avijit Mukerji  
 Partner  
 Membership Number: 056155

R V Gupta  
 Director

Sudha Ravi  
 Director

Place: New Delhi  
 Date: February 27, 2015

Mark C Ravunni  
 Chief Financial Officer

Pankaj Gupta  
 Company Secretary

## 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. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum there to are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, 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. The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous year.

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 3-19 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 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 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, 2014 (Rs 'Lakhs)	As at Dec 31, 2013 (Rs 'Lakhs)
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(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)	2,307	2,307

(a) Reconciliation of number of shares outstanding :

	As at Dec 31, 2014		As at Dec 31, 2013	
	No. of Shares	Amount (Rs 'Lakhs)	No. of Shares	Amount (Rs 'Lakhs)
Balance as at the beginning of the year	23,066,507	2,307	23,066,507	2,307
Balance as at the end of the year	23,066,507	2,307	23,066,507	2,307

(b) Details of equity shares held by each shareholders holding more than 5% of total equity shares :

	As at Dec 31, 2014		As at Dec 31, 2013	
	No. of Shares	% of holding	No. of Shares	% of holding
Goodyear Orient Company (Private) Limited, Singapore	17,069,215	74	17,069,215	74
SBI Mutual Fund under its various schemes	1,976,590	8.6	1,805,590	7.8

[i.e SBI Emerging Business Fund - 1,476,590 shares holding 6.4% (1,805,590 shares holding 7.83%) and SBI Magnum Balanced Fund - 500,000 shares holding 2.17% (NIL shares holding NIL%)]

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	6,314	6,314
Balance as at the end of the year	6,314	6,314

**General Reserve**

Balance as at the beginning of the year	5,400	4,400
Add : Transferred from surplus in Statement of Profit and Loss during the year	1,020	1,000
Balance as at the end of the year	6,420	5,400

**Revaluation Reserve**

Balance as at the beginning of the year	284	296
Less : Amount utilized for current year depreciation	12	12
Balance as at the end of the year	272	284

**Surplus in Statement of Profit and Loss**

Balance as at the beginning of the year	28,045	22,079
Add : Profit for the year	10,124	9,407
Less : Appropriations		
Transferred to General Reserve	1,020	1,000
Proposed dividend on the equity shares	2,307	2,076
Dividend distribution tax on Proposed dividend	472	365
Balance as at the end of the year	34,370	28,045

<b>Total</b>	<b>47,376</b>	<b>40,043</b>
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	As at Dec 31, 2014 (Rs 'Lakhs)	As at Dec 31, 2013 (Rs 'Lakhs)
<b>(5) DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax liability</b>		
Depreciation	2,178	2,005
<b>Deferred tax assets</b>		
a) Provision for employee benefits	730	593
b) Provision for doubtful debts/advances	26	44
c) Other provisions	65	74
Total Deferred tax assets	<u>821</u>	<u>711</u>
<b>Deferred Tax Liabilities (net)</b>	<u>1,357</u>	<u>1,294</u>
Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.		
<b>(6) OTHER LONG-TERM LIABILITIES</b>		
Advance from customer	159	279
Employee benefits payable	341	-
	<u>500</u>	<u>279</u>
<b>(7) LONG-TERM PROVISIONS</b>		
<b>Provision for Employee Benefits **</b>		
Gratuity	1,289	1,160
Leave encashment/compensated absences	300	264
<b>Other provisions</b>		
Provision for customs/excise litigations *	361	361
Provision for sales tax litigations [Net of payments under protest Rs. 7 (Rs. 110)] *	12	57
Provision for lease equalisation	92	110
Provision for replacement loss *	-	21
	<u>2,054</u>	<u>1,973</u>
* Refer note '32' of notes to the financial statements.		
** Refer note '42' of notes to the financial statements.		
<b>(8) TRADE PAYABLES</b>		
Trade payables *	24,659	28,841
	<u>24,659</u>	<u>28,841</u>
* Refer note '41' of notes to the financial statements.		
<b>(9) OTHER CURRENT LIABILITIES</b>		
Security deposits [including accrued interest Rs. 82 (Rs. 73)]	3,276	2,968
Statutory dues	1,441	1,309
Employee benefits payable	1,685	1,794
Unpaid dividend *	225	206
Creditors for capital items	857	1,673
Advances from customers	606	344
	<u>8,090</u>	<u>8,294</u>

\* No amount is due as at Dec 31, 2014 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, 2014 (Rs 'Lakhs)	As at Dec 31, 2013 (Rs 'Lakhs)
<b>(10) SHORT-TERM PROVISION</b>		
<b>Provision for Employee Benefits **</b>		
Gratuity	100	151
Leave encashment/compensated absences	59	132
Interest on Provident Fund contributions	-	37
<b>Other provisions</b>		
Provision for income tax [net of advance income tax/ payments under protest Rs. NIL (Rs.17,329)]	-	72
Provision for replacement loss *	66	83
Proposed dividend @ Rs. 10 (Rs. 9) per share	2,307	2,076
Dividend distribution tax on Proposed dividend	472	353
	<b>3,004</b>	<b>2,904</b>

\* 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, 2014	Additions during the year	Deductions/ adjustments during the year	As at Dec 31, 2014	As at Jan 1, 2014	Additions during the year	Deductions/ adjustments during the year	As at Dec 31, 2014	As at Dec 31, 2014	As at Dec 31, 2013
<b>Tangible Assets</b>										
Freehold Land	173	-	*	173	-	-	-	-	173	173
Buildings	5,314	342	-	5,656	1,758	182	-	1,940	3,716	3,556
Plant and Machinery	35,540	5,068	676	39,932	18,658	2,545	631	20,572	19,360	16,882
Furniture and Fittings	181	164	-	345	130	23	-	153	192	51
Office Equipments	1,137	281	77	1,341	791	110	75	826	515	346
Vehicles	37	-	18	19	22	3	14	11	8	15
<b>Total Tangible Assets</b>	<b>42,382</b>	<b>5,855</b>	<b>771</b>	<b>47,466</b>	<b>21,359</b>	<b>2,863</b>	<b>720</b>	<b>23,502</b>	<b>23,964</b>	<b>21,023</b>
<b>Intangible Assets</b>										
Computer Software	642	-	-	642	641	-	-	641	1	1
<b>Total Intangible Assets</b>	<b>642</b>	<b>-</b>	<b>-</b>	<b>642</b>	<b>641</b>	<b>-</b>	<b>-</b>	<b>641</b>	<b>1</b>	<b>1</b>
<b>TOTAL</b>	<b>43,024</b>	<b>5,855</b>	<b>771</b>	<b>48,108</b>	<b>22,000</b>	<b>2,863</b>	<b>720</b>	<b>24,143</b>	<b>23,965</b>	<b>21,024</b>

<b>Previous Year</b>	39,830	3,807	613	43,024	20,072	2,530	602	22,000
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\* Amount below the rounding off norm adopted by the company.

Notes:

- Gross book value includes Rs.1,406 (Rs. 1,408) 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. 2,863 (Rs. 2,530) 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, 2014 (Rs 'Lakhs)	As at Dec 31, 2013 (Rs 'Lakhs)
<b>(12) LONG-TERM LOANS AND ADVANCES</b>		
Unsecured, considered good :		
Capital advances	244	506
Security deposits	552	549
Advance income tax/payments under protest [net of provisions Rs. 22,565 (Rs. Nil)]	491	-
Balances with government authorities	157	157
Payments under protest - Excise/service tax matters	386	386
- Sales tax matters [net of provisions Rs. 44 (Rs. 48)] *	91	126
	<u>1,921</u>	<u>1,724</u>
* Refer note '32' of notes to the financial statements.		
<b>(13) OTHER NON-CURRENT ASSETS</b>		
Long term deposits with bank with maturity period more than 12 months *	54	3
	<u>54</u>	<u>3</u>
* Held as lien by bank against bank guarantee.		
<b>(14) INVENTORIES</b>		
Raw materials [includes intransit Rs. 324 (Rs. 771)]	2,562	3,808
Work-in-process	390	492
Finished goods [includes intransit Rs. 541 (Rs. 787)]	5,595	2,243
Traded goods [includes intransit Rs. 148 (Rs. 237)]	2,284	1,833
Stores and spare parts [includes intransit Rs. 2 (Rs. 29)]	1,505	1,524
	<u>12,336</u>	<u>9,900</u>
<b>(15) TRADE RECEIVABLES</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment :		
Unsecured, considered doubtful	61	120
Provision for doubtful debts	(61)	(120)
Others* :		
Secured, considered good	2,223	1,811
Unsecured, considered good **	8,990	14,719
	<u>11,213</u>	<u>16,530</u>
*Trade receivables are net of non-recourse factoring arrangement amounting to Rs. 209 (Rs. Nil)		
** Includes Rs. 9 (Rs. 30) due from Goodyear South Asia Tyres Private Limited, having common directors.		
<b>(16) CASH AND BANK BALANCES</b>		
Cash and cash equivalents :		
Cash on hand	2	2
Cheques on hand	769	463
Cheques in transit	-	43
Bank balances - Current accounts	1,588	1,342
- Demand deposits (maturity less than 3 months)	20,715	2,400
Other bank balances :		
Fixed deposits with maturity more than 3 months but less than 12 months	13,200	27,200
Bank balances for unpaid dividend	225	206
	<u>36,499</u>	<u>31,656</u>

	As at Dec 31, 2014 (Rs 'Lakhs)	As at Dec 31, 2013 (Rs 'Lakhs)
<b>(17) SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, considered good unless otherwise stated		
Advances to vendors	116	233
Balances with government authorities	57	121
Security deposits	57	57
Prepaid expenses	133	127
Loans and advances to related parties *	239	375
Others #	26	58
	<u>628</u>	<u>971</u>
* Includes Rs. 126 (Rs. 88) due from Goodyear South Asia Tyres Private Limited, having common directors.		
# Others includes advances to employees Rs. 11 (Rs. 25)		
<b>(18) OTHER CURRENT ASSETS</b>		
Unsecured, considered good unless otherwise stated		
Accrued interest on fixed deposits	606	759
Recoverable from government authorities	430	193
Less : Provision for doubtful other current assets	<u>(14)</u>	<u>(7)</u>
	<u>1,022</u>	<u>945</u>
<b>(19) Contingent Liabilities</b>		
i) Guarantee to Sarva Haryana Gramin Bank	102	133
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 **		
<b>A. Excise duty and Service tax matters</b>		
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. 386).	1,570	1,241
<b>B. Income tax matters</b>		
Cases pending before Appellate authorities/Dispute Resolution Panel in respect of which the Company has filed appeals. Amounts deposited under protest Rs. 271 (Rs. 133).	3,365	1,932
<b>C. Sales tax matters</b>		
Cases pending before Appellate authorities in respect of which the Company has filed appeals. Amounts deposited under protest Rs. 142 (Rs. 284).	383	663
<b>D. Haryana Urban Development Authority (HUDA) demand matter *</b>		
Demand for proportionate external development charges by HUDA.	-	662
<b>E. Other matters</b>		
These include claims against the Company for recovery lodged by various parties.	294	266

- \* 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. The matter was heard by Hon'ble High Court and as per order dated May 27, 2014 the Appeal filed by HUDA has been dismissed. The Company has also not received any information of Huda filing any further appeal before the Supreme Court.

#### F. 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 assessee for filing their returns of tax and giving undertaking that in the event of their losing the matter, they will deposit the tax along with the interest at a rate which will be determined by the Court. During the year 2010, on the matter being heard by a bench of five Hon'ble judges of the Hon'ble Supreme Court, it was requested to Hon'ble Chief Justice of India to refer the matter to a suitable larger bench for deciding the constitutional validity of the levy. The larger bench of Hon'ble Supreme Court is yet to be constituted. However, based on legal opinion obtained by the Company and management'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, 2014 (Rs 'Lakhs)	As at Dec 31, 2013 (Rs 'Lakhs)
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#### (20) Capital and other commitments :

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,015	1,165
b) Estimated amount of other contracts remaining to be executed for supply of goods and services contracts	-	3,505

- (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, 2014 (Rs 'Lakhs)	For the year ended Dec 31, 2013 (Rs 'Lakhs)
<b>(22) REVENUE FROM OPERATIONS</b>		
<b>Sale of finished goods:</b>		
Automotive Tyres	121,458	126,054
Flaps	-	28
Automotive Tubes	-	3,655
	<u>121,458</u>	<u>129,737</u>
<b>Sale of traded goods:</b>		
Automotive Tyres	39,742	34,782
Flaps	51	15
Automotive Tubes	9,626	6,055
	<u>49,419</u>	<u>40,852</u>
<b>Total sale of goods</b>	<u>170,877</u>	<u>170,589</u>
<b>(23) OTHER INCOME</b>		
Interest income	2,318	2,005
Liabilities/provisions no longer required written back	463	502
Export incentives	49	81
Profit on sale of assets (net)	42	-
Miscellaneous income *	312	434
	<u>3,184</u>	<u>3,022</u>
* 1) Includes scrap sales of Rs. 160 (Rs. 163).		
2) Includes profit of Rs. 2 (Rs. 11) against sale of raw materials of Rs. 147 (Rs. 396).		
3) Includes Rs. NIL (Rs. 190) recovery of insurance claim.		
<b>(24) COST OF MATERIALS CONSUMED</b>		
Rubber	36,208	43,449
Fabrics	9,565	8,818
Carbon black	12,125	11,641
Pigments and chemicals	9,059	8,463
Beadwire	1,134	1,085
Others [net of scrap sales of Rs. 235 (Rs. 240)]	198	281
	<u>68,289</u>	<u>73,737</u>
<b>(25) PURCHASES OF STOCK-IN-TRADE</b>		
Automotive Tyres	35,472	32,019
Flaps	42	17
Automotive Tubes	8,870	6,403
	<u>44,384</u>	<u>38,439</u>
<b>(26) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE</b>		
Inventory as at the end of the year :		
Finished goods	5,595	2,243
Stock-in-trade	2,284	1,833
Work-in-process	390	492
<b>Total (a)</b>	<u>8,269</u>	<u>4,568</u>
Inventory as at the beginning of the year :		
Finished goods	2,243	2,061
Stock-in-trade	1,833	1,464
Work-in-process	492	457
<b>Total (b)</b>	<u>4,568</u>	<u>3,982</u>
<b>Increase/(decrease) in excise duty on finished goods (c)</b>	457	2
<b>(Increase)/decrease in inventories of finished goods, work-in-process and stock-in-trade (b - a + c)</b>	<u>(3,244)</u>	<u>(584)</u>

	For the year ended Dec 31, 2014 (Rs 'Lakhs)	For the year ended Dec 31, 2013 (Rs 'Lakhs)
<b>(27) EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	8,293	7,193
Contribution to provident and other funds	415	416
Workmen and staff welfare expenses	717	711
Gratuity	276	231
Leave encashment/compensated absences	187	233
	<u>9,888</u>	<u>8,784</u>
<b>(28) FINANCE COSTS</b>		
Interest *	334	201
Others	7	15
	<u>341</u>	<u>216</u>
* Includes interest on shortfall of advance tax Rs. 31 (Rs. NIL)		
<b>(29) OTHER EXPENSES</b>		
Consumption of stores and spare parts	231	242
Power and fuel	4,409	3,768
Travelling	722	720
Repairs and maintenance		
-Buildings	6	12
-Machinery *	869	665
-Others	21	2
Rent	663	673
Insurance	158	152
Telecommunication	157	163
Rates and taxes	377	346
Legal and professional	358	353
Auditors remuneration :		
Audit fees for statutory audit	39	38
Audit fees for tax accounts	8	8
Various certificates/reports	29	29
Out of pocket expenses	7	18
Carrying and forwarding agent expenses	452	365
Freight, transport and delivery	3,428	2,950
Advertising and sales promotion	1,038	1,243
Trade mark fees	1,128	1,182
Regional service charges	5,373	4,589
Cash discounts	1,777	2,276
Conversion charges	49	409
Net loss on foreign currency transactions and translation	125	694
Loss on sale of fixed assets (net)	-	9
Provision for doubtful debts and other current assets	9	13
Bad debts and other current assets written off	60	134
Less : Provision held for doubtful debts and other current assets	<u>(60)</u>	<u>(134)</u>
Miscellaneous expenses	1,806	1,673
	<u>23,239</u>	<u>22,592</u>
* Includes consumption of spare parts Rs. 406 (Rs. 304)		
<b>(30) Earnings per Share calculations :</b>		
Profit for the year (Rs.' lakhs)	10,124	9,407
No. of equity shares of Rs. 10/- each	23,066,507	23,066,507
Basic earnings per share (Rs.)	43.89	40.78
Diluted earnings per share (Rs.)	43.89	40.78

(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) PT. Goodyear Indonesia Tbk
- viii) Goodyear South Africa (Pty.) Limited
- ix) Goodyear Singapore Tyres
- x) Goodyear & Dunlop Tyres (NZ) Limited
- xi) Goodyear Marketing & Sales SDN Bhd
- xii) TC Debica SA
- xiii) Goodyear & Dunlop Tyres (Australia) Pty Limited
- xiv) Goodyear South Asia Tyres Private Limited
- xv) Goodyear Earthmover Pty Limited
- xvi) Goodyear International Corporation
- xvii) Goodyear Dunlop Tires Operations SA
- xviii) Compania Goodyear Del Peru SA
- xix) Goodyear SA R&D (Luxembourg)
- xx) Goodyear Dunlop Tires Germany
- xxi) GRBS Inc., Philippines
- xxii) Nippon Giant Tire Co. Ltd.
- xxiii) Goodyear Philippines Inc.

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, 2014 (Rs 'Lakhs)	For the year ended Dec 31, 2013 (Rs 'Lakhs)
<b>The Goodyear Tire &amp; Rubber Company, Akron, Ohio, USA</b>		
Purchase of raw materials, finished goods and spare parts	593	592
Purchase of capital items	501	323
Expenditure for Trade mark fees	1,128	1,182
Expense reimbursed to ultimate holding company	18	15
Reimbursement of expense by ultimate holding company	7	2
Recovery for deputation of employees	-	33
Expenditure for Regional service charges	5,373	4,589
Payment for deputation of employees	-	11
Share in insurance recovery	-	190

	For the year ended Dec 31, 2014 (Rs 'Lakhs)	For the year ended Dec 31, 2013 (Rs 'Lakhs)
<b>Goodyear Orient Company (Private) Limited, Singapore</b>		
Dividend paid	1,536	1,195
Purchase of Raw materials	1,539	-
<b>Fellow subsidiaries :</b>		
<b>Purchase of raw materials, finished goods and spare parts</b>		
Goodyear South Asia Tyres Private Limited *	30,856	30,642
Goodyear Dalian Tire Company Limited	255	253
Goodyear (Thailand) Public Company Limited	488	186
PT. Goodyear Indonesia TBK	1,272	189
Goodyear Dunlop Tires Operations SA	253	287
Goodyear Marketing & Sales SDN Bhd	671	38
Goodyear Earthmovers Pty Limited	1,217	1,076
Others	26	13
* Net of recovery for replacement loss Rs. 892 (Rs. 821)		
<b>Sale of finished goods</b>		
Goodyear & Dunlop Tyres (Australia) Pty Limited	80	821
Compania Goodyear Del Peru SA	85	36
Goodyear Middle East, FZE	38	129
Goodyear South Africa (Pty.) Limited	22	16
Goodyear Singapore Tyres	62	58
Goodyear International Corporation	153	587
Others	115	66
<b>Purchase of capital items</b>		
Goodyear International Corporation	82	23
Goodyear Marketing & Sales SDN Bhd	-	40
Nippon Giant Tire Co. Ltd.	288	-
<b>Recovery for deputation of employees</b>		
Goodyear Singapore Tyres	200	431
Goodyear Marketing & Sales SDN Bhd	60	-
Goodyear (Thailand) Public Company Limited	123	114
Goodyear Dalian Tire Company Limited	46	62
Goodyear SA R&D (Luxembourg)	64	57
Goodyear & Dunlop Tyres (Australia) Pty Limited	44	45
<b>Payment for deputation of employees</b>		
Goodyear Marketing & Sales SDN Bhd	189	209
<b>Sale of raw materials and spare parts and other charges</b>		
Goodyear South Asia Tyres Private Limited	139	115
<b>Expenses recovered from related parties</b>		
Goodyear SA (Luxembourg)	-	21
Goodyear Marketing & Sales SDN Bhd	1	-
Goodyear Singapore Tyres	21	61
Goodyear South Asia Tyres Private Limited *	406	254
Goodyear SA R&D (Luxembourg)	7	24
Goodyear Dalian Tire Company Limited	1	-
Goodyear Dunlop Tires France	4	-
Others	4	9
* Net of reimbursement Rs. 32 (Rs. 60)		

	For the year ended Dec 31, 2014 (Rs 'Lakhs)	For the year ended Dec 31, 2013 (Rs 'Lakhs)
<b>Reimbursement of expenses to related parties</b>		
Goodyear (Thailand) Public Company Limited	-	1
Goodyear Dalian Tire Company Limited	20	4
Goodyear Marketing & Sales SDN Bhd	-	8
Others	2	-
<b>Sale of capital items</b>		
Goodyear South Asia Tyres Private Limited	9	-
PT. Goodyear Indonesia TBK	64	-
<b>Key management personnel :</b>		
Remuneration paid to key management personnel		
Mr. Rajeev Anand	472	459
Mr. Yashwant Singh Yadav	223	218
Mr. Mark C Ravunni	461	419*

\* The above does not include Rs. 36 lakhs pertaining to incentive for 2012 which was paid in 2013.

iii) **Balances outstanding at the year end :**

	As at Dec 31, 2014 (Rs 'Lakhs)	As at Dec 31, 2013 (Rs 'Lakhs)
<b>Ultimate holding company :</b>		
Trade Payables	1,178	1,119
Other Receivables	1	4
Creditors for Capital items	-	326
<b>Fellow subsidiaries :</b>		
<b>Trade Payables</b>		
Goodyear South Asia Tyres Private Limited	3,628	4,261
Goodyear Dunlop Tires Operations SA	36	16
Goodyear Earthmover Pty Limited	204	226
PT. Goodyear Indonesia Tbk	133	47
Goodyear Dunlop Tires France	-	389
Others	241	210
<b>Creditors for Capital items</b>		
Goodyear International Corporation	85	-
<b>Trade Receivables</b>		
Goodyear Middle East, FZE	-	11
Goodyear & Dunlop Tyres (Australia) Pty Limited	8	69
Goodyear South Asia Tyres Private Limited	9	30
Goodyear International Corporation	84	105
Goodyear Phillipines Inc.	33	*
Goodyear Singapore Tyres	48	-
Others	20	8
<b>Other Receivables</b>		
Goodyear South Asia Tyres Private Limited	126	88
Goodyear Singapore Tyres	58	169
Goodyear (Thailand) Public Company Limited	11	27
Goodyear SA R&D (Luxembourg)	17	20
Goodyear & Dunlop Tyres (Australia) Pty Limited	13	21
Others	13	46

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

- (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, 2014	Additions during the year	Utilized/ Reversed during the year	Balance as at Dec 31, 2014	Current	Non Current	
(i) Replacement loss (a)	104 (146)	- -	38# (42)#	66 (104)	66 (83)	- (21)	
<b>Others (b)</b>							
(i) Customs/excise litigation matters	361 (412)	- -	- (51)	361 (361)	- -	361 (361)	
(ii) Sales tax litigation matters	215 (215)	3 (7)	155 (7)	63 (215)	- -	63** (215)**	
<b>Total (b)</b>	<b>576</b> <b>(627)</b>	<b>3</b> <b>(7)</b>	<b>155</b> <b>(58)</b>	<b>424</b> <b>(576)</b>	<b>-</b> <b>-</b>	<b>424</b> <b>(576)</b>	
<b>Total (a) + (b)</b>	<b>680</b> <b>(773)</b>	<b>3</b> <b>(7)</b>	<b>193</b> <b>(100)</b>	<b>490</b> <b>(680)</b>	<b>66</b> <b>(83)</b>	<b>424</b> <b>(597)</b>	

# 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, 2014 (Rs' lakhs)	Dec 31, 2013 (Rs' lakhs)	Dec 31, 2014 (Rs' lakhs)	Dec 31, 2013 (Rs' lakhs)	Dec 31, 2014 (Rs' lakhs)	Dec 31, 2013 (Rs' lakhs)
Gross provision	19	167	44	48	63	215
Payments under protest	(7)	(110)	(135)	(174)	(142)	(284)
Net provision/(advance tax)	12	57	(91)	(126)	(79)	(69)

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, 2014 (Rs 'Lakhs)	Dec 31, 2013 (Rs 'Lakhs)
Not later than one year	282	345
Later than one year but not later than five years	832	1,149
Later than 5 years	-	-
<b>Total</b>	<b>1,114</b>	<b>1,494</b>
	<b>For the year ended Dec 31, 2014 (Rs 'Lakhs)</b>	<b>For the year ended Dec 31, 2013 (Rs 'Lakhs)</b>

(34) CIF value of imports

Raw materials	22,298	22,615
Stores and spare parts	73	34
Capital goods	1,494	555
	<u>23,865</u>	<u>23,204</u>

	For the year ended Dec 31, 2014 (Rs 'Lakhs)	For the year ended Dec 31, 2013 (Rs 'Lakhs)
(35) Expenditure in foreign currency		
Import of finished goods	4,166	2,030
Commission on exports	-	2
Travelling	22	42
Trade mark fees	1,128	1,182
Regional service charges	5,373	4,589
Payment for deputation of employees	189	221
Other expenses	74	44
	<u>10,952</u>	<u>8,110</u>
(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	1,536	1,195
(iv) Year to which the dividends relate to	2013	2012
(37) Earnings in foreign currency		
FOB value of goods exported	1,729	2,318
Recovery for deputation of employees	537	742
Reimbursement of expenses by related parties	45	118
	<u>2,311</u>	<u>3,178</u>
(38) Consumption of raw materials, stores, spare parts and components:		

	For the year ended Dec 31, 2014 (Rs 'Lakhs)		For the year ended Dec 31, 2013 (Rs 'Lakhs)	
		%		%
<b>Raw materials</b>				
Imported	24,608	36.0	25,905	35.1
Indigenous	43,681	64.0	47,832	64.9
Total	<u>68,289</u>		<u>73,737</u>	
<b>Stores and spare parts</b>				
Imported	13	2.0	14	2.6
Indigenous	624	98.0	532	97.4
Total	<u>637</u>		<u>546</u>	

(39) Particulars of unhedged foreign currency exposures :

Particulars	Currency	As at Dec 31, 2014		As at Dec 31, 2013	
		(Foreign Currency' (Rs.' lakhs)	(Rs.' lakhs)	(Foreign Currency' (Rs.' lakhs)	(Rs.' lakhs)
Trade and other payables	USD	63.1	3,980	92.4	5,712
	EURO	0.6	49	4.8	406
	JPY	-	-	385.7	226
Trade and other receivables	USD	9.8	618	9.4	581
Balance in Bank accounts	USD	1.6	103	-	-

- (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, 2014 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 not 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 :
- Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end -Rs. NIL (Rs. NIL)
  - Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end -Rs. NIL (Rs. NIL)
  - Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year -Rs. NIL (Rs. NIL)
  - Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year -Rs. NIL (Rs. NIL)
  - Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year -Rs. NIL (Rs. NIL)
  - Interest due and payable towards suppliers registered under MSMED Act, for payments already made -Rs. NIL (Rs. NIL)
  - Further interest remaining due and payable for earlier years -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**

- Superannuation Fund
- Employee's State Insurance (State Plan)
- 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, 2014 (Rs 'Lakhs)	For the year ended Dec 31, 2013 (Rs 'Lakhs)
Employer's contribution to Superannuation Fund *	-	26
Employer's contribution to Employee's State Insurance (State Plan)	3	6
Employer's contribution to Employee's Pension Scheme 1995 (State Plan) *	103	85

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

**C. Defined Benefit Plans**

- Gratuity
- 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, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
Expected statutory interest rate on the fund	N.A.	N.A.	8.75%	8.75%	8.75%	8.75%
Discount rate (per annum)	8.00%	8.75%	8.75%	8.75%	8.75%	8.75%
Rate of increase in compensation level	5.75%	5.75%	N.A.	N.A.	N.A.	N.A.
Expected shortfall in interest earnings of fund	N.A.	N.A.	0.09%	0.05%	0.03%	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, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
Expected Present value obligation as at beginning of the year	1,311	1,252	2,192	1,654	3,934	3,677
Interest cost	114	105	192	145	344	322
Current service cost	107	91	181	167	130	141
Contribution by employees	N.A.	N.A.	226	179	343	312
Benefits paid	(198)	(172)	(191)	(181)	(555)	(445)
Actuarial (gain) / loss on obligations	55	35	(33)	(26)	(11)	(73)
Settlements / Transfer in	-	-	26	254	135	-
Present value obligation as at end of the year	1,389	1,311	2,593	2,192	4,320	3,934

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

Particulars	Head Office Provident Fund Trust		Factory Provident Fund Trust	
	As at Dec 31, 2014	As at Dec 31, 2013	As at Dec 31, 2014	As at Dec 31, 2013
Balance as at the beginning of the year	2,155	1,596	4,008	3,696
Expected return on plan asset	189	139	350	323
Employer contribution	181	167	130	141
Plan participants / employee contribution	226	179	343	312
Benefits paid	(191)	(181)	(555)	(445)
Asset gain/(loss)	20	1	(1)	(19)
Settlements/transfer in	26	254	135	-
Balance as at the end of the year	2,606	2,155	4,410	4,008
Actual return on plan assets	209	144	349	303

Amount of the obligation recognised in the Balance Sheet :

(Rs.' lakhs)

Particulars	Gratuity		Head Office Provident Fund Trust		Factory Provident Fund Trust	
	As at Dec 31, 2014	As at Dec 31, 2013	As at Dec 31, 2014	As at Dec 31, 2013	As at Dec 31, 2014	As at Dec 31, 2013
Present value of obligation as at year end	1,389	1,311	2,593	2,192	4,320	3,934
Fair value of plan assets as at year end	-	-	2,606	2,155	4,410	4,008
Liability recognised in the Balance Sheet						
- Current	100	151	-	37	-	-
- Non-Current	1,289	1,160	-	-	-	-

Amounts recognised in current year and previous four years:

(Rs 'Lakhs)

Gratuity	As at Dec 31, 2014	As at Dec 31, 2013	As at Dec 31, 2012	As at Dec 31, 2011	As at Dec 31, 2010
Present value of obligation as at year end	1,389	1,311	1,252	1,127	1,020
Fair value of plan assets as at year end	-	-	-	-	-
Surplus/(Deficit)	(1,389)	(1,311)	(1,252)	(1,127)	(1,020)
Experience Adjustment on plan liabilities (loss)/gain	20	(7)	(70)	(77)	(30)

(Rs 'Lakhs)

Provident Fund *	Head Office Provident Fund Trust			
	As at Dec 31, 2014	As at Dec 31, 2013	As at Dec 31, 2012	As at Dec 31, 2011
Present value of obligation as at year end	2,593	2,192	1,654	1,417
Fair value of plan assets as at year end	2,606	2,155	1,596	1,315
Surplus/(Deficit)	13	(37)	(58)	(102)

(Rs 'Lakhs)

Provident Fund *	Factory Provident Fund Trust			
	As at Dec 31, 2014	As at Dec 31, 2013	As at Dec 31, 2012	As at Dec 31, 2011
Present value of obligation as at year end	4,320	3,934	3,677	3,644
Fair value of plan assets as at year end	4,410	4,008	3,696	3,644
Surplus/(Deficit)	90	74	19	-

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

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

Sl. No.	Type of Securities	HO Provident Fund Trust		Factory Provident Fund Trust	
		As at Dec 31, 2014	As at Dec 31, 2013	As at Dec 31, 2014	As at Dec 31, 2013
a)	Government of India Securities	25%	23%	25%	9%
b)	State Government Securities	19%	18%	21%	7%
c)	High Quality Corporate Bonds	34%	34%	46%	34%
d)	Equity Shares of listed companies	7%	7%	-	-
e)	Property	-	-	-	-
f)	Special Deposit Scheme	11%	14%	8%	50%
g)	Funds Managed by Insurer	4%	4%	-	-
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Expenses Recognised in Statement of Profit and Loss :

(Rs 'Lakhs)

Particulars	Gratuity**		Head Office Provident Fund		Factory Provident Fund	
	For the year ended		For the year ended		For the year ended	
	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
Current service cost	107	91	181	167	130	141
Interest cost	114	105	192	145	344	322
Expected Return on Plan Assets	N.A.	N.A.	(189)	(139)	(350)	(323)
Net Actuarial (gain) / loss recognized during the year	55	35	(33)	(31)	(11)	(52)
Total expense recognized in the Statement of Profit and Loss	276	231	151	142	113	88

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

Best estimate of contribution during next year for Gratuity is Rs. 292 lakhs (Rs. 248 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. 28 lakhs (Rs. 72 lakhs) 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 LLP  
Firm Registration No. 007567S/ S-200012  
(formerly Price Waterhouse & Co., Bangalore,  
Firm Registration Number: 007567S)  
Chartered Accountants

For and on behalf of the Board

Rajeev Anand  
Vice Chairman &  
Managing Director

Yashwant Singh Yadav  
Director

Avijit Mukerji  
Partner  
Membership Number: 056155

R V Gupta  
Director

Sudha Ravi  
Director

Place: New Delhi  
Date: February 27, 2015

Mark C Ravunni  
Chief Financial Officer

Pankaj Gupta  
Company Secretary

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**Goodyear India Limited**

**CIN:** L25111HR1961PLC008578

**REGISTERED OFFICE:** Goodyear India Limited. Mathura Road, Ballabgarh, (Dist. Faridabad) - 121004, Haryana.

Tel No.: 0129 - 6611000, Fax: 0129 - 2305309/10

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**CORPORATE OFFICE:** Goodyear India Limited. 1st Floor, ABW Elegance Tower, Plot No. 8, Commercial Centre Jasola, New Delhi - 110025.

Tel.: 011 - 47472727, Fax: 011 - 47472715

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

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