



# ANNUAL REPORT 2019-20



# GOODYEAR WOMEN'S NETWORK

*Inspire • Empower • Connect*



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

## CORPORATE INFORMATION

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### AUDITORS

#### Statutory Auditors

Deloitte Haskins & Sells L.L.P  
Chartered Accountants  
(ICAI Firm Registration No. 11736W/W-100018)

#### Cost Auditors

M/s Vijender Sharma & Co.  
Cost Accountants (Firm Registration No. 000180)

#### Secretarial Auditors

M/s VKC & Associates  
Company Secretaries (UCN – P2017UP060600)

### REGISTRAR & TRANSFER AGENTS

Skyline Financial Services Private Limited  
D-153/A, 1<sup>st</sup> Floor, Okhla Industrial Area,  
Phase-1, New Delhi-110020  
Email- [admin@skylinerta.com](mailto:admin@skylinerta.com)  
Phone: +9111-26812682, 83  
+9111-64732681

### BANKERS

BNP Paribas  
Punjab National Bank  
Standard Chartered Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
JP Morgan Chase Bank N.A  
HSBC Bank  
Deutsche Bank AG  
State Bank of India  
Credit Agricole Corporate & Investment Bank  
MUFG Bank Ltd.  
Citi Bank

### REGISTERED OFFICE

Mathura Road, Ballabgarh, (Dist. Faridabad)-121004, Haryana

### CORPORATE OFFICE

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

### MANUFACTURING PLANT

21/4 Milestone, Mathura Road, Ballabgarh, Haryana – 121 004

### CORPORATE IDENTITY NUMBER

L25111HR1961PLC008578

### WEBSITE

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

### INVESTOR EMAIL ID

[goodyearindia\\_investorcell@goodyear.com](mailto:goodyearindia_investorcell@goodyear.com)

### LISTING OF EQUITY SHARES

BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400001  
(Scrip Code : 500168)

### FINANCIAL YEAR

April 01, 2019 to March 31, 2020



# MESSAGE FROM THE CHAIRMAN

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Dear Shareholders,

I hope and sincerely wish that you and your families are safe and healthy.

The world is going through an unprecedented pandemic, which has impacted communities, businesses and individuals across the globe. Safety and wellbeing of our associates and our business partners has been our first priority followed by ensuring continuity of business and serving our customers. Thank you for standing by us during these tough times. We have been maintaining a high level of engagement and interaction with our associates and channel partners to keep them informed and engaged during this period. Besides this, we have taken various initiatives through virtual meetings and conference calls which will help us improve and build customer loyalty and enhanced employee skills. Some of the actions taken are as below:

- Employee engagement programs within the organization to ensure the well-being of associates;
- “Customer Connect Programs” like training channel partners and staying in touch with all customers on regular basis to share global best practices;
- “Back to Business” guidelines, including safety precautions and measures at factory and offices when associates return to work.

The Company’s goal is to deliver sustainable revenue and profit growth while increasing the value of our brand. In line with our global vision, our endeavor has been to increase the value of our brand by offering “Best in Class” products to our consumers and working closely with our channel partners, thereby helping them to grow.

In the Financial Year 2019-20, both the Company and the tyre industry faced challenges. Most of the challenges were external and many were similar to those we have experienced in the past. Even though our results were affected by these conditions, our team delivered significant accomplishments that will strengthen our business over the coming years. During the year, we adapted our plans to meet shifting market conditions. We have continued to invest in our factory operations to build additional capacity and capabilities in line with market requirements. As we manage our business through the current cycle of challenges and external pressures, we are looking forward to a wealth of opportunities ahead. In the Financial Year 2019-20, the Farm tyre industry witnessed a slowdown (~14% as per Crisil) due to sharp decline in tractor production. This was due to subdued farm sentiment largely contributed by crop damage due to delayed monsoons and floods in different areas as well as tough financial environment, largely liquidity tightness. In spite of this industry slowdown, the Company’s Farm business has outperformed the Industry. Additionally, the Company’s Consumer Replacement business continues to grow faster than the industry and delivered a strong performance in the Financial Year 2019-20.



I am pleased to share that during the year, with the various initiatives taken by the Company, we have gained valuable market share and have grown faster than the industry.

Corporate Social Responsibility (CSR) is another area of key focus to support and serve our communities better. During the Financial Year 2019-20, your Company focused on the following initiatives as a part of its CSR Program:



“Safer Roads, Safer You” initiative in collaboration with Institute of Road Traffic Education (IRTE) for training taxi drivers, school bus drivers and attendants with an objective to promote safe mobility. 1324 Taxi drivers, 1334 school bus drivers and attendants across 32 schools in Delhi NCR and 577 traffic and transport officials were trained under the project.

In collaboration with International Association for Human Values (IAHV), the Company also undertook a Watershed Development project in rural Maharashtra with an aim to create sustainable livelihood opportunities for the communities in a drought prone region of the State. The project is expected to create 165 TCM of water conservation capacity benefiting approximately 12,000 villagers in Aurangabad district.



Your Company continued its support toward infrastructure for training of boxers from economically challenged background by supporting Mary Kom Regional Boxing Foundation (MKRBF). The Company completed the construction of boxing ring last year and in the Financial Year 2019-20, the Company constructed the kitchen and dining hall, which will be used by the athletes training at the academy.



Your Company also launched Goodyear Women's Network (GWN) India chapter during the Financial Year 2019-20. The objective of this initiative is to build Goodyear brand with a diverse and inclusive workforce, promoting energized workplace culture, providing collaborative opportunities to strengthen empowerment, enhancing confidence and supporting strategic business goals.





I would also like to inform you that after completing almost 12 years as the Chairman and Managing Director and reaching the superannuation age effective June 1, 2020, I have stepped down as the Managing Director, however, I will continue to be the Chairman of the Board from June 1, 2020 till December 31, 2020.

I humbly convey my sincere gratitude and would like to thank you for your tremendous support during my tenure of almost 12 years as the Managing Director.

I am very pleased to share with you all that, Mr. Sandeep Mahajan has been appointed as the Managing Director of your Company. He has been with the Company for the last 8 years and has handled Farm, Commercial, OTR and Consumer businesses within the Company. He brings extensive P&L as well as sales and marketing experience, both in Indian and key global markets. I am sure you will continue to give your whole hearted support to the Company and Mr. Sandeep Mahajan.

I would like to once again thank our valued shareholders, for your continued support, confidence and trust in your Company. Please ensure that you and your families continue to stay safe and take all necessary precautions during this period of Covid-19.

My very best wishes to you all for the years ahead.

Sincerely,

**Rajeev Anand**  
Executive Chairman



# MESSAGE FROM THE MANAGING DIRECTOR



Dear Shareholders,

I hope you and your family members are doing well !

We are currently going through the single biggest crisis that we are facing as a society. The human, societal and business challenges associated with Covid-19 are simply unprecedented. During these tough times, it is important that we all remain safe, while working together as “ONE TEAM” with a focus on sustaining our business and positioning your Company for the future.

I am happy to share that your Company has grown faster than the industry in the Financial Year 2019-20 and we have delivered a strong performance.

For the Financial Year ended March 31, 2020, the total income of the Company was Rs. 1,78,074 Lakhs as compared to Rs. 1,94,960 Lakhs in the previous Financial Year 2018-19. Profit before tax (PBT) for the Financial Year 2019-20 was Rs. 11,684 Lakhs as compared to Rs. 15,814 Lakhs in the previous Financial Year 2018-19 showing a decrease of 26%. Financial performance was impacted by decline in Farm industry and the unexpected outbreak of COVID-19.

The three key pillars of your Company’s strategy roadmap on “How we will win” has helped us build the value of our brand.



*“winning at the intersection”*



- **Innovation Excellence:** Launched two new innovative products in Passenger car and SUV segment
- **Sales & Marketing Excellence:** Sustaining leadership with Farm OEMs, Focus on channel expansion, Expansion in branded retail network
- **Operational Excellence:** The Company is proud to have received the prestigious “J.D Power 2019 India Original Equipment Tyre Customer Satisfaction Index (TCSI) Study” award for being # 1 in Small Car Segment
  - J.D Power study measures overall customer satisfaction among new car buyers which is the highest level of recognition of product quality in the automotive industry

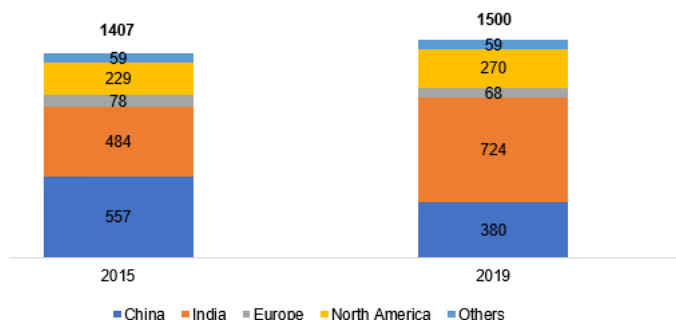


India is the largest tractor market globally and hence one of the most important markets for all major Original Equipment Manufacturers (OEMs) having tractor in their farm equipment portfolio. However, India is also one of the countries with the lowest rates of farm mechanization. This unique combination makes the potential for growth of the tractor market immense in India.

**“In Farm segment, mid to long-term outlook is on a recovery path with an expected growth of 4%-8% (source: ICRA)”**

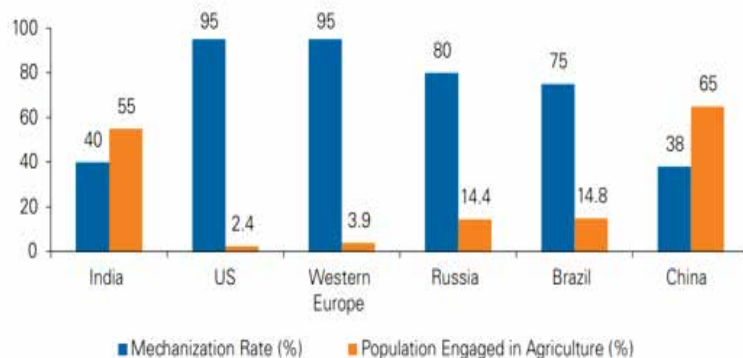
In the Farm Tyre industry, the mid to long-term (3-5 years) outlook is on a recovery path with an expected growth of 4%-8% (source: ICRA). Lower tractor penetration and increasing trend towards mechanization will help drive the overall demand. Moreover, strong focus of the Government to enhance rural income through enhanced Minimum Support Price (MSP) will also compliment the growth in demand.

**Global Tractor Sales (in '000)**



(Source: Ag Equipment Intelligence, TMA)

**Global Farm Mechanization Rate Vs. Population Engaged in Agriculture**



(Source: Ministry of Agriculture)

The industry is witnessing headwinds due to the Covid-19 pandemic which will have significant impact on business operations during this Financial Year. As per reports, India's GDP may see 4.5% contraction in Financial Year 2020- 21 (Source: IMF).



With the advent of monsoon ahead of schedule and forecast for a normal rainfall, prospects for the farm sector look bright.

- Monsoon has covered most parts of India ahead of schedule and overall rainfall has been 18% above normal till June 30, 2020 as reported by Indian Metrological Department (IMD).
- Crop sown area has also doubled from 155 lakh hectares last year to 315 lakh hectares this year which yet again promises a bumper kharif harvest (Ministry of Agriculture). Pan India water storage levels have also increased significantly by 83% compared to last year levels, (Source: Central Water Commission).

In addition to declaring agriculture as an essential service during lockdown, the Government has declared further steps for supporting farm business. These include increasing MSP for kharif crops for the Financial Year 2020-21 by average 3%-5% and granting extension to farmers for repayment of short-term crop loans till Aug 31, 2020.

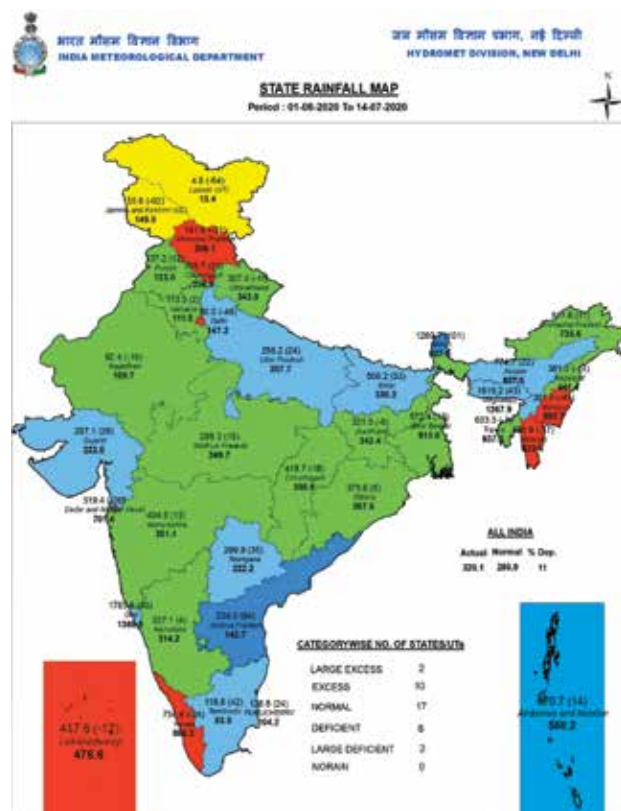
Tractor sales & production have recovered in May 2020 after seeing a sharp decline in March and April and OEMs expect to reach 100% capacity utilization gradually. Forecast of a normal monsoon, bumper crop harvest and good price realization hints at strong recovery of tractor segment and tractor makers expect the volumes to further increase by 5%-10% in the quarters from September 2020 to March 2021.

#### Legend

Large Excess [ 60% or more] Excess [ 20% to 59%] Normal [-19% to 19%]  
Deficient [-59% to -20%] Large Deficient [-99% to -60%] No Rain [-100%] No Data

#### NOTES:

- Rainfall figures are based on operation data.
- Small figures indicate actual rainfall (mm), while bold figures indicate normal rainfall (mm).
- Percentage Departures of rainfall are shown in brackets.



Source : India Meteorological Department, Hydromet Division

In line with your Company's commitment towards delivering quality and world class customer support, here are a few snapshots of Farm service camps organized during 2019-20.



M/s Krishna Traders (Escorts)  
Umariya-Madhya Pradesh (WEST)



M/s Sukhmani Tractors (New Holland)  
Hissar - Haryana (NORTH)



M/s Ashirbad Motors (Swaraj)  
Bolangir -Orissa (EAST)



M/s Kissan Tractor (Escorts)  
Adampur - Haryana (NORTH)



M/s Jharkhand Tractors (New Holland)  
Hazribagh-Jharkhand (EAST)



M/s Sri Jayarama Automotive (M&M)  
Gadwal - Telangana (SOUTH)

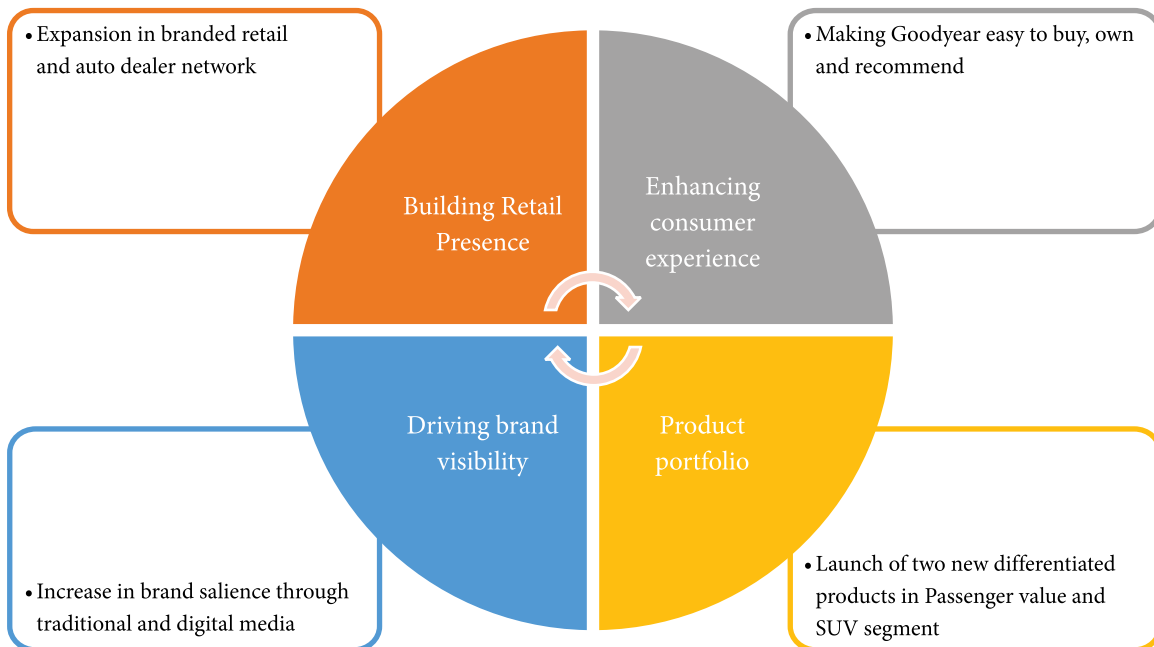
**GOODYEAR**



**“Growing car population and low penetration levels to drive future growth in consumer tyre segment”**

Positive long-term economic outlook and growing vehicle population coupled with low car penetration levels are expected to drive growth in the consumer replacement tyre industry. Overall, we continue to remain optimistic about mid to long-term outlook of consumer tyre industry.

Your Company’s Consumer Replacement business continues to grow faster than the industry and delivered a strong performance in the Financial Year 2019-20. Some of the key actions that we had taken in the Financial Year 2019-20 to drive Consumer Replacement business results were:



As your Company manages the business through the current cycle of challenges and external pressures, we are optimistic about the future economic outlook and long term trends that are influencing our industry. We are well placed to deliver great products and build value in the market with consumers and shareholders.

As we move ahead, I would like to thank our customers, our employees, our channel partners and our shareholders for their continued support, guidance and faith in us.

Lastly, I would like to convey my best wishes to you! Stay safe and healthy!

Sincerely,

**Sandeep Mahajan**  
Managing Director



## BOARD OF DIRECTORS



**RAJEEV ANAND**  
**Chairman**

Mr. Rajeev Anand is the Chairman of Goodyear India Limited. He has held numerous senior leadership roles in India and ASEAN over the past 38 years at Goodyear, most recently as the Chairman & Managing Director, Goodyear India Limited.

Mr. Anand focus in these roles has been on accelerating growth, developing operational excellence, building a high-performance culture and strong corporate governance. He has deep knowledge and experience in business strategy, manufacturing operations, program execution, long cycle investments and customer value creation.

Mr. Anand is instinctively good with people and is able to read their motivations and aspirations well. His humility and curiosity to learn about new areas of business and to understand people and their motivations have contributed to his growth as a leader.

Under his leadership, Goodyear India has attained sustained level of performance and overall business growth.



**SANDEEP MAHAJAN**  
**Managing Director**

Mr. Sandeep Mahajan is the Managing Director of Goodyear India Limited. He has over 29 years of experience in handling top Consumer brands. He has extensive P&L as well as sales and marketing experience, both in Indian and key global markets. He has also been associated with launching new brands and categories in these markets.

Prior to his appointment as Managing Director, he was leading Consumer business and Farm & Commercial business for Goodyear India.

Sandeep started his career with Tata Steel Ltd. and has had extensive sales & marketing experience at Hindustan Unilever Ltd. Prior to Goodyear, Sandeep was the General Manager at LG India which included building rural business, leading Modern Trade and setting up their extensive Brand Shops business.

Sandeep holds a Bachelor's in Engineering (Mechanical) and a Post Graduate Diploma in Management from Indian Institute of Management, Bangalore.



**RAJIV LOCHAN JAIN**  
**Director**

Rajiv Lochan Jain is B. Tech. (Hons.) in Chemical Engineering from IIT, Kharagpur and MBA from the Peter T. Paul College of Business and Economics at the University of New Hampshire, USA.

He was the Chief Executive of the Specialty Chemicals, Rubber Chemicals and Explosives businesses of ICI India Limited (now Akzo Nobel India Limited) before being appointed as the Chief Operating Officer. He joined the Board in 1997 and served as Chief Executive Officer and Managing Director of ICI India Limited from 2003. He successfully led the portfolio reshaping of ICI India Ltd. from a diversified chemical Company to a focused and fastest growing player in the paints and coatings business. He was also the Chairman of both ICI's Research Company in India and the joint venture company of ICI with Orica, Australia.

He advises global and local companies on their entry and growth strategies for India and serves as Independent Director on the Boards of Gujarat Alkalies and Chemicals Ltd., Goodyear India Limited and Fresenius Kabi Oncology Ltd. He has also appointed to the Board of Governors of GSFC University.



**RAJEEV KHER**  
**Director**

Mr. Rajeev Kher is a distinguished fellow with a leading policy think tank in Delhi. He served in the Indian Administrative Service and superannuated as Commerce Secretary, Government of India and followed it as Member, Competition Appellate Tribunal.

Mr. Kher has held prominent assignments in the Central Government like in the Department of Trade and Commerce, Ministry of Environment and The Energy and Resources Institute (TERI) in Delhi.

He prepared the first comprehensive Foreign Trade Policy and the first National Environment Policy for India. He was India's Chief negotiator in the WTO and led negotiations for Trade Agreements with major blocks.

He was a Member of the Niti Ayog Task Force on Exports and Employment and the High-Level Advisory Group constituted by the Commerce and Industry Minister. He is also a member of many task forces and committees of Industry Federations and policy think tanks advising on issues relating to Trade, Industry, Commerce, Sustainable Development and several other strategic areas. He has published work on many areas of his expertise.





**SUDHA RAVI**  
**Director**

Ms. Sudha Ravi has four decades of experience in the financial services sector as Executive Director of Piramal Capital & Housing Finance Ltd.; CEO of Piramal Finance Ltd.; In-charge of India Venture Advisors Pvt. Ltd., a healthcare and life sciences focused private equity fund sponsored by the Piramal Group. Ms. Ravi joined the Piramal Group in 2011 and set up the Non-Banking Finance Company (NBFC) - Piramal Finance Ltd. and continues to be associated with Piramal Capital & Housing Finance Ltd. Prior to Piramal Group, Ms. Ravi was with State Bank of India (SBI) for over 30 years, joining the Bank as a direct recruit Probationary Officer. In SBI, she worked in various roles across client segments, branch management and products and has had the opportunity of working in USA and across India in Metro, Urban and Rural areas. Working in 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 including as General Manager, Enterprise Risk Management facilitating alignment of risk with strategy at the Bank-wide level; Dy. General Manager & Private Secretary to Chairman, SBI; Chief Representative, Washington DC, USA.

Ms. Ravi is a member of the Confederation of Indian Industry (CII) National Committee for Non-Banking Financial Companies (NBFCs) & Housing Finance Companies (HFCs) and was earlier Chairperson, National Council of NBFCs of ASSOCHAM (The Associated Chambers of Commerce and Industry of India).

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



**NICOLE AMANDA NUTTALL**  
**Director**

Ms. Nicole Amanda Nuttall is presently working as an Associate General Counsel of Goodyear & Dunlop Tyres (Aust) Pty Ltd. Ms. Nuttall has previously worked as a Director Compliance and Ethics, Asia Pacific region. Ms. Nuttall has also been associated with Goodyear and Dunlop Tyres (Aust) Pty Ltd. as legal counsel for a period of almost 6 years. Ms. Nuttall area of expertise is Legal and Compliance. Ms. Nuttall has worked with organizations such as GM Holden Ltd., Home Wilkinson Lowry, The Royal Automobile Club of Queensland Limited, Lyons Solicitor and Ellison Moschella & Co. in the past in their legal department.

Ms. Nuttall holds a degree in Commerce from the University of Queensland and has also completed her Law and Diploma in Legal Practice from Queensland University of Technology. In July 2003, Ms. Nuttall was also admitted as a Solicitor of the Supreme Court of Queensland.

## **SONALI KHANNA**

**Head-Legal, Compliance & Company Secretary**

## **BOARD COMMITTEES**

### **AUDIT COMMITTEE**

Rajiv Lochan Jain	Chairman
Rajeev Anand	Member
Sudha Ravi	Member
Rajeev Kher	Member

### **NOMINATION AND REMUNERATION COMMITTEE**

Sudha Ravi	Chairperson
Rajiv Lochan Jain	Member
Nicole Amanda Nuttall	Member

### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Rajiv Lochan Jain	Chairman
Sandeep Mahajan	Member
Sudha Ravi	Member
Rajeev Kher	Member

### **RISK MANAGEMENT COMMITTEE**

Sudha Ravi	Chairperson
Sandeep Mahajan	Member
Rajiv Lochan Jan	Member
Mitesh Mittal (CFO)	Member

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Rajeev Anand	Chairman
Sandeep Mahajan	Member
Rajeev Kher	Member



## BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 59<sup>th</sup> Annual Report of the Company along with the Company's Audited Financial Statements for the Financial Year ended March 31, 2020.

### 1. FINANCIAL SUMMARY

A brief summary of the audited financials of the Company for the Financial Year ended March 31, 2020 is given below. The figures of the current Financial Year and previous Financial Year have been prepared in accordance with the Indian Accounting Standards ('Ind AS').

(Rs. in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	174,557	191,191
Other Income	3,517	3,769
<b>Total Income</b>	<b>178,074</b>	<b>194,960</b>
Less: Expenditure:		
Cost of material consumed	67,600	81,790
Depreciation	5,010	4,103
Other expenses	93,780	93,253
<b>Total Expenditure</b>	<b>166,390</b>	<b>179,146</b>
<b>Profit Before Tax</b>	<b>11,684</b>	<b>15,814</b>
Less: Income Tax Expense:		
Current Tax	3,125	5,802
Deferred Tax	(325)	(195)
<b>Profit before other comprehensive income</b>	<b>8,884</b>	<b>10,207</b>
Other comprehensive income for the year, net of tax	(407)	(99)
<b>Total comprehensive income for the year</b>	<b>8,477</b>	<b>10,108</b>

### 2. FINANCIAL HIGHLIGHTS

During the Financial Year 2019-20, the total income was Rs. 1,78,074 Lakhs as compared to Rs. 1,94,960 Lakhs in the previous Financial Year 2018-19.

During the Financial Year 2019-20, the revenue from operations was Rs. 1,74,557 Lakhs as compared to Rs. 1,91,191 Lakhs in the previous Financial Year 2018-19, registering a decrease of Rs. 16,634 Lakhs.

Profit before tax (PBT) during the Financial Year 2019-20 was Rs. 11,684 Lakhs as compared to Rs. 15,814 Lakhs in the previous Financial Year 2018-19 showing a decrease of 26%.

The total comprehensive income of the Company for the Financial Year 2019-20 stood at Rs. 8,477 Lakhs as compared to Rs. 10,108 Lakhs in the previous Financial Year 2018-19, showing a decrease of 16%.

During the Financial Year 2019-20, the capital expenditure incurred amounted to Rs.5,459 Lakhs as compared to Rs. 7,386 Lakhs in the previous Financial Year 2018-19. The interest and other finance cost during the Financial Year 2019-20 was Rs. 397 Lakhs as compared to Rs. 300 Lakhs in the previous Financial Year 2018-19.

### 3. OPERATIONS

The Company manufactures automotive tyres viz. farm tyres and commercial truck tyres at its Ballabgarh plant. The Company also trades in "Goodyear" passenger car tyres (Radial) for Consumer business which are manufactured by Goodyear South Asia Tyres Private Limited ('GSATPL'), Aurangabad. Other products which the Company markets and sells include tubes and flaps.

The Farm Tyre industry has degrown at ~14% year on year in the last Financial Year (source CRISIL) due to sharp decline in tractor production. The subdued farm sentiments were largely contributed by delayed monsoons and floods in different areas and tightened financing environment. Tough macro-economic conditions prevailed throughout Financial Year 2019-2020 and unexpected outbreak of COVID-19 pandemic and nationwide lockdown from 25<sup>th</sup> March 2020 impacted farm business during peak season.

During this downturn Farm Business team continued to focus on sustaining leadership with OEMs through excellence in Key Account Management to deliver enhanced Customer Service. In the replacement channel, the focus continued on robust channel expansion and extraction. This was supported by operational excellence to ensure delivery of the right tyre, to the right place, at the right time, at the right cost. These initiatives resulted in your Company gaining market share in overall farm segment.

Consumer replacement business delivered a strong performance by growing faster than the industry in Financial Year 2019-20. This was a result of key initiatives as mentioned below:

- Strengthening the product portfolio by launching two flagship products i.e. Assurance Duraplus 2 in the mid passenger car segment and Wrangler AT SilentTrac in the SUV segment.
- Enhancing consumer experience by making Goodyear easy to buy and increasing the reach and distribution footprint.
- Growth in brand salience through brand building activities including traditional and digital.

### 4. DIVIDEND

The Board have recommended a final dividend of Rs. 13/- per equity share for the Financial Year 2019-20 as against final dividend of Rs. 13/- per equity share, in the previous Financial Year 2018-19.

The Dividend recommendation is in accordance with the Dividend Distribution Policy of the Company, annexed as part of the Annual Report and also available at the Investors Relations section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).

The final dividend will absorb a sum of Rs. 2,999 lakhs, if approved at the ensuing Annual General Meeting (AGM) of the Company, shall be paid to the eligible members within the stipulated time period.

### 5. TRANSFER TO GENERAL RESERVE

During the Financial Year 2019-20, the Company has not transferred any amount towards General Reserve.



## 6. AWARDS AND RECOGNITIONS

The Company is proud to have received the prestigious award “J.D Power 2019 India Original Equipment Tyre Customer Satisfaction Index (TCSI) Study” for being # 1 in Small Car Segment. J.D Power study measures overall customer satisfaction by examining four factors i.e. wear, ride, traction/handling and appearance.

## 7. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 of the Companies Act, 2013 ('the Act') the Directors make the following statements that:

- (i) in the preparation of the annual accounts for the Financial Year 2019-20, the applicable accounting standards have been followed and that there are no material departures;
- (ii) appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit and loss of the Company for that period;
- (iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts for the Financial Year 2019-20 have been prepared on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 8. FUTURE OUTLOOK

After a turbulent year in the tractor industry, we are again seeing short to mid-term headwinds in demand for Financial Year 2020-21 and industry is expected to be de-grow by 8-10% in 2020-21 (Source: Crisil). Key macro factors influencing the demand include containment of COVID-19 spread, gradual lifting of nationwide lockdown, restoring consumer confidence, liquidity and progress of monsoon. On a positive note, as per IMD, Southwest monsoon in India is expected to be normal this year at (96%-104%)

The mid to long-term outlook of the farm tyre industry continue to be positive with an expected growth of 6%-8% (source: ICRA) due to following factors:

- (i) Agriculture contribution to GDP at ~17%;
- (ii) Strong focus of the Government to enhance rural income through enhanced MSPs ('Minimum Support Price');
- (iii) Lower tractor penetration driving and increasing trend towards mechanization.

(Source: Crisil & ICRA)

The passenger tyre industry is expected to continue witnessing headwinds in 2020 due to the Covid-19 pandemic. However, the long-term outlook is expected to be positive based on the demographic profile supported by robust GDP growth. The growing vehicle car parc is also expected to drive replacement demand in the future.

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

Appointment/Re-appointment and/or Cessation/Resignation of Directors and KMP:

S. No	Name of Director / KMP	Position	Appointment / Re-appointment	Cessation / Resignation
1.	Mr. Anup Karnwal	Company Secretary (KMP)	April 22, 2019	October 15, 2019
2.	Ms. Sudha Ravi (DIN:06764496)	Independent Director	June 07, 2019	-
3.	Ms. Sonali Khanna	Company Secretary (KMP)	November 13, 2019	-
4.	Mr. Rajeev Kher (DIN:01192524)	Independent Director	March 06, 2020	-
5.	Mr. Chandrashekhar Dasgupta (DIN:00381799)	Independent Director	-	March 11, 2020

In the opinion of Board, Ms. Sudha Ravi and Mr. Rajeev Kher both fulfill the criteria with regard to integrity, expertise and experience (including the proficiency) for independent directors as defined under the Companies Act, 2013 and rules made thereunder.

Ms. Nicole Amanda Nuttall (DIN:08164858), Non-Executive Non Independent Director, is liable to retire by rotation at the ensuing AGM of the Company and being eligible, offers herself for re-appointment.

Between the end of the Financial Year on March 31, 2020 and upto the date of this Report, the following are the changes in Directors of the Company:

- (i) Mr. Rajeev Anand (DIN:02519876) ceased to be a Managing Director of the Company from the close of business hours on May 31, 2020.
- (ii) Mr. Mitesh Mittal (DIN:05231968) has resigned as a Whole Time Director from the close of business hours on May 31, 2020. However, Mr. Mitesh Mittal will continue to be the Chief Financial Officer and a Key Managerial Personnel of the Company.
- (iii) Mr. Rajeev Anand (DIN:02519876) was appointed as Whole-Time Director to be designated as an Executive-Chairman w.e.f. June 01, 2020 to September 30, 2020, for which approval of the members is sought at the ensuing AGM.
- (iv) Mr. Rajeev Anand (DIN:02519876) appointed as Non-Executive Director to be designated as a Non-Executive Chairman w.e.f. October 01, 2020 till December 31, 2020.
- (v) Mr. Sandeep Mahajan (DIN:08627456) was appointed as an Additional Director w.e.f. June 01, 2020 and as Managing Director of the Company effective June 01, 2020 for a period of 5 years or upto the date of superannuation / retirement, whichever is earlier, for which the approval of the members is sought at the ensuing AGM.

None of the Directors are disqualified from being appointed as or holding office of Directors as stipulated in Section 164 of the Act.



Pursuant to Section 149 (6) and 149 (7) of the Act and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) 2015"), the Company has received a declaration of independence from all the Independent Directors confirming that they have complied with the criteria of independence as of March 31, 2020.

During the Financial Year 2019-20, the Board in consultation with the Nomination & Remuneration Committee ('NRC'), has carried out the formal Annual Performance Evaluation of the Board, its Committees, and individual Directors. The evaluation has been carried out through a questionnaire, formulated by NRC, covering various evaluation criteria, like Common understanding of roles & responsibilities; Composition of the Board is appropriate and diversified and the Board functions as a team; the Board adequately reviews and guides corporate strategies such as restructuring, major plans and policies, budgets, performance and expenditure; effective response to crisis, if any, and ability to foresee the same; substantial business experience or professional expertise; initiatives taken and valuable contributions in meetings, etc. Feedback was sought from each Director in the said questionnaire based on the framework and, thereafter, a summary of such performance evaluation, compiled by the Company Secretary, was reviewed and noted by the Board.

The Nomination & Remuneration Policy of the Company consists the criteria for appointment of board members, performance evaluation and succession planning process. Some of the indicators for appointment of Directors, Key Managerial Personnel and Senior Management includes criteria for determining qualifications (educational, expertise, etc.), positive attributes (personal qualities & characteristics, reputation, etc.) with the object of attracting, retaining and motivating talent which is required to run the Company successfully. The same is available at the Investors Relations section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).

#### 10. A. BOARD MEETINGS

During the Financial Year 2019-20, 5 (Five) Board Meetings were held and the details are disclosed in the Corporate Governance Report annexed as part of Annual Report.

#### B. AUDIT COMMITTEE

The Board has duly constituted the Audit Committee and the details of the Committee meetings and members who have attended the meetings are disclosed in the Corporate Governance Report annexed as part of Annual Report. Also, all the recommendation from the Audit Committee were accepted by the Board.

#### 11. DEPOSITS

The Company has neither accepted nor renewed any deposits in terms of Chapter V of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the Financial Year 2019-20.

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

The Company has not granted any loans, guarantees or made investments within the meaning of Section 186 of the Act during the Financial Year 2019-20.

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

All related party transactions entered into by the Company during the Financial Year 2019-20 were in the ordinary course of business and on arm's length basis. All transactions with related parties were placed before Audit Committee and Audit Committee has also given omnibus approval for repetitive and foreseen transactions. The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in the prescribed Form AOC - 2 is annexed as 'Annexure-A' to this Report.

The Policy on dealing with Related Party Transactions is available at the Investors Relations section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).

#### 14. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3) (a) of the Act read with rules made thereunder, extract of Annual Return of the Company is available at the Investors Relations section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).

#### 15. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

#### 16. AUDITORS

##### (i) Statutory Auditors and their Report

In accordance with the provisions of the Act and rules made thereunder Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/ W-100018 were appointed as Statutory Auditors to hold office from the conclusion of the 56<sup>th</sup> Annual General Meeting (AGM) held on August 09, 2017, until the conclusion of the 61<sup>st</sup> AGM to be held in the year 2022. There are no qualifications, reservations or adverse remarks and disclaimers made by Deloitte Haskins & Sells LLP, the Statutory Auditors, in their Audit Report for the Financial Year 2019-20. Further, there was no frauds reported by the Auditors of the Company for the Financial Year 2019-20.

##### (ii) Cost Auditors and their Report

Pursuant to the Section 148 of the Act read with applicable rules made thereunder and on recommendation of Audit Committee of the Company, M/s Vijender Sharma & Co. (Firm Registration No.: 000180), Cost Accountants, were re-appointed by the Board as Cost Auditors for conducting the audit of the cost records maintained by the Company for the Financial Year 2020-21, subject to ratification of remuneration by the Members at the ensuing AGM. The Company had received a consent letter from them to the effect that their re-appointment would be within the limits prescribed under section 141(3) of the Act and that they are not disqualified for such re-appointment within the meaning of Section 141 of the Act.

Cost records as specified by the Central Government under Sub-Section (1) of Section 148 of the Act are made and maintained by the Company.



### (iii) Secretarial Auditors and their Report

Pursuant to provisions of Section 204 of the Act, 2013, the Secretarial Audit Report is annexed herewith as 'Annexure-B' to this Report duly certified by M/s VKC & Associates, Practicing Company Secretaries (UCN- P2017UP060600), as Secretarial Auditor of the Company.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. Further, there was no fraud reported by the Secretarial Auditors of the Company for the Financial Year 2019-20.

## 17. INTERNAL FINANCIAL CONTROLS

The Integrated Framework adopted by the Company, which is based on applicable guidance on Internal Financial Control, is adequate and effective. The Internal Financial Controls and its adequacy and operating effectiveness is included in the Management Discussion and Analysis Report annexed as 'Annexure-C', forming a part of this Report.

## 18. VIGIL MECHANISM (INCLUDING WHISTLE BLOWER MECHANISM/POLICY)

The Company has formulated its Vigil Mechanism (including Whistle Blower Mechanism/Policy) to deal with concerns/complaints of directors and associates, if any. The details of the Policy are also provided in the Corporate Governance Report annexed as part of Annual Report and the Policy is available at the Investors Relations section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).

## 19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance with the applicable provisions of the SEBI (LODR) 2015, a detailed Management Discussion & Analysis Report forming part of the Annual Report is annexed as Annexure-C to this Report.

## 20. HUMAN RESOURCES

### Industrial Relations

Industrial harmony was maintained during the year through peaceful and productive employee relations. Multiple training sessions were imparted to employees on matters related to ethics and compliance, discipline, safety of the employees and environmental awareness. Various employee engagement initiatives were conducted within the salaried and hourly paid employees to increase the engagement levels of employees. The total number of salaried and hourly paid associates as on March 31, 2020 stood at 933.

## 21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has continuously strived to be a socially, ethically and environmentally responsible corporate entity. In 2019-20, the Company invested in CSR projects on road safety, rural development and promotion of rural sports. Implementation of the projects was carried out through various partners with expertise in the thematic areas and presence in the geographical locations of the projects.

The annual report on CSR activities as required under the Act and rules made thereunder including the CSR activities undertaken by the Company during the year are set out in 'Annexure-D' of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the policy is also available at the Investors Relations section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).

## 22. BUSINESS RESPONSIBILITY REPORT (BRR)

Business Responsibility Report which includes principles to assess compliance with environmental, social and governance norms for the year under review is annexed as 'Annexure-E' to this Report.

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

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

## 24. RISK MANAGEMENT POLICY

The Board has constituted a Risk Management Committee in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks. The Risk Management Committee has formulated the Risk Management Policy for the Company.

## 25. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy on Prevention of Sexual Harassment in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As per the said Policy, an Internal Committee (IC) is duly constituted by the Company. During the Financial Year 2019-20, two complaints were received by the Company which were addressed within the legal framework.

## 26. PARTICULARS OF EMPLOYEES (SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014)

The information required pursuant to Section 197 of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration Rules), is annexed as 'Annexure-G' of this Report. Information required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided to members upon request. In terms of Section 136 of the Act, the aforesaid information is open for inspection and any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

## 27. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124(6) of the Act read with Rule 6 of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) ("Rules"), the dividends {unpaid/ unclaimed for a period of 7 (seven) years from the date of transfer to the Unpaid / Unclaimed dividend account} and underlying equity shares on which dividend has not been paid or claimed by the members for seven consecutive years are required to be transferred to the Investor Education & Protection Fund (IEPF) Authority established by the Central Government.



Accordingly, the Company has transferred the following Dividend and Equity Shares during the Financial Year 2019-20 to IEPF Authority:

Base Financial Year	Unpaid/Unclaimed Dividend (In INR)	Underlying Equity Shares
December 31, 2011	31,48,999	44,047

## 28. OTHER INFORMATION

### (i) Sweat Equity Shares, Employee Stock Option/Right Issue/ Preferential Issue

The Company has neither come up with any Right Issue/ Preferential Issue, nor issued any Sweat Equity Shares and not provided any Stock Option Scheme to the employees during the Financial Year 2019-20.

### (ii) Significant and material orders passed by the regulators

No significant and material orders have been passed during the Financial Year 2019-20 by the regulators or courts or tribunals affecting the going concern status and Company's operations in the future.

### (iii) Material Changes & Commitments

No material changes and commitments have occurred, which can affect the financial position of the Company between the end of the Financial Year and upto the date of this Report.

### (iv) Change in Nature of business, if any

There is no change in the nature of business of the Company during the year under review.

### (v) Compliance with Secretarial Standards

The Company has complied with the provisions of Secretarial Standard - 1 (Secretarial Standard on meetings of Board of Directors) and Secretarial Standard - 2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India.

## 29. ACKNOWLEDGEMENT

The Board of Directors expresses their sincere appreciation to all the stakeholders of the Company for the trust, confidence and support bestowed upon us. The Board of Directors is also grateful to the holding and fellow subsidiary companies for their contribution towards the growth and success of the Company.

The Board of Directors assures to uphold the Company's commitment towards acting with honesty, integrity and respect and to be responsible and accountable to all the stakeholders of the Company.

**On behalf of the Board of Directors**

**Rajeev Anand**  
(Chairman)

DIN:02519876

Place: Gurugram

**Sandeep Mahajan**  
(Managing Director)

DIN:08627456

Place: Noida

June 12, 2020



## FORM NO. AOC -2

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

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

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

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

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

S. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any (Rs. in Lakhs)	Date of approval by the Board	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1.	Goodyear South Asia Tyres Private Limited ("GSATPL")  Mr. Rajeev Anand, Mr. Sandeep Mahajan and Ms. Nicole Amanda Nuttall are also on the Board of GSATPL	The nature of transactions covered under the said Contract are as follows: <ul style="list-style-type: none"><li>Availing and providing of services inter-se between the Company and GSATPL</li><li>Purchase and sale inter-se between the Company and GSATPL of different kinds of tyres, tubes and flaps, raw materials, spare parts, components, store items, moulds, etc.</li></ul>	Ongoing	<ul style="list-style-type: none"><li>The pricing of purchase, sale and provision of goods or services will be based on the Arm's Length Price for such transactions</li><li>The pricing methodology is subject to be reviewed by the Audit Committee and/ or Board of Directors of the Company and GSATPL, based on independent study reports as may be available from time to time.</li></ul> Value of transactions from April 1, 2019 to March 31, 2020 Rs. 56,406	Approved by the Board on July 30, 2014	No Advance Payment

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

**On behalf of the Board of Directors**

**Rajeev Anand**  
(Chairman)  
DIN:02519876  
Place: Gurugram

**Sandeep Mahajan**  
(Managing Director)  
DIN:08627456  
Place: Noida

June 12, 2020



**FORM No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GOODYEAR INDIA LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2020 according to the provisions of: -

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008; - **Not Applicable**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; - **Not Applicable**
- (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018 - **Not Applicable**
- (vi) The Company has identified following laws applicable specifically to the Company:
  - 1. The Industrial (Development and Regulation) Act, 1951;
  - 2. The Rubber Act, 1947;

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

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

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

**We further report that**

The Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance



as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out with requisite majority of the members of the Board or Committees, as the case may be. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board or Committee(s) thereof.

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

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

**VKC & ASSOCIATES**  
(Company Secretaries)

**CS Vineet K Chaudhary**  
Managing Partner  
FCS No. 5327  
C P No. 4548

**Date:** June 12, 2020  
**Place:** New Delhi

UDIN: F005327B000331796

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

## **'Annexure - A'**

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company, etc. However, due to nationwide lockdown to fight COVID-19, some of the documents and records mentioned above have been received via electronic means and as such, could not be verified from the originals thereof. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**VKC & ASSOCIATES**  
(Company Secretaries)

**CS Vineet K Chaudhary**  
Managing Partner  
FCS No. 5327  
C P No. 4548

**Date:** June 12, 2020  
**Place:** New Delhi



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1. Industry Structure & Developments

The country saw growth momentum slowing in 2019-20 due to key sectors experiencing a period of consumption slowdown, followed by a period of acute liquidity crunch. Q4 brought with it the unexpected outbreak of Covid-19 which severely impacted the demand. The global pandemic has significantly disrupted manufacturing, supply chain and consumption. In India, steps taken to contain the spread of Covid-19 such as nation-wide lock down has impacted the economic activity.

As a significant player in the Farm category, the Company worked with its customers collaboratively and with agility, to sustain business growth in line with industry demand. The business focused on delivering sales and marketing excellence together with innovation and operational excellence to win in the market. This helped the Company to sustain its leadership in this category.

Consumer Replacement business witnessed a positive growth in Financial Year 2019-20. The business focused on delivering innovation excellence through launch of two new innovative products in the passenger car segment and SUV segment respectively and on building the value of the brand by growing Goodyear's brand salience.

### 2. Strength, Weakness, Opportunities and Threats

The Company is a leading player in the India farm tyre market. Its major strength is that Goodyear is a strong global brand in a category dominated by local players. The Company has a high share of business with its OE customers which helps leverage strong consumer pull in the replacement market. The Company works with its key OEM customers on Raw Material Index (RMI) based pricing, driving trust and transparency.

However, the Company has limited presence in Commercial category (Truck & Bus) which contributes almost half of the tyre industries' contribution. This limits its ability for portfolio selling and ability to mitigate risk of the Farm category.

The strong government budgetary thrust together with positive monsoon forecast by IMD augur well for the agricultural economy. Current water storage levels are ~10% higher in key reservoirs over the last year. This will help a Kharif crop sowing. There are some near term headwinds due to OEM Industry de-growth & Covid-19 outbreak which may impact the industry.

The highly fluid situation created by the outbreak Covid-19 is being constantly monitored by the Business team and the various associated challenges are being evaluated to ensure we sustain our position as a leading player in the category.

The consumer tyre industry continues to witness a shift in demand from value to mid passenger car segment and similarly from mid to premium cars, thus fueling growth in these segments which are expected to create opportunities for the business to grow profitably. The industry is expected to face headwinds in 2020 due to the impact of Covid-19 pandemic. However, the long-term outlook is expected to be favourable.

Goodyear's consumer-centric innovation strategy, product performance, safety and sustainability are reflected in the Company's products, which are engineered to enhance driving experience.

The competitive intensity has been high with increased investments in brand building and distribution by competitors. Your Company will continue to focus on increasing distribution footprint and building channel loyalty through dealer relationship management program. This will be supported by new initiatives in Customer Service to drive excellence in Customer satisfaction.

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

The Company manufactures automotive tyres viz. farm tyres and commercial truck tyres at its Ballabgarh plant. The Company also trades in "Goodyear" passenger car tyres (Radial) for Consumer business which are manufactured by Goodyear South Asia Tyres Private Limited ('GSATPL'), Aurangabad.

Other products which the Company markets and sells include tubes and flaps.

The sales performance during the year is as follows:

(Rs. in Lakhs)

Tyres	165,419
Tubes	8,660
Flaps	31

### 4. Outlook

The Company is expecting the farm economy to rebound post lifting of lockdown due to Covid-19, based on a favorable monsoon outlook and high focus from the government. This should lead to a sustained good performance from the Farm business. In addition, higher mechanization will further support growth in this category.

The Company will continue to focus on sustaining leadership delivered by a best in class team. The Farm OE business will focus to deliver excellence in customer service and key account management. In the Farm replacement business, the Company continues to focus on channel expansion, engagement and activations through sales and marketing excellence. Innovation excellence in niche applications will help support the growth.

The passenger tyre industry is currently going through a turmoil due to the impact of Covid-19 pandemic. There is an impact on liquidity in the market and the consumer demand is subdued. The economy will take some time to recover from this stress and based on multiple inputs, the industry is expected to come back to growth trajectory in Financial Year 2021-22.

Driving distribution expansion, building channel engagement, strong customer service and brand building with a focus on point of sale will be the key priorities in 2020-21. Positive long-term economic outlook



and growing vehicle population are expected to drive future industry growth for consumer replacement business.

## 5. Risks and Concerns

Key Macro events to watch out in short term include lifting of nationwide lockdown, return of manufacturing activity and demand to pre lockdown levels, normalization of supply chains, liquidity, availability of farm workforce and monsoon. Increased competitive intensity poses a continuous challenge in growing shares. Current Covid-19 situation and its likely impact on OEM & replacement business continues to be a challenge.

Current slowdown due to Covid-19 pandemic in the automobile industry and the likely impact on consumer replacement business is a key disruptor to business. There is uncertainty on when the economy will fully recover from the stress due to the pandemic. The impact on consumer demand and the likely recovery of the industry will have to be closely monitored.

## 6. Internal Control Systems and Adequacy

The Company has a proper and adequate system of internal control including internal financial controls. The Company has an Audit Committee headed by a Non-Executive Independent Director, inter-alia, to oversee the Company's financial reporting process, disclosure of financial information, and reviewing the performance of statutory and internal auditors with management. The internal control system, including internal financial controls of the Company, is monitored by an independent internal audit team, which encompasses examination/periodic reviews to ascertain adequacy of internal controls and compliance to the Company's policies. Weaknesses noted along with agreed upon action plans are shared with the Audit Committee, which is designed to ensure orderly and efficient conduct of the business and effectiveness of the internal control system.

The audit function also looks into preventive controls, investigations, as well as other areas requiring mandatory review as per applicable laws. The powers of the Audit Committee, inter-alia, include seeking information from any employee, obtaining outside legal or other professional advice, and investigating any activity of the Company within the Committee's term of reference. The internal audit department shares regular updates regarding the work that is done, coverage, weaknesses noted and other relevant issues with appropriate management levels including Audit Committee. Observations/weaknesses noted from time to time are suitably acted upon and followed up at different levels of management. The internal control is supplemented by an extensive program of audits and periodic review by the management.

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

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

(Rs. in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Total Income	178,074	194,960
Profit Before Tax	11,684	15,814

The financial performance of the Company has been further explained in the Board's Report of the Company for the Financial Year 2019-20 appearing separately.

The financial statements have been prepared in accordance with the requirement of the Act and applicable accounting standards issued by the Institute of Chartered Accountant of India.

## 8. Human Resources

Industrial harmony was maintained during the year through peaceful and productive employee relations. Multiple training sessions were imparted to employees on matters related to ethics and compliance, discipline, safety of the employees and environmental awareness. Various employee engagement initiatives were conducted within the salaried and hourly paid employees to increase the engagement levels of employees. The total number of salaried and hourly paid associates as on March 31, 2020 stood at 933.

## 9. Details of significant changes in key financial ratios along with detailed explanations thereof, including:

S. No.	Particulars	Financial Year 2019-20	Financial Year 2018-19
1	Debtors Turnover	7.9	7.7
2	Inventory Turnover	10.4	10.7
3	Interest Coverage Ratio	30.4	53.7
4	Current Ratio	2.7	2.3
5	Debt Equity Ratio	0.4	0.5
6	Operating Profit Margin in percentage*	4.9%	6.5%
7	Net profit margin in Percentage*	4.9%	5.4%
8	Details of any change in Return on Net worth as compared to the immediately previous Financial Year along with a detailed explanation thereof*	9.5%	12.1%

\* Operating profit and Net profit margin reduced primarily due to the lower sales because of slowdown in the Industry and Covid 19 Impact in March 2020.

## 10. Cautionary Statement

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

On behalf of the Board of Directors

Rajeev Anand  
(Chairman)  
DIN:02519876

Sandeep Mahajan  
(Managing Director)  
DIN:08627456

June 12, 2020

Place: Gurugram

Place: Noida



## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

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

The Company's CSR policy has the objective to increasingly contribute to activities that are beneficial to the society and community at large and the Company undertakes various CSR programmes in alignment with the national and international development goals.

The CSR Policy is available at the Investor Relations Section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).

During Financial Year 2019-20, the following activities were undertaken:

**a. 'Safer Roads, Safer You' - Training programme for taxi drivers, school bus drivers and attendants on road safety in Delhi NCR and awareness generation workshops for traffic department officials:**

The project has been supported by the Company for the last five years with an aim to promote safe mobility. Aligned with the global vision of the Company to promote safe mobility solutions, the Company supported training of 1327 Taxi drivers as well as 1334 school bus drivers and attendants across 32 schools in Delhi NCR on road safety. The training imparted included sessions on defensive driving, traffic rules, new legislations on road traffic, etc. to ensure a safe, efficient and reliable transportation system. Further, as part of the project, road safety awareness workshops for 577 traffic officials were also organized.

A two-day conference was also organized in Delhi in March 2020 in partnership with the Ministry of Road Transport & Highways, Government of India on "Dangers in Road Usage". The aim of the conference was to improve road safety by clearly recognizing and defining accident causations in relation to drivers and other road users, vehicles, infrastructure and identifying issues in the existing Code of Practice.

**b. Watershed Development- A community-led sustainable development program of natural resources in villages of Maharashtra:** The project was supported by the Company for the second year in a row with an aim to increase water availability for crops, livestock and human consumption in drought prone villages

in the Aurangabad district of Maharashtra. Under the project, the Company supported construction of watershed structures and awareness generation among the villagers on natural resource management. The project is expected to directly benefit approximately 12000 people, helping them secure their livelihoods.

**c. Sports infrastructure support for athletes from economically challenged area in Manipur:** The Company continued its support to the Mary Kom Regional Boxing Foundation (MKRBF) project in Imphal district of Manipur for creation of training and other supporting infrastructure in the State. During the year additional support was provided so that construction of a kitchen and dining hall, initiated in 2018-19, was completed. The facility will be used by athletes from economically challenged backgrounds who are training at the academy in Imphal.

**2. The composition of the CSR Committee:**

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

S. No	CSR Committee Member	Role in the CSR Committee
1	Mr. Rajeev Anand	Chairman
2	Mr. Sandeep Mahajan	Member
3	Mr. Rajeev Kher	Member

**3. Average Net Profit of the Company for the last three Financial Years:**

Rs. 18,848.38 lakhs

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

Rs. 376.97 lakhs

**5. Details of CSR Spend during the Financial Year:**

**a) Total amount to be spent for the Financial Year:** Rs. 376.97 lakhs

**b) Amount unspent, if any:** Rs. 11.98 lakhs



c) Manner in which the amount spent during the Financial Year is detailed below:

(Amount in Rs.)

S. No.	CSR Project or activity identified	Sector in which the project is covered (as per Schedule VII)	Projects or programs (1) Local area or other (2) State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1	Training Taxi drivers, school bus drivers and attendants on road safety	"Promoting education, including special education & employment enhancing vocational skills among children, women, elderly and the differently abled and livelihood enhancement projects"	(Local) Delhi NCR	1,64,00,000	(1) Direct expenses: 1,60,00,000 (2) Overheads: 4,00,000	1,64,00,000	Through implementation partner: Institute of Road Traffic Education (IRTE)
2	A community led sustainable development program of natural resources in rural India	"Rural Development"	(Others) Maharashtra – Aurangabad	1,25,00,000	(1) Direct expenses: 1,21,00,000 (2) Overheads: 4,00,000	1,25,00,000	Through implementation partner: International Association for Human Values (IAHV)
3	Sport Infrastructure support for training boxers from Socially challenged background	"Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports"	(Others) Manipur - Imphal	70,00,000	(1) Direct expenses: 66,00,000 (2) Overheads: 4,00,000	70,00,000	Through implementation partner: Mary Kom Regional Boxing Foundation (MKRBF)
<b>Administrative expenses (Up to 5% of CSR spend)</b>				17,97,000	5,98,816	5,98,816	
<b>Total</b>				<b>3,76,97,000</b>	<b>3,64,98,816</b>	<b>3,64,98,816</b>	

6. In case the Company fails to spend the 2% of the Average Net Profit (Rs.) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board's report:

While the Company, considering the unprecedented challenge being faced by the nation, contributed Rs. 12 lakhs from its CSR budget into the Haryana Chief Minister's COVID-19 Fund on March 30, 2020 towards COVID-19 relief, the Ministry of Corporate Affairs vide its circular dated April 10, 2020 clarified that donations to state COVID-19 relief funds would not be considered eligible for CSR. This has resulted in an unspent amount of Rs. 11,98,184/-. However, the Company had already disbursed project related direct expenses.

The Company is committed towards the CSR activities and moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits.

7. Responsibility Statement of the CSR Committee:

The CSR Committee of the Company hereby confirms that the implementation and monitoring of the CSR projects and activities is in compliance with the CSR objectives and Policy of the Company.

On behalf of the Board of Directors

**Rajeev Anand**  
(Chairman)

DIN:02519876

Place: Gurugram

**Sandeep Mahajan**  
(Managing Director)

DIN:08627456

Place: Noida

June 12, 2020



## BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details	
1.	Corporate Identity Number (CIN) of the Company	L25111HR1961PLC008578	
2.	Name of the Company	Goodyear India Limited	
3.	Registered address	Mathura Road, Ballabgarh (Dist. Faridabad) – 121004, Haryana	
4.	Website	<a href="http://www.goodyear.co.in">www.goodyear.co.in</a>	
5.	E-mail id	<a href="mailto:goodyearindia_investorcell@goodyear.com">goodyearindia_investorcell@goodyear.com</a>	
6.	Financial Year reported	April 01, 2019 to March 31, 2020	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code	Description
		22111	Manufacturing of tyres, tubes and flaps
		46909	Trading of tyres, tubes and flaps
8.	List three key products / services that the company manufactures/provides (as in Balance sheet)	Automotive tyres, Tubes and Flaps	
9.	Total number of locations where business activity is undertaken by the Company:	NIL	
	1. Number of International Locations (provide details of major 5)		
	2. Number of National locations	(a) Manufacturing Plant at Faridabad (Haryana); (b) Corporate Office at Jasola (New Delhi); (c) 9 Regional Sales offices; and (d) PAN India Sales and Distribution network.	
10.	Markets served by the Company – Local/State/National/ International:	National and International	

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1.	Paid up Capital (INR)	₹ 230,665,070
2.	Total Turnover (INR)	₹ 17,410,984,359
3.	Total profit after taxes (INR)	₹ 888,365,414
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer to the Annual Report on CSR Activities, Annexure-D to the Board's Report.
5.	List of activities in which the CSR expenditures have been incurred	Please refer to the Annual Report on CSR Activities, Annexure-D to the Board's Report.

### SECTION C: OTHER DETAILS

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company (s)	Not Applicable
3.	Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	At present, the BR initiatives are undertaken at the Company level.

### SECTION D: BR INFORMATION

#### 1. Details of the Director/ Directors responsible for BR

##### (a) Details of the Director/ Directors responsible for implementation of the BR policy / policies

Sr. No.	Particulars	Details
1.	DIN Number	08627456
2.	Name	Mr. Sandeep Mahajan
3.	Designation	Managing Director



(b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN Number	08627456
2.	Name	Mr. Sandeep Mahajan
3.	Designation	Managing Director
4.	Telephone number	011-47472727
5.	e-mail id	<a href="mailto:goodyearindia_investorcell@goodyear.com">goodyearindia_investorcell@goodyear.com</a>

2. Principle-wise (as per NVGs) BR policy/ policies

(a) Details of compliance (Reply in Y/N)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Where applicable, the policies have been derived and adopted from the Goodyear Global Policies. Local policies have also been developed to safeguard the interests of all its stakeholders								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board/ Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	<a href="http://www.goodyear.co.in/investor-relations">www.goodyear.co.in/investor-relations</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is "No", please explain why: (Tick up to 2 options) – Not Applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.

The Board of Directors / its committees will review the BR performance of the Company at least annually and whenever deemed necessary.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first year when this requirement became applicable on the Company. The Business Responsibility Report forms part of the Annual Report and is available at the Company website [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations). Going forward, the Company will publish it on annual basis.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? (Yes/No). Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/Others?

Yes, the Anti-Bribery Policy covers the Company and all its third parties including suppliers and vendors.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactory resolved? If so, provide details thereof, in about 50 words or so.

During the Financial Year 2019-20, the Company received 5 (five) investor complaints which were satisfactorily resolved.



**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company makes front and rear tyres for tractors and bias commercial tyres for trucks. Goodyear products meet the intended service life of the tyre and are also covered under warranty for any manufacturing related condition till the service life of the tyre. End-of-life tyres may be retreaded and/ or recycled similar to cured process waste.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

- (a) Reduction during sourcing/ production/distribution achieved since the previous year throughout the value chain?

The Company places emphasis on continuous improvement in the manufacturing process and product quality which is aided and guided by Asia Pacific and Global Quality teams to cater to customer satisfaction. During the year, reduction in organic solvent usage, processes waste and energy usage was made.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's product design team was instrumental in releasing front farm tyres with reduced weight, which is consistent with proven energy savings, associated with lightweight materials.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Goodyear Global Procurement Policy governs all procurement activities in order to support the procurement of all materials, equipment, goods and services with 100% of the raw materials procured from approved sources only and in accordance with the Supplier Code of Conduct. The Company also has dedicated sourcing teams for all categories of raw materials, indirect materials and transportation on a Global level and with the long-term arrangements, the Company is able to source goods and services sustainably.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Majority of the indirect materials are sourced locally from local and small producers located in the vicinity of the plant premises. Local Manufacturing (Engineering) and Procurement team works with the local supplier to impart knowledge and training to improve their capabilities. More thrust is on localizing spare parts

by developing import spares through local and small producers. On time payments are made to the small-scale suppliers for jobs done by them to help them improve their financial positions.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has a mechanism in its manufacturing process for waste control and reduction. The Process waste- cured and uncured is disposed off to approved vendors who are dealing in process waste. The vendors dealing in process waste recycles the waste for further usage.

**Principle 3: Businesses should promote the well-being of all employees.**

Sr. No.	Particulars	Details
1.	Please indicate the Total number of employees	933
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis	533
3.	Please indicate the Number of permanent women employees	26
4.	Please indicate the Number of permanent employees with disabilities	Nil
5.	Do you have an employee association that is recognized by management?	Yes
6.	What percentage of your permanent employees is members of this recognized employee association?	60.77%

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Particulars	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	Nil
2.	Sexual Harassment	2	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

(a) Permanent Employees	: 54.44%
(b) Permanent Women Employees	: 34.61%
(c) Casual/ Temporary/ Contractual Employees	: Nil
(d) Employees with Disabilities	: Not Applicable



**Principle 4- Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. **Has the Company mapped its internal and external stakeholders?**  
Yes/No

Yes, the Company has mapped its internal and external stakeholders.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

Yes.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company has undertaken various CSR Programmes for identified stakeholders. Please refer to the Annual Report on CSR Activities, Annexure-D to the Board's Report.

**Principle 5 - Businesses should respect and promote human rights.**

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?**

The Policy of the Company covers the Company and its third-party vendors.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company did not receive any stakeholder complaint during the past financial year regarding violation of Human Rights.

**Principle 6: Businesses should respect, protect and make efforts to restore the environment.**

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.**

The Policy of the Company covers all its employees & contractors.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the Company focuses on the reduction in the emission of green house gases and strictly adheres to the prescribed environmental standards.

3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, is an environmental compliance report filed?**

Yes, the Company has in place projects related to renewable energy, energy efficiency and clean technology such as a 500 KWP Solar power plant installed at the Company's Ballabgarh plant, use of natural gas as fuel, etc.

5. **Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

The Company has taken following steps for green energy and energy conservation:

- (a) Steam Dryness Fraction improvement;
- (b) Improve Insulation of Plant – Phase I; and
- (c) Reduction in steam consumption by recovering waste heat of Compressors to increase Boiler feed water, etc.

6. **Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the emissions generated by the Company are within the permissible limits.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

There is no show cause notice pending as on the end of financial year.

**Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

1. **Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.**

Yes. The Company is a member of the following associations:

- (a) ATMA (Automotive Tyre Manufacturers Association);
- (b) FIA (Faridabad Industries Association); and
- (c) AMCHAM (American Chamber of Commerce).

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No. If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company operates in an industry which requires constant interaction with the State and Central governments at different levels. The policy issues are generally dealt with through industry associations. The Company actively engages with the abovementioned associations, specifically for the policy formulation/improvement.

**Principle 8: Businesses should support inclusive growth and equitable development.**

1. **Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

The Company has constituted a Corporate Social Responsibility Committee and has a CSR Policy. For more details, please refer to the Annual Report on CSR Activities, Annexure-D to the Board's Report.



2. Are the programs/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?

The Company has an internal team which oversees the CSR projects along with an external implementation partner. However, the CSR projects of the Company are implemented with the help of external NGO partners.

3. Have you done any impact assessment of your initiative?

The Company continuously monitors the CSR projects at multiple stages of the project. There are Key Performance Indicators defined for each project on which the project performance and progress is measured. At the end of each project, the project closure report along with the impact report is assessed against the Key Performance Indicators.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Please refer to the Annual Report on CSR Activities, Annexure-D to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Please refer to the Annual Report on CSR Activities, Annexure-D to the Board's Report.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

There were 0.4% customer complaints pending as on the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ N.A./ Remarks (additional information)

The Company displays all necessary product information on tyre labels and also adheres to all applicable legal requirements with respect to applicable product labelling and display of product information.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company did not carry out any study in this regard. However, in 2019, the Asia Pacific marketing team of Goodyear carried out 'Consumer Need Study' in India. The aim of the study was to get cues and direction in terms of the current needs of consumers and what to expect in the coming years from now. This information would also feed into the branding and communication inputs.

On behalf of the Board of Directors

Rajeev Anand  
(Chairman)

DIN:02519876

Place: Gurugram

Sandeep Mahajan  
(Managing Director)

DIN:08627456

Place: Noida

June 12, 2020



## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### A) CONSERVATION OF ENERGY:

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

- 1) Energy Optimization by improving the Compound First pass% in mixer
- 2) Power Optimization through 2.4HT Capacitor Automation
- 3) Cost reduction through purchase of OA power
- 4) Mixer Q Rate improvement: Extruder Rejection reduction
- 5) Steam utilization efficiency improvement (Leakage)
- 6) Steam reduction thru Insulation in curing - Phase 1
- 7) VFD for Factory Water pressure optimization
- 8) Reduce PCI Air pressure from 100 to 50 PSI
- 9) Optimize Energy consumption of 40 PSI Comp. Through Running on VFD
- 10) Maximization of Generation in Back pressure turbine
- 11) Design modification in TCU heating media - Electrical heating to steam heating on 8x8 ext.

#### Steam & Nitrogen:

- 1) N2 Consumption reduction by proper monitoring & arresting the leakages.
- 2) Nitrogen peak billing reduction due to improve the reliability of HSEB Power resulting less interruption of Nitrogen plant power supply.
- 3) Reduction of Heat loss due to redundant steam pipeline.
- 4) Steam Consumption reduction by proper monitoring & arresting the leakages.

#### (ii) Steps taken by the company for utilizing alternative sources of energy:

- 1) Auto temperature Control -Cooling Towers
- 2) Auto loading control system for compressors
- 3) Remove compress air for cleaning purpose
- 4) Close monitoring on Plant air leak check & leak arresting.
- 5) Condensate return improvement.
- 6) Optimize the running of DG set.
- 7) Boiler running on Biomass/Coal.
- 8) Switch over from 33KV to 66KV to reduced unit rate.

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

Nature of Investment	Capital investments on energy conservation equipment's
Reduced Electrical Power Consumption by improve PF	141
Steam Saving through Dryness fraction	50
Reduction of Steam consumption in Plant	88
AC Drive for 40psi compressor	20
<b>Total</b>	<b>300</b>

### B) TECHNOLOGY ABSORPTION:

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

- a) New Product Introduction  
The Company with the assistance of the Goodyear Tire & Rubber Company's Innovation centers in Akron, USA and Luxembourg, EU in research and development activities to introduce new products and improve its existing product line to meet the customers' expectations and requirements.
- b) Process Improvement  
The Company's manufacturing unit undertakes focused engagement of its associates in planned activities on process improvements to reduce process variation and waste
- c) Systems improvement  
The Company periodically receives ISO 9001 for Quality Management System and ISO 14001 for Environmental Management System and was most recently recertified from 2018. Further the Company's systems and procedures are based on Goodyear global Quality management system.

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

- a) Specific areas in which Research and Development ("R&D") activities are normally carried out by the Company with the assistance of the Goodyear innovation centers under the:
  - New products development for local and export market particularly in OE fitments for tractors exported by tractor manufacturers.
  - Emphasis on continual improvement in manufacturing process and product quality aided and guided by Asia Pacific and Global Quality teams to cater to customer satisfaction. Reduction in organic solvent usage, processes waste and energy usage.
  - Embraced Plant Optimization (PO) methodology to improve plant reliability and efficiency. This aided with technology support resulted in continuous stable process, improvement in productivity at optimum manufacturing cost.
  - Development/ introduction of new and changed compound formulations and changes in construction have enabled to meet customer expectation and product performance
  - Equipped with farm tyre testing facility for new product industrialization and new product launches with minimum lead time, as well as for product benchmarking.
- b) Benefits derived as a result of above R&D/efforts:  
The R&D activities help the Company to add new products to its portfolio, increase size ranges and meet customer requirement. These activities also enable the Company to reduce process waste, lower energy consumption, increase productivity and release new products, thereby achieving higher "Customer Acceptance and Satisfaction". The results of such R&D activities are not used by any other Goodyear affiliates for its operations.



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

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

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

Following are the details of expenditure incurred on Research and Development during the Financial Year 2019-20:

(Rs. in Lakhs)

Particulars	Amount
Capital	NIL
Recurring	23
Total	23
Total R&D Expenditure as a Percentage of total turnover	0.013%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Year	Earned		Used			
			Import (CIF)			
	Export (FOB)	Others	Capital Goods	Stores & Spares	Raw Material	Others
2019-20 (Year ended March 31, 2020)	2,182	1,059	253	146	5,065	10,700

On behalf of the Board of Directors

June 12, 2020

**Rajeev Anand**  
(Chairman)  
DIN:02519876  
Place: Gurugram

**Sandeep Mahajan**  
(Managing Director)  
DIN:08627456  
Place: Noida



## STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20:**

S. No	Executive Director(s)	Ratio to Remuneration
1.	Mr. Rajeev Anand	40.5:1
2.	Mr. Mitesh Mittal	21.2:1

Notes:

- (i) Independent Director(s) are not paid any remuneration other than sitting fee of Rs. 50,000/- per meeting (Board/Committee) and reimbursement of expenses including travelling/conveyance expenses. Non-Executive Director (Ms. Nicole Amanda Nuttall) has not been paid any remuneration or sitting fee.
- (ii) Ratio to remuneration (of Mr. Rajeev Anand and Mr. Mitesh Mittal) has been calculated on the basis of annual cost to Company including Performance Bonus @100% excluding Insurance Premium, Leave Encashment, non - qualified stock appreciation rights plan / restricted stock unit), Long Term Incentive Plan (LTIP), Company Car.
- (ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2019-20:**

S. No	Name	Designation	% increase in remuneration in the financial year 2019-20
1.	Mr. Rajeev Anand	Chairman & Managing Director	17.03%
2.	Mr. Mitesh Mittal	Finance Director	28.92%

Notes:

- (i) Mr. Anup Karnwal was appointed as Company Secretary on April 22, 2019 and resigned on October 15, 2019. Hence, no increase in his remuneration.
- (ii) Ms. Sonali Khanna was appointed as Company Secretary on November 13, 2019 and therefore, no increase in her remuneration.
- (iii) Independent Directors are not paid any remuneration other than sitting fee of Rs. 50,000/- per meeting (Board/

Committee) (service tax paid extra) and reimbursements of expenses including travelling/conveyance expenses. Non-Executive Director (Ms. Nicole Amanda Nuttall) has not been paid any remuneration or sitting fee.

- (iv) **The percentage increase in the median remuneration of employees in the Financial Year:**

The percentage increase in the median remuneration of employees is 13.26%.

Remuneration has been calculated on the basis of annual Cost to Company including Performance Bonus @100% excluding Insurance Premium, Leave Encashment, non - qualified stock appreciation rights plan (SAR)/ Restricted Stock Unit (RSU), Long Term Incentive Plan (LTIP), Company Car.

- (v) **The number of permanent employees on the rolls of Company:**

933

- (vi) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out exceptional circumstances for an increase in the managerial remuneration (if any):**

The average annual increase made in the salary of employees other than the managerial personnel in the financial year was 10.24% and increase in managerial personnel was 10.43%.

- (vii) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company hereby affirms that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**On behalf of the Board of Directors**

**Rajeev Anand**  
(Chairman)

DIN:02519876

Place: Gurugram

**Sandeep Mahajan**  
(Managing Director)

DIN:08627456

Place: Noida

June 12, 2020



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Goodyear India Limited is committed to follow the best global corporate governance practices and focuses on good Corporate Governance, in line with the requirements of applicable laws. The elements of Corporate Governance for the Company are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. The Company believes in maintaining high ethical and legal standards as a part of what it does every day as part of its Corporate Governance measures and is highly committed to "Act with Integrity".

### 2. BOARD OF DIRECTORS

#### (a) Composition of the Board

The Board has an optimum combination of Executive and Non-Executive Directors including Independent Directors. As on March 31, 2020 the Board of the Company comprises of six (6) Directors consisting of two (2) Executive Directors and four (4) Non-Executive Directors, out of which three (3) are Independent Directors. The Company has two (2) Women Directors on its Board, one of them being an Independent Director.

During the Financial Year 2019-20, the Board met five times i.e. on April 22, 2019; May 29, 2019; August 12, 2019; November 13, 2019; and February 12, 2020 respectively. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR), 2015).

None of the Non-Executive Directors held any equity shares or convertible instruments of the Company during the Financial Year 2019-20. None of the Directors had any inter-se relationships.

The details of composition and category of Directors, attendance of each Director, number of other board of directors or committees in which a director is a member or chairperson, name of the other listed companies, where such director holds a Directorship and Category of Directorship are provided below:

Name	DIN	Category/ Designation	No. of Board Meetings Attended	Number of Positions Held in Other Companies		Attendance at the Last AGM (August 12, 2019)	Name of other listed company	Category of Directorship
				Board <sup>(1)</sup>	Committee <sup>(2)</sup>			
Mr. Rajeev Anand <sup>(3) (4) (5)</sup>	02519876	Executive Director (Chairman & Managing Director)	5 of 5	Nil	Nil	Yes	Nil	Nil
Mr. Mitesh Mittal <sup>(6)</sup>	05231968	Executive (Finance Director)	5 of 5	Nil	Nil	Yes	Nil	Nil
Ms. Nicole Amanda Nuttall	08164858	Non-Executive Non-Independent Director	3 of 5	Nil	Nil	No	Nil	Nil
Mr. Chandrashekhar Dasgupta <sup>(7)</sup>	00381799	Non-Executive Independent Director	5 of 5	Nil	Nil	Yes	Nil	Nil
Ms. Sudha Ravi <sup>(8)</sup>	06764496	Non-Executive Independent Director	5 of 5	3	3	Yes	Alkem Laboratories Limited	Independent Director
Mr. Rajiv Lochan Jain	00161022	Non-Executive Independent Director	5 of 5	2	3	Yes	Gujarat Alkalies and Chemicals Limited	Independent Director
Mr. Rajeev Kher <sup>(9)</sup>	01192524	Non-Executive Independent Director	No Board Meeting was held post his appointment	1	1	No AGM was held post his appointment	Kirloskar Brothers Limited	Independent Director

(1) Directorship in public limited companies, excluding private limited companies, foreign companies, companies under Section 8 of the Companies Act 2013.

(2) Only covers Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of public limited companies.

(3) Mr. Rajeev Anand ceased to be a Managing Director of the Company from the close of business hours on May 31, 2020.

(4) Mr. Rajeev Anand has been appointed as Whole-Time Director to be designated as an Executive Chairman w.e.f. June 01, 2020 to September 30, 2020, subject to the approval of shareholders.

(5) Mr. Rajeev Anand has been appointed as Non-Executive Director to be designated as a Non-Executive Chairman w.e.f. October 01, 2020 till December 31, 2020.

(6) Mr. Mitesh Mittal has resigned as a Whole Time Director from the close of business hours on May 31, 2020 but continued as a Chief Financial Officer and Key Managerial Personnel of the Company.

(7) Mr. Chandrashekhar Dasgupta ceased to be an Independent Director w.e.f. March 11, 2020.

(8) Ms. Sudha Ravi was re-appointed as the Independent Director for a second term of 5 consecutive years w.e.f. June 07, 2019.

(9) Mr. Rajeev Kher has been appointed as an Additional Director (Non-Executive and Independent Director) w.e.f. March 06, 2020 and as Independent Director for a term of upto 5 (five) consecutive years w.e.f. March 06, 2020, subject to the approval of shareholders.

Note: Mr. Sandeep Mahajan (DIN:08627456) has been appointed as an Additional Director w.e.f. June 01, 2020 and as Managing Director of the Company effective June 01, 2020 for a period of 5 years or upto the date of superannuation / retirement, whichever is earlier, subject to the approval of shareholders.



**(b) Independent Directors:**

A separate meeting of the Independent Directors of the Company was held on May 29, 2019 to discuss the agenda items as prescribed under applicable laws. All Independent Directors have attended the said meeting. In the opinion of the Board, all the Independent Directors fulfil the conditions of Independence as defined under the Companies Act, 2013 (the Act) and SEBI (LODR), 2015 and are independent of the management of the Company. Terms and Conditions of the appointment of Independent Director(s) are available at the Investors Relations section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).

**(c) Familiarization Programme for Independent Directors**

The Company organized separate Familiarization Programme(s) for the Independent Directors on Business Plan & Strategy, Corporate Governance, Succession Planning, Risk Management Framework, Operational Excellence, Marketing Outlook, Sales and Marketing Initiatives, Share Price Performance, Competitors Update, etc. The details of the Programme(s) are available at the Investors Relations section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).

**(d) Key Board skills / expertise / competencies**

General Management & Business Operations	<ul style="list-style-type: none"> <li>Knowledge and deeper understanding of Auto &amp; Manufacturing Industry.</li> <li>Experience and understanding on Financial Management, Decision Making, Communication, Leadership, Influencing, Stakeholder Relations including long term interest of shareholders, etc.</li> <li>Entrepreneurial mindset with outstanding organizational and leadership skills including experience in general management &amp; administration of the organization.</li> </ul>
Financial & Risk Management	<ul style="list-style-type: none"> <li>Experience in financial planning/analysis, controllership, finance operations, audit, information technology and consulting.</li> <li>Understanding the structures and systems which gives an oversight to the organization to effectively identify, assess and manage Enterprise Risk Management and Crises.</li> </ul>
Legal, Regulatory, Corporate Governance, Ethics & Compliance	<ul style="list-style-type: none"> <li>Expertise in Legal framework, the relevant laws, rules, regulation policies applicable to the industry/ sector and level/ status of compliances thereof.</li> <li>Understanding of the best corporate governance practices, relevant governance codes, governance structure, processes and practices followed by the organization.</li> <li>Driving the business ethics, ethical policies, codes and practices.</li> <li>Ability to monitor the compliance and knowledge of legal and regulatory requirements applicable to the Company.</li> </ul>
Environment Sustainability & CSR	<ul style="list-style-type: none"> <li>Experience in broad areas of International Trade and Commerce, Sustainable Development Policy, Environmental Management, Global Governance.</li> <li>In depth understanding of, Renewable Energy, Finance, Planning and Science and Technology, and the local management of the districts.</li> <li>Deeper understanding of the Environmental issues such as Pollution mitigation and Control, Biodiversity conservation, Livelihood security, Climate Change, etc.</li> <li>Experienced knowledge on community service and volunteer work for social cause.</li> </ul>
Strategic Planning & Business Acumen	<ul style="list-style-type: none"> <li>Ability to think strategically, to propose ideas, identify options and plans that take advantage of available business opportunities while reflecting a broad and future-oriented perspective and advice on international practices.</li> <li>Wider perspective on the business and industry, strategy implementation and change with vision &amp; value creation.</li> </ul>
Business Development, Sales & Marketing	<ul style="list-style-type: none"> <li>Experience and ability to identify opportunities and threats to the company and to develop strategies, inter-alia to grow sales and market share, built brand awareness and equity.</li> <li>Deep knowledge and experience in business strategy, financial value and customer value creation.</li> <li>Develop a strategically aligned and values-based organizational culture.</li> </ul>

The specific skill /expertise of individual Directors as defined below. However, the absence of mark against the Director name does not mean the said director does not possess the corresponding skill/ expertise:

Directors	Skill / Expertise					
	General Management & Business Operations	Financial & Risk Management	Legal, Regulatory, Corporate Governance, Ethics & Compliance	Environment Sustainability & CSR	Strategic Planning & Business Acumen	Business Development, Sales & Marketing
Mr. Rajeev Anand	✓	✓	✓	✓	✓	✓
Mr. Mitesh Mittal	✓	✓	✓	✓	✓	✓
Mr. Rajiv Lochan Jain	✓	✓	✓	-	✓	✓
Ms. Sudha Ravi	✓	✓	✓	✓	✓	-
Ms. Nicole Amanda Nuttall	✓	-	✓	✓	✓	-
Mr. Rajeev Kher	✓	-	✓	✓	✓	-



### 3. AUDIT COMMITTEE

The Audit Committee of the Company comprises of four (4) Directors out of which three are Independent Directors and majority possessing adequate financial / accounting expertise / exposure.

The Composition of the Audit Committee and details of the meeting and attendance during the Financial Year 2019-20 are as under:

S. No.	Directors	Designation	No. of Meetings		Dates of Meeting held during the year
			Held during the tenure	Attended	
1.	Mr. Rajiv Lochan Jain	Chairman	4	4	May 29, 2019;
2.	Mr. Chandra shekhar Dasgupta*	Member	4	4	August 12, 2019;
3.	Ms. Sudha Ravi**	Member	4	4	November 13, 2019;
4.	Mr. Rajeev Anand	Member	4	4	February 12, 2020;
5.	Mr. Rajeev Kher***	Member	No Meeting was held post his appointment		-

\* Mr. Chandrashekhar Dasgupta ceased to be an Independent Director w.e.f. March 11, 2020.

\*\* Ms. Sudha Ravi was re-appointed as the Independent Director for second term of 5 consecutive years w.e.f. June 07, 2019.

\*\*\* Mr. Rajeev Kher has been appointed as a member of the Committee w.e.f. March 06, 2020.

The Committee was reconstituted on March 06, 2020 and now comprises of Mr. Rajiv Lochan Jain (Chairman), Ms. Sudha Ravi (Member), Mr. Rajeev Anand (Member) and Mr. Rajeev Kher (Member). Ms. Sonali Khanna, Company Secretary acts as the Secretary of the Committee.

In addition to the members of the Audit Committee, these meetings were attended by Finance Director, Controller, Internal Auditor, Cost Auditor and Statutory Auditors of the Company, whenever necessary, and those other Executives of the Company who were considered necessary for providing input to the Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on August 12, 2019.

In compliance with Section 177 of the Act and Regulation 18 read with Part C of Schedule II of SEBI (LODR), 2015, the terms of reference of Audit Committee inter-alia comprise the following:

- Oversight of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation to the Board for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to statutory auditors for any services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Reviewing matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Act;
- Reviewing changes, if any, in accounting policies and practices and reasons for the same;
- Reviewing major accounting entries involving estimates based on the exercise of judgement by management;
- Reviewing compliances with listing and other legal requirements relating to financial statements;
- Reviewing disclosure of any related party transactions;
- Reviewing qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with the internal auditors of any significant findings and follow-ups there on;
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;



- (xxiv) Reviewing the functioning of Whistle Blower Mechanism;
- (xxv) Approval of appointment of CFO after assessing the qualifications, experiences and background etc. of the candidate;
- (xxvi) Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- (xxvii) Reviewing of management discussion and analysis of financial condition and results of operations;
- (xxviii) Reviewing statement of significant related party transactions submitted by the management;
- (xxix) Reviewing Management Letters/ Letters of internal control weaknesses issued by the statutory auditors;
- (xxx) Review of Internal Audit Reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- (xxxi) Review of statement of deviations, if any:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).
- (xxxii) In addition to the above, the Audit Committee will carry out all such other functions as specified by the Board from time to time.

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

The Nomination and Remuneration Committee of the Company comprises of three Directors out of which two are Independent Directors. The Company Secretary acts as the Secretary of the Committee.

The composition of the NRC and details of the meetings and attendance during the Financial Year 2019-20 are as under:

S. No.	Directors	Designation	No. of Meetings		Dates of Meeting held during the year
			Held during the tenure	Attended	
1.	Ms. Sudha Ravi*	Chairperson	4	4	April 22, 2019;
2.	Mr. Rajiv Lochan Jain	Member	4	4	May 29, 2019 ;
3.	Ms. Nicole Amanda Nuttall	Member	4	3	November 13, 2019 ; February 12, 2020

\* Ms. Sudha Ravi was re-appointed as the Independent Director for second term of 5 consecutive years w.e.f. June 07, 2019.

The Chairman of the NRC was present at the Annual General Meeting of the Company held on August 12, 2019.

In compliance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI (LODR), 2015, the terms of reference of the NRC, inter alia, comprises the following:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- (ii) Formulation of criteria for evaluation of the performance of the Directors and the Board and its Committees and monitoring and reviewing the Performance Evaluation framework and to carry out by itself or by Board or an independent external agency;
- (iii) Devising a policy on diversity of Board of Directors;
- (iv) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- (v) Selecting, compensating, monitoring and, when necessary, replacing key Executives and overseeing succession planning for Board;
- (vi) Aligning key Executive and Board remuneration with the long-term interests of the Company and its Shareholders;
- (vii) Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board;
- (viii) To decide whether to extend or continue the terms of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- (ix) Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- (x) Direct access to the officers and advisors, both external and internal, and to have authority to seek external independent professional advice in consultation with the Board, as it may need from time to time, for the effective implementation of its responsibilities; and
- (xi) In addition to the above, NRC will carry out all such other functions as specified by the Board from time to time.

#### Performance Evaluation Criteria for Independent Directors

The Company has adopted a process for the performance evaluation of the entire Board, Committees and individual Directors including Independent Directors. Please refer to the Board's Report for details on the Performance Evaluation.

#### 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

The Company has duly constituted a Stakeholders' Relationship Committee (SRC). The SRC of the Company comprises of four Directors out of which three are Independent Directors.



The composition of the SRC and dates of the meetings and attendance during the Financial Year 2019-20 are as under:

S. No.	Directors	Designation	No. of Meetings		Dates of Meeting held during the year
			Held during the tenure	Attended	
1.	Mr. Rajiv Lochan Jain	Chairman	2	2	August 12, 2019; February 12, 2020
2.	Mr. Mitesh Mittal*	Member	2	2	
3.	Ms. Sudha Ravi**	Member	2	2	
4.	Mr. Chandra shekhar Dasgupta***	Member	2	2	
5.	Mr. Rajeev Kher****	Member	No Meeting was held post his appointment		-

\* Mr. Mitesh Mittal has resigned as a Whole Time Director from the close of business hours on May 31, 2020.

\*\* Ms. Sudha Ravi was re-appointed as the Independent Director for second term of 5 consecutive years w.e.f. June 07, 2019.

\*\*\* Mr. Chandrashekhar Dasgupta ceased to be an Independent Director w.e.f. March 11, 2020.

\*\*\*\* Mr. Rajeev Kher has been appointed as a member of the Committee w.e.f. March 06, 2020.

Note: Mr. Sandeep Mahajan has been appointed as a member of the Committee w.e.f. June 01, 2020.

The Committee was reconstituted on March 06, 2020 and comprises of Mr. Rajiv Lochan Jain (Chairman), Ms. Sudha Ravi (Member), Mr. Mitesh Mittal (Member) and Mr. Rajeev Kher (Member).

The Committee was further reconstituted on May 22, 2020 and comprises of Rajiv Lochan Jain (Chairman), Ms. Sudha Ravi (Member), Mr. Sandeep Mahajan (Member) and Mr. Rajeev Kher (Member).

Ms. Sonali Khanna, Company Secretary of the Company acts as the Secretary of the Committee and Compliance Officer of the Company.

Skyline Financial Services Private Limited, New Delhi, is the Registrar & Share Transfer Agent of the Company.

The Chairman of the SRC was present at the Annual General Meeting of the Company held on August 12, 2019.

In compliance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI (LODR), 2015, the terms of reference of SRC shall inter-alia comprises the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc. in a timely manner;

- Review of the measures taken for effective exercise of voting rights by shareholders;

- Review of the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and recommend measures for overall improvement in the quality of Investor Services; and

- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### Complaint Redressal Status

During the Financial Year 2019-20, Five (5) complaints were received from members. All the complaints have been redressed to the satisfaction of the members. For the purposes of clarity, we would like to highlight that the Company had submitted its response with Securities and Exchange Board of India (SEBI) on two (2) complaints before the end of the quarter ended on March 31, 2020, however, the same were disposed off by SEBI only on April 09, 2020. The Company has acted upon all valid requests for share transfer received during 2019-20.

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

The Corporate Social Responsibility (CSR) Committee of the Company comprises of three Directors out of which one is an Independent Director.

The composition of the CSR Committee and details of the meetings and attendance during the Financial Year 2019-20 are as under:

S. No.	Directors	Designation	No. of Meetings		Dates of Meeting held during the year
			Held during the tenure	Attended	
1.	Mr. Rajeev Anand	Chairman	2	2	May 29, 2019; November 13, 2019
2.	Mr. Mitesh Mittal*	Member	2	2	
3.	Mr. Chandra shekhar Dasgupta**	Member	2	2	
4.	Mr. Rajeev Kher***	Member	No Meeting was held post his appointment		-

\* Mr. Mitesh Mittal has resigned as a Whole Time Director from the close of business hours on May 31, 2020 but continued to be Chief Financial Officer and Key Managerial Personnel of the Company.

\*\* Mr. Chandrashekhar Dasgupta ceased to be an Independent Director w.e.f. March 11, 2020.

\*\*\* Mr. Rajeev Kher has been appointed as a member of the Committee w.e.f. March 06, 2020.

Note: Mr. Sandeep Mahajan has been appointed as a member of the Committee w.e.f. June 01, 2020.



The Committee was reconstituted on March 06, 2020 and comprises of Mr. Rajeev Anand (Chairman), Mr. Mitesh Mittal (Member) and Mr. Rajeev Kher (Member).

The Committee was further reconstituted on May 22, 2020 and comprises of Mr. Rajeev Anand (Chairman), Mr. Sandeep Mahajan (Member) and Mr. Rajeev Kher (Member).

Ms. Sonali Khanna, Company Secretary, acts as the Secretary to the Committee.

The CSR activities undertaken by the Company during the year are set out in **Annexure-D** of the Board's Report. The CSR Policy detailing the summary of CSR activities along with relevant details is accessible at the Investors Relations section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).

The terms of reference of CSR Committee, inter alia comprise the following:

- (i) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and proposing revisions as and when required;
- (ii) Recommend the amount of expenditure to be incurred on CSR activities;
- (iii) Identify the modalities of implementing and monitoring the progress & impact of CSR projects or programs or activities undertaken by the Company; and
- (iv) Monitor the CSR Policy of the Company from time to time.

## 7. RISK MANAGEMENT COMMITTEE

The Board at their meeting held on May 22, 2020 have duly constituted a Risk Management Committee with effect from June 01, 2020. The Risk Management Committee comprises of three Directors out of which two are Independent Directors and the Chief Financial Officer of the Company is a member. The Company Secretary acts as the Secretary to the Risk Management Committee.

The composition of Risk Management Committee is as under:

S. No.	Name	Designation
1.	Ms. Sudha Ravi*	Chairperson
2.	Mr. Rajiv Lochan Jain	Member
3.	M. Sandeep Mahajan**	Member
4.	Mr. Mitesh Mittal (CFO)	Member

\* Ms. Sudha Ravi was re-appointed as the Independent Director for second term of 5 consecutive years w.e.f. June 07, 2019.

\*\* Mr. Sandeep Mahajan has been appointed as a member of the Committee w.e.f. June 01, 2020.

The roles and responsibilities of the Risk Management Committee are as prescribed under Regulation 21 of SEBI (LODR), 2015 including ensuring that a comprehensive risk management framework is in

place and reviewing the risk/ mitigation on an ongoing basis and review of Cyber Security of the Company.

## 8. REMUNERATION TO DIRECTORS

### (i) Executive Directors

The details of remuneration paid to all the Directors for the Financial Year 2019-20 are mentioned hereunder:

(Rs. in Lakhs)

S. No	Name	Rajeev Anand* Chairman & Managing Director	Mitesh Mittal® Whole Time Director
1.	Salary and Perquisites	370.03	201.07
2.	Other Payment including Performance Bonus^	53.78	14.79
3.	Service Contract Valid Up to (Terminable by giving 90 days' notice from either side)	May 31, 2020	November 12, 2022

\* Mr. Rajeev Anand ceased to be a Managing Director of the Company from the close of business hours on May 31, 2020. Mr. Rajeev Anand has been appointed as Whole-Time Director to be designated as an Executive Chairman w.e.f. June 01, 2020 to September 30, 2020, subject to the approval of shareholders.

@ Mr. Mitesh Mittal has resigned as a Whole Time Director from the close of business hours on May 31, 2020 but continues to be Chief Financial Officer and Key Managerial Personnel of the Company.

^ This includes stock-based awards i.e. restricted stock units and stock appreciation rights under approved Performance Plan of The Goodyear Tire & Rubber Company (GTRC).

The remuneration paid during the Financial Year 2019-20, is within the limits specified in Schedule V of the Act (as amended) and has due approval from the Board of Directors of the Company. A reference to remuneration paid to the Directors and Key Managerial Personnel under Note No. 27 of the notes to the financial statements of the Company for the year ended March 31, 2020 can also be made for the remuneration details.

### (ii) Non-Executive Directors

The Independent Non-Executive Directors are paid a sitting fee of Rs. 50,000/- per meeting (Board/Committee) (excluding Goods and Services Tax) for attending the Board/Committees meetings as well as the travelling/conveyance expenses and reimbursement of expenses, if any, incurred for participating/ attending the Company's meetings and no severance fees is payable to any Non-Executive Director.

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

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



## 9. GENERAL BODY MEETINGS

(a) Locations, day, dates and times where the last three Annual General Meetings (“AGM”) were held are as follows:

Meeting	Location	Day and Date	Time	Description of Special Resolution(s)
58 <sup>th</sup> AGM	Vibe Hotel by The Lalit, 12/7 Mathura Road (Just After Toll Plaza), Faridabad, Haryana – 121003	Monday August 12, 2019	11:00 A.M.	(i) To Re-appoint Ms. Sudha Ravi [DIN:06764496] as an Independent Non-Executive Director of the Company.
57 <sup>th</sup> AGM	Vibe Hotel by The Lalit, 12/7 Mathura Road (Just After Toll Plaza), Faridabad, Haryana – 121003	Wednesday August 8, 2018	11:00 A.M.	(i) Amendment to the Articles of Association of the Company; (ii) Appointment of Mr. Mitesh Mittal (DIN:05231968) as a Whole Time Director of the Company and his overall yearly remuneration limit effective November 13, 2017; and (iii) To approve the loan to Goodyear South Asia Tyres Private Limited under Section 185 of the Companies Act, 2013.
56 <sup>th</sup> AGM	Vibe Hotel, The Lalit, 12/7, Mathura Road, (Just After Toll Plaza) Faridabad, Haryana 121 003, India	Wednesday, August 9, 2017	11:30 A.M.	(i) To approve the appointment of Mr. Leopoldo Estefano Maggiolo Gonzalez [DIN:07318939] as a Whole Time Director of the Company and his overall yearly remuneration limit effective February 9, 2017; and (ii) To approve the revised remuneration and overall yearly remuneration limit of Mr. Rajeev Anand [DIN:02519876], Vice Chairman & Managing Director of the Company, effective May 01, 2017.

(b) **Postal Ballot**

During the year the Company did not conduct any postal ballot.

## 10. MEANS OF COMMUNICATION

In compliance with the provisions of the SEBI (LODR), 2015, the quarterly, half yearly and annual results of the Company are published in one English daily newspaper (The Financial Express) and one Hindi newspaper (Jansatta). The Quarterly/Annual Financial Results are also available on the Company’s website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations) and Stock Exchange websites at [www.bseindia.com](http://www.bseindia.com).

The Company’s website also contains a separate dedicated section ‘Investor Relations’ where information related to shareholders are available. The Company has provided an email address [goodyearindia\\_investorcell@goodyear.com](mailto:goodyearindia_investorcell@goodyear.com) on its website through which investors can directly contact the Company.

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

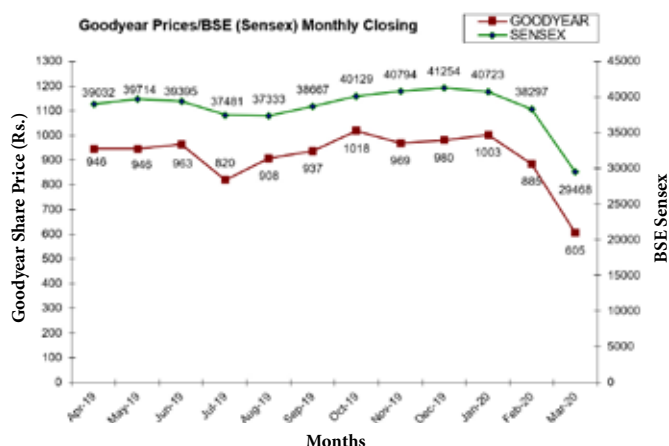
## 11. GENERAL SHAREHOLDERS INFORMATION

a) **Basic Information:**

S. No.	Name	Details
(i)	AGM Date, Time and Venue	August 13, 2020 at 11:00 A.M. The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
(ii)	Financial Year	April 01, 2019 to March 31, 2020
(iii)	Date of Book Closure	August 07, 2020 to August 13, 2020 (both days inclusive)
(iv)	Dividend Payment Date	Within 30 days from August 13, 2020 In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the company shall upon normalization of the postal services, dispatch the dividend warrant / cheque to such shareholder by post.
(v)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejee bhoy Tower, Dalal Street, Mumbai-400 001. It is hereby confirmed that listing fees up to Financial Year 2020-21 has been paid.
(vi)	Stock Code	BSE- 500168 ISIN - INE533A01012
(vi)	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant Financial Year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	N.A.



(b) Performance of Goodyear India Limited (Goodyear) share prices in comparison to BSE Sensex\*



\* Source – BSE Limited

As on March 31, 2020, shares of the Company were not suspended from trading.

(c) Market Price Data\*: High, Low on BSE during each month in the last Financial Year 2019-20:

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 (in Rs.)	Low (in Rs.)		High (in Rs.)	Low (in Rs.)
April	984.90	927.10	October	1029.00	915.00
May	971.00	881.50	November	1064.00	946.50
June	964.90	930.00	December	998.95	941.10
July	970.00	802.00	January	1064.00	976.25
August	918.00	800.40	February	1186.80	852.70
September	977.85	880.10	March	923.00	531.25

\* Source – BSE Limited

(d) Registrar & Share Transfer Agent:

S. No.	Particulars	Details
1.	Name	Skyline Financial Services Private Limited
2.	Address	D-153/A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi – 110 020
3.	Email id	srikant@skylinerta.com
4.	Phone	+9111- 26812682 / 83 +9111- 6473268

(e) Share Transfer System

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

(f) Distribution of Shareholding as on March 31, 2020

No. of Shares held	Folios		Shares held	
	Numbers	Percentage %	Numbers	Percentage %
up to 500	22646	96.28	1378931	5.98
501 – 1000	511	2.17	374094	1.62
1001 – 5000	304	1.29	595358	2.58
5001 – 10000	34	0.14	232292	1.01
10001 and above	27	0.11	20485832	88.81
<b>Total</b>	<b>23522</b>	<b>100.00</b>	<b>23066507</b>	<b>100.00</b>

(g) Shareholding Pattern as on March 31, 2020

S. No	Name	Number of Shares	Percentage %
1.	PROMOTERS		
(i)	Promoters Holdings (Indian and Foreign)	1,70,69,215	74.00
2.	PUBLIC		
(i)	Financial Institutions, Insurance Companies and Mutual Fund etc.	1794088	7.78
(ii)	Foreign Portfolio Investors	480736	2.08
(iii)	Foreign Institutional Investor	00	0.00
(iv)	Foreign Corporate Bodies	363850	1.58
(v)	Corporate Bodies	327330	1.42
(vi)	NRI's	121470	0.53
(vii)	Indian Public, Trust, Foreign Nationals, Clearing Members, HUF & IEPF	2909818	12.61
	<b>TOTAL</b>	<b>2,30,66,507</b>	<b>100.00</b>

(h) Dematerialization of shares and liquidity:

As on March 31, 2020, total 2,30,66,507 equity shares of face value of Rs. 10 each are listed at BSE Limited. As on March 31, 2020, 98.64% 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).

All shareholders are requested to update their bank account details with their respective depositories urgently. This would facilitate transfer of dividend directly to the bank account of the shareholders.

(i) 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 during Financial Year 2019-20.

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

There are no Commodity Risk and hedging activities. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018.

Details relating to Foreign Exchange Risk are given in Note No. 24(c) to the Financial Statements.



- (k) **Plant location** : Mathura Road, Ballabgarh,  
(Dist. Faridabad) – 121 004, Haryana
- (l) **Corporate Office/ Address of Correspondence** : 1<sup>st</sup> Floor, ABW Elegance Tower, Plot No. 8, Commercial Centre, Jasola, New Delhi – 110025, India
- Investors' Correspondence may be Addressed to** : Skyline Financial Services Private Limited, D -153/A, 1<sup>st</sup> floor, Okhla Industrial Area, Phase -I, New Delhi -110 020
- Tel No.** : +91-11-26812682
- Website** : [www.goodyear.co.in](http://www.goodyear.co.in)
- E-mail ID** : [goodyearindia\\_investorcell@goodyear.com](mailto:goodyearindia_investorcell@goodyear.com)

**(m) Investor Education Protection Fund ("IEPF")**

In compliance with the provisions of Section 124 of the Act read with the Rules made thereunder, the Company has uploaded the information regarding unpaid/ unclaimed amounts lying with the company at MCA's portal. The information is available on the Company's website ([www.goodyear.co.in](http://www.goodyear.co.in)) as well as on the IEPF website ([www.iepf.gov.in](http://www.iepf.gov.in)).

The members of the Company are also informed that the dividends that remain unpaid/ unclaimed for a period of 7 (seven) years from the date of transfer to the unpaid / unclaimed dividend account and as per the new provisions introduced in the year 2016, underlying equity shares on which dividend remains unpaid/unclaimed for a period of seven consecutive years are required to be transferred to the Investor Education & Protection Fund (IEPF) Authority established by the Central Government.

Details of the unpaid / unclaimed dividend and underlying equity shares for the following financial years are as follows:

Financial Year	Date of Declaration of Dividend	Date of Transfer/ Due Date of Transfer of Dividend to IEPF	Date of Transfer/ Due Date of transfer of Shares to IEPF
2011	May 25, 2012	June 27, 2019	June 27, 2019
2012	June 07, 2013	July 12, 2020	July 12, 2020
2013	May 15, 2014	June 20, 2021	June 20, 2021

Additionally, the Company also simultaneously published notice in leading newspaper in English and regional language having wide circulation and uploaded the same on the website of the Company at the Investors Relations section of the Company's website [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).

Members who have not encashed their dividend warrant(s) are requested in their own interest to write to the Company / Registrar and Share Transfer Agent immediately claiming the Dividend(s) declared by the Company pertaining to the Financial Year ended December 2012 to Financial Year ended March 2019. Kindly note that once the amount/ shares are transferred to the IEPF, no claims shall lie against the Company.

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

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

S. No.	Name	Number of Members	Number of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year 2019-20 (i.e. April 01, 2019)	42	1124
2	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the Financial Year 2019-20	-	-
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the Financial Year 2019-20	-	-
4	Number of shares transferred to Investor Education & Protection Fund (IEPF) Authority established by the Central Government during the Financial Year 2019-20	-	-
5	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the Financial Year 2019-20	42	1124

Notes:

- Voting rights on the abovementioned equity shares would remain frozen till the owner of such equity shares claims the shares.
- All the remaining shares lying in Unclaimed Suspense account will be transferred to IEPF Authority by August 2020.

**12. DISCLOSURES**

- During the Financial Year 2019-20, the Company had no material significant related party transactions which is considered to have potential conflict with the interests of the Company at large. The Company has formulated a policy on materiality significant related party transactions and the details of the policy are available at the Investors Relations section of the Company's website, [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).
- During the Financial Year 2019-20, no penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- The Business Conduct Manual of The Goodyear Tire & Rubber Company (GTRC), Akron U.S.A, applicable to all global operations including the Company, a copy of which is accessible to associates of the Company, inter-alia provides that associates can anonymously report violations by calling on the toll-free number(s) mentioned therein. In compliance with applicable



provisions of the Companies Act, 2013 and Rules made thereunder and applicable provisions of SEBI (LODR), 2015, the Company has formulated a Vigil Mechanism (including Whistle Blower Mechanism/ Policy) and the policy is available at the Investors Relations section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations). It is affirmed that no person has been denied access to the Audit Committee.

- (d) The Company has duly complied with all the mandatory requirements under Chapter IV of the SEBI (LODR), 2015. The Company has not adopted the non-mandatory (discretionary) requirements as mentioned in Part E of Schedule II of the SEBI (LODR), 2015 except that the Company has financial statement with unmodified audit opinion. The Internal Auditor reports to the Chief Financial Officer and has direct access to the Audit Committee.
- (e) The Company has no subsidiary, therefore, policy for determining material subsidiary is not applicable.
- (f) Policy on dealing with Related Party Transactions can be accessed at the Investors Relations section of the Company's website at [www.goodyear.co.in/investor-relations](http://www.goodyear.co.in/investor-relations).
- (g) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI (LODR) 2015.
- (h) The Company has also obtained a Certificate from APAC & Associates LLP to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any other statutory authority.
- (i) All the recommendations of all the Committees have been accepted by the Board of the Company.
- (j) Details relating to fees paid to the Statutory Auditors are given in Note 21 (a) to the Financial Statements.

- (k) Please refer Business Responsibility Report for disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (l) The Company has duly complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR), 2015.
- (m) Management Discussion and Analysis Report forms part of the Annual Report and annexed to the Board's Report.
- (n) In terms of the requirement of the Regulation 17(8) of the SEBI (LODR), 2015, the certificate from CEO/CFO has been obtained.

#### (o) Code of Conduct

In terms of the requirement of Regulation 17(5)(a) of SEBI (LODR), 2015 & Section 149(8) read with Schedule IV of the Act, the Board of Directors of the Company, in line with the Corporate Philosophy, laid down the Code of Conduct ("Code") for all Board Members and Senior Management of the Company. As required, a declaration duly signed by the Managing Director of the Company regarding affirmation of compliance with the Code of Conduct is attached as "Appendix-A".

#### (p) Certificate from Statutory Auditor regarding compliance of conditions of Corporate Governance

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

On behalf of the Board of Directors

**Rajeev Anand**  
(Chairman)  
DIN:02519876

June 12, 2020

Place: Gurugram

**Sandeep Mahajan**  
(Managing Director)  
DIN:08627456  
Place: Noida

## Appendix-A Corporate Governance Report of Goodyear India Limited

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

I hereby, confirm that the Company has received affirmations in compliance with the Code of conduct for the Financial Year 2019-20 from all the Board Members and Senior Management Personnel pursuant to the requirements of Regulation 26(3) of Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations, 2015.

On behalf of the Board of Directors

Place: Noida  
Date: June 12, 2020

**Sandeep Mahajan**  
(Managing Director)  
DIN:08627456



**TO THE MEMBERS OF  
GOODYEAR INDIA LIMITED**

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement letter dated August 07, 2019.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Goodyear India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 as applicable and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

**Managements' Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. 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 Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W-100018)

**Vijay Agarwal**  
Partner  
(Membership No. 094468)  
UDIN:20094468AAAADF3358

Place: Gurugram  
Date: June 12, 2020



## DIVIDEND DISTRIBUTION POLICY

The Equity Shares of Goodyear India Limited (the “Company”) are listed on BSE Limited, Mumbai. The Company is in the BSE top 500 listed Companies as on March 31, 2020 and, therefore, the Board of Directors of the Company has approved and adopted this Dividend Distribution Policy (the “Policy”) at its meeting held on May 22, 2020 (“Effective Date”).

The Company stands committed to enhance long term shareholder value and deliver sustainable growth to all its shareholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders while maintaining a strong financial foundation for the Company, in the form of dividend. The Board shall recommend dividend only if it is of the opinion that it is financially prudent to do so.

The Company has issued only one class of equity shares with equal voting rights and, therefore, all the members of the Company are entitled to receive the same amount of dividend per share.

The Board may or may not recommend any dividend or a lower payout for a given financial year, if:

- a) The Company has reported a net loss for the year;
- b) Cashflow from operations is negative;
- c) Free cashflow is affected due to future capital expenditure/ expansion, strategic investments and working capital requirement;
- d) The credit protection or capital adequacy metrics of the Company are weak;
- e) The Company is undergoing any form of debt restructuring;
- f) The Company has been prohibited to declare dividends by any regulatory authority;
- g) The Company has implemented, or intends to implement, a share repurchase (buyback) scheme or any other alternate profit distribution measures;
- h) To be in compliance with the Act and regulations of the Securities and Exchange Board of India; and
- i) Any other circumstances as considered relevant or appropriate by the Board of Directors.

The Board may consider the following factors before declaring interim dividend or recommending a final dividend to shareholders for declaration:

- a) Current year profits, accumulated reserves and earning stability in line with the development of internal and external environment;
- b) Operating cash flows and treasury position keeping in view the total debt to equity ratio;

- c) Providing for unforeseen events and contingencies with financial implications;
- d) Current and future capital expenditure/ expansion, strategic investments and working capital requirements;
- e) Overall macro-economic scenario / regulatory environment and business conditions;
- f) Unfavourable market conditions;
- g) Past dividend trends – rate of dividend, EPS and payout ratio, etc; and
- h) Any other financial parameter or factor considered relevant or appropriate by the Board of Directors.

The Company shall declare and pay dividend, both, interim and final dividend, in compliance with the applicable laws and any other rules and/or regulations issued for the purpose by the Ministry of Corporate Affairs and/or the Security and Exchange Board of India and/or the Central Government and the Articles of Association of the Company, as in force and as amended from time to time.

The Company may retain its earnings in order to make alternative use of the available funds and increase the value of the shareholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- (i) Whenever the Company proposes to utilize surplus cash for buyback of securities;
- (ii) In the event of loss or inadequacy of profits;
- (iii) Whenever the Company undertakes or proposes to undertake modernization / expansion plan;
- (iv) Investment for future growth plan – organic or inorganic;
- (v) Dealing with any possible downturns in the business;
- (vi) General corporate purposes, including contingencies;
- (vii) Correcting the capital structure; and
- (viii) Other such criteria as the Board may deem fit from time to time.

This Policy shall be reviewed by the Board as may be deemed necessary. The Board will provide a rationale for the deviation from the Policy in the Annual Report. Any changes or revisions to this Policy will be made available to shareholders in a timely manner.

The latest version of the Policy will be made available on the website of the Company. The Policy will also be disclosed in the Company’s annual report.



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GOODYEAR INDIA LIMITED Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Goodyear India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical

responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Emphasis of Matter

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

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Evaluation of disputed legal, and tax cases</b> (Refer notes 28 (A), (B) &amp; (F) and 11 of the financial statement, to be read along with Emphasis of Matter in independent Auditor's Report of the standalone financial statements)</p> <p>The Company has material disputed cases related to legal and tax matters, that involves significant judgement to determine the outcome of these disputes.</p>	<p><b>Principal Audit Procedures</b></p> <p>We evaluated the design and implementation and operating effectiveness of controls in respect of disputed tax cases.</p> <p>We have involved our internal tax experts, to gain understanding of the current status of the disputed legal and tax cases; and to challenge management's underlying assumptions in estimating the possible outcome of these legal and tax disputes. Our internal experts have considered legal precedence and other ruling in evaluating management's position on these disputed legal and tax cases. We have considered the open matters and effect of developments in respect of disputed legal and tax cases to evaluate whether any change was required to management's position on these uncertainties.</p> <p>Our audit procedures also included;</p> <ul style="list-style-type: none"> <li>• Reading and evaluating external legal opinions obtained by the management;</li> <li>• Direct communication with the relevant third party legal representatives regarding certain material disputed legal and tax cases;</li> <li>• Inquiry with local management and reading relevant Company's correspondence;</li> <li>• Assessing management conclusion through understanding precedents set in similar legal and tax cases</li> </ul>



### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

Due to COVID-19 related lockdown, we participated in the physical verification of inventory through video call on certain locations that was carried out by management subsequent to year end. We have performed alternate procedures to audit the existence of inventory as per guidance provided in SA 501 "audit evidence – Specific Considerations for selected items" Which include inspection of supporting documents relating to purchases, production sales and results of count performed by management during the year and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements.

Our report is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Vijay Agarwal**  
(Partner)

(Membership No. 094468)  
UDIN:20094468AAAADD2315

Place: Gurugram  
Date: June 12, 2020



## Report on Internal Financial Controls Over Financial Reporting

### Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Goodyear India Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm’s Registration No. 117366W/W-100018)

Vijay Agarwal  
(Partner)

Place: Gurugram  
Date: June 12, 2020

(Membership No. 094468)  
UDIN:20094468AAAADD2315



## Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner 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 program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, all inventories, other than for goods in transit, were physically verified during the year by the Management in November 2019. Further, subsequent to year end, the Company was able to perform physical verification of inventories during the month of May 2020 instead of year end due to COVID 19 related lockdown. For the inventories for which physical count was performed subsequent to year end, the Company has carried out the reconciliation procedures for 100% of the inventories to ascertain existence of such inventory physically verified from the date of the respective counts to the balance sheet date. The discrepancies noticed on physical verification during the year and subsequent to year end were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees under Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, cess and other material statutory dues applicable to it with the appropriate authorities and has generally been regular in depositing Income tax, Goods and Services tax and Customs duty with the appropriate authorities. Also refer to the note 28 in the financial statement regarding management assessment on certain matters relating to the provident fund.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Customs Duty, Goods and Services tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (c) There are no dues of customs duty which have not been deposited on account of any dispute. The Particulars of dues of Income-tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:



Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount disputed (Rs. in lakhs)	Amount disputed (net of payment under protest) (Rs. in lakhs)
Income Tax Act, 1961	Income tax	Dispute Resolution Panel	Apr 2008 - Mar 2013	210	110
		Commissioner of Income Tax	Apr 2004 - Mar 2005	64	52
		High Court	Apr 2004 - Mar 2010	176	137
Central and State Tax Acts	Sales Tax/ Value Added Tax	First level of appellate authority	Apr 1997 - Mar 1998 Jan 2001 - Mar 2002 Apr 2008 - Mar 2009	26	24
		High Court	Apr 2002 - Mar 2003	1	1
		Sales Tax Tribunal	Apr 2003 - Mar 2005 Apr 2008-2010	221	200
		Assistant Commissioner	Apr 2003 - Mar 2004 Apr 2013 - Sep 2014 Aug 2008-Sep 2010	26	23
The Central Excise Act, 1944 and Finance Act, 1994	Excise Duty / Service tax	Supreme Court of India	Apr 1997 - Mar 1998	171	68
		The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	Apr 2004 - Mar 2014	1,204	807
		Commissioner Appeal	Apr 2007 - Mar 2009 Apr 2011 - Mar 2013 Apr 2014 - Mar 2015 Apr 2012 - Mar 2017	160	159

The following matters has been decide in favour of the Company, although the department has preferred appeal at higher levels:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount disputed (Rs. in lakhs)
Income Tax Act, 1961	Income tax	High Court	Apr 2006 - Mar 2014	1,968

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and Section 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties entered during the year and the

details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence, reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding Company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi) of the Order is not applicable to the Company.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Vijay Agarwal**  
(Partner)  
(Membership No. 094468)  
UDIN:20094468AAAADD2315  
Place: Gurugram  
Date: June 12, 2020



# GOODYEAR INDIA LIMITED

## BALANCE SHEET AS AT MARCH 31, 2020

(All amount in INR lakhs, unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, plant and equipment	3	30,122	25,089
(b) Capital work in progress		1,487	5,029
(c) Right of use assets	3(a)	1,410	-
(d) Intangible assets	4	22	6
(e) Financial assets			
(i) Other financial assets	5(a)	716	624
(f) Other non-current assets	6(a)	1,006	1,542
(g) Current tax assets (net)	6(b)	1,835	1,257
<b>Total non-current assets</b>		<b>36,598</b>	<b>33,547</b>
<b>(2) Current Assets</b>			
(a) Inventories	7	14,982	16,725
(b) Financial assets			
(i) Trade receivables	5(b)	21,994	24,349
(ii) Cash and cash equivalents	5(c)	22,536	30,086
(iii) Bank balances other than (ii) above	5(d)	32,081	25,795
(iv) Other financial assets	5(a)	1,169	964
(c) Other current assets	8	1,320	1,587
<b>Total current assets</b>		<b>94,082</b>	<b>99,506</b>
<b>Total assets</b>		<b>1,30,680</b>	<b>1,33,053</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	9(a)	2,307	2,307
(b) Other equity	9(b)	89,267	84,405
<b>Total equity</b>		<b>91,574</b>	<b>86,712</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Provisions	11	2,569	2,158
(b) Deferred tax liabilities (net)	12	208	670
(c) Other financial liabilities			
(i) Lease liabilities	10(c)	1,068	-
(d) Other non-current liabilities	13	42	34
<b>Total non-current liabilities</b>		<b>3,887</b>	<b>2,862</b>
<b>(2) Current Liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	10(b)		
-Total outstanding dues of micro enterprises and small enterprises		184	256
-Total outstanding dues of creditors other than micro enterprises and small enterprises		26,442	33,959
(ii) Lease liabilities	10(c)	416	-
(iii) Other financial liabilities	10(a)	4,954	6,075
(b) Provisions	11	1,356	1,105
(c) Other current liabilities	14	1,867	2,084
<b>Total current liabilities</b>		<b>35,219</b>	<b>43,479</b>
<b>Total liabilities</b>		<b>39,106</b>	<b>46,341</b>
<b>Total equity and liabilities</b>		<b>1,30,680</b>	<b>1,33,053</b>

See accompanying notes to the financial statements.

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**

Firm Registration No. 117366W/W-100018

Chartered Accountants

**Vijay Agarwal**

Partner

Membership Number: 094468

Place: Gurugram

Date: June 12, 2020

**For and on behalf of the Board**

**Rajeev Anand**

Chairman

DIN:02519876

Place: Gurugram

**Sonali Khanna**

Company Secretary

Place: New Delhi

**Sandeep Mahajan**

Managing Director

DIN:08627456

Place: Noida

**Mitesh Mittal**

Chief Financial Officer

Place: Gurugram



## GOODYEAR INDIA LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(All amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	15	1,74,557	1,91,191
Other Income	16	3,517	3,769
<b>Total Income</b>		<b>1,78,074</b>	<b>1,94,960</b>
<b>Expenses</b>			
Cost of materials consumed	17(a)	67,600	81,790
Purchases of stock-in-trade		49,795	50,157
Changes in inventories of work-in-progress, stock-in-trade and finished goods	17(b)	1,839	303
Employee benefits expense	18	13,964	12,666
Finance costs	19	397	300
Depreciation and amortisation expense	20	5,010	4,103
Other expenses	21	27,785	29,827
<b>Total expenses</b>		<b>1,66,390</b>	<b>1,79,146</b>
<b>Profit before tax</b>		<b>11,684</b>	<b>15,814</b>
<b>Income tax expense</b>	22		
-Current tax		3,125	5,802
-Deferred tax		(325)	(195)
<b>Total tax expense</b>		<b>2,800</b>	<b>5,607</b>
<b>Profit for the year</b>		<b>8,884</b>	<b>10,207</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans		(544)	(153)
Income tax related to above item		137	54
		(407)	(99)
<b>Other comprehensive income/ (loss) for the year, net of tax</b>		<b>(407)</b>	<b>(99)</b>
<b>Total comprehensive income for the year</b>		<b>8,477</b>	<b>10,108</b>
<b>Earnings per equity share :</b>	32		
Basic earnings per Equity Share (Rs.)		38.51	44.25
Diluted earnings per Equity Share (Rs.)		38.51	44.25
Nominal value per Equity Share ( Rs.)		10	10

See accompanying notes to the financial statements.

In terms of our report attached.  
**For Deloitte Haskins & Sells LLP**  
 Firm Registration No. 117366W/W-100018  
 Chartered Accountants

**Vijay Agarwal**  
 Partner  
 Membership Number: 094468  
 Place: Gurugram

Date: June 12, 2020

**For and on behalf of the Board**

**Rajeev Anand**  
 Chairman  
 DIN:02519876  
 Place: Gurugram

**Sonali Khanna**  
 Company Secretary  
 Place: New Delhi

**Sandeep Mahajan**  
 Managing Director  
 DIN:08627456  
 Place: Noida

**Mitesh Mittal**  
 Chief Financial Officer  
 Place: Gurugram



## GOODYEAR INDIA LIMITED

### STATEMENT OF CHANGES IN EQUITY AS ON MARCH 31, 2020

(All amount in INR lakhs, unless otherwise stated)

#### A. Equity share capital

	Note	Amount
As at April 1, 2018		2,307
Changes in equity share capital	9(a)	-
As at March 31, 2019		2,307
Changes in equity share capital		-
As at March 31, 2020		2,307

#### B. Other equity

	Reserves and surplus					
	Note	Security premium	General reserve	Retained earnings	Other equity-revaluation	Total other equity
As at April 1, 2018	9 (b)	6,314	6,420	64,906	272	77,912
Profit for the year		-	-	10,207	-	10,207
Other comprehensive income/ (loss)		-	-	(99)	-	(99)
<b>Total comprehensive income for the year</b>		-	-	<b>10,108</b>	-	<b>10,108</b>
Dividend paid	25	-	-	(2,999)	-	(2,999)
Dividend distribution tax on dividend paid		-	-	(616)	-	(616)
<b>Balance as at March 31, 2019</b>	<b>9 (b)</b>	<b>6,314</b>	<b>6,420</b>	<b>71,399</b>	<b>272</b>	<b>84,405</b>

	Reserves and surplus					
	Note	Security premium	General reserve	Retained earnings	Other equity-revaluation	Total other equity
As at April 1, 2019	9 (b)	6,314	6,420	71,399	272	84,405
Profit for the year		-	-	8,884	-	8,884
Other comprehensive income/ (loss)		-	-	(407)	-	(407)
<b>Total comprehensive income for the year</b>		-	-	<b>8,477</b>	-	<b>8,477</b>
Dividend paid	25	-	-	(2,999)	-	(2,999)
Dividend distribution tax on dividend paid		-	-	(616)	-	(616)
<b>Balance as at March 31, 2020</b>	<b>9 (b)</b>	<b>6,314</b>	<b>6,420</b>	<b>76,261</b>	<b>272</b>	<b>89,267</b>

In terms of our report attached.  
**For Deloitte Haskins & Sells LLP**  
 Firm Registration No. 117366W/W-100018  
 Chartered Accountants

**Vijay Agarwal**  
 Partner  
 Membership Number: 094468  
 Place: Gurugram

Date: June 12, 2020

**For and on behalf of the Board**

**Rajeev Anand**  
 Chairman  
 DIN:02519876  
 Place: Gurugram

**Sonali Khanna**  
 Company Secretary  
 Place: New Delhi

**Sandeep Mahajan**  
 Managing Director  
 DIN:08627456  
 Place: Noida

**Mitesh Mittal**  
 Chief Financial Officer  
 Place: Gurugram



# GOODYEAR INDIA LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(All amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Profit before income tax		11,684	15,814
<b>Adjustments for:</b>			
Depreciation and amortisation expense	20	5,010	4,103
Net gain on lease termination/ modification		(15)	-
Property, plant and equipment written off	21	15	35
Finance costs	19	397	300
Interest income classified as investing cash flows	16	(3,068)	(3,432)
Unwinding of discount on security deposits	16	-	(11)
Liabilities/provisions no longer required written back	16	(41)	(52)
Provision for doubtful debts and other current assets	21	55	64
Net exchange differences gain/ (loss)		41	(22)
<b>Change in operating assets and liabilities:</b>			
(Increase)/ decrease in trade receivables		2,306	(3,588)
(Increase)/ decrease in inventories		1,743	99
Increase/ (decrease) in trade payables		(7,595)	(3,535)
(Increase)/ decrease in other non-current assets		4	(13)
(Increase)/ decrease in other current assets		267	670
Increase/ (decrease) in provisions		118	176
Increase/ (decrease) in other current liabilities		(217)	(67)
Increase/ (decrease) in other financial liabilities		(388)	250
Increase/ (decrease) in other non-current liabilities		8	(42)
(Increase)/ decrease in other financial asset		(91)	240
(Increase)/ decrease in other bank balances		14	(3)
<b>Cash generated from operations</b>		<b>10,247</b>	<b>10,986</b>
Income taxes paid		(3,703)	(5,329)
<b>Net cash inflow from operating activities</b>		<b>6,544</b>	<b>5,657</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(6,176)	(7,219)
Interest received		2,862	3,663
Fixed deposits with maturity more than 3 months but less than 12 months		(6,300)	-
<b>Net cash outflow from investing activities</b>		<b>(9,614)</b>	<b>(3,556)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Interest paid		(407)	(275)
Repayment of lease liabilities		(444)	-
Dividends paid		(3,013)	(2,996)
Dividend distribution tax paid		(616)	(616)
<b>Net cash outflow from financing activities</b>		<b>(4,480)</b>	<b>(3,887)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(7,550)</b>	<b>(1,786)</b>
Cash and cash equivalents at beginning of the year		30,086	31,872
<b>Cash and cash equivalents at end of the year</b>		<b>22,536</b>	<b>30,086</b>
<i>Reconciliation of cash and cash equivalents as per the cash flow statement</i>			
Cash and cash equivalents comprise of:			
Cash on hand (note 5 (c))		-	-
Cheques on hand (note 5 (c))		212	535
Bank balances - Current accounts (note 5 (c))		2,693	3,034
- Exchange Earner Foreign Currency (EEFC) account		20	68
- Demand deposits (Original maturity less than 3 months)		19,611	26,450
Effect of exchange rate changes		*	(1)
<b>Total</b>		<b>22,536</b>	<b>30,086</b>

\* Amount below the rounding off norm adopted by the Company.  
See accompanying notes to the financial statements.

In terms of our report attached.  
**For Deloitte Haskins & Sells LLP**  
Firm Registration No. 117366W/W-100018  
Chartered Accountants

**Vijay Agarwal**  
Partner  
Membership Number: 094468  
Place: Gurugram

Date: June 12, 2020

**For and on behalf of the Board**

**Rajeev Anand**  
Chairman  
DIN:02519876  
Place: Gurugram

**Sonali Khanna**  
Company Secretary  
Place: New Delhi

**Sandeep Mahajan**  
Managing Director  
DIN:08627456  
Place: Noida

**Mitesh Mittal**  
Chief Financial Officer  
Place: Gurugram



## GOODYEAR INDIA LIMITED

### NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2020

(All amount in INR lakhs, unless otherwise stated)

#### BACKGROUND

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

#### 1 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change to the accounting policy hitherto to in use.

##### i) Basis of preparation

###### a) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended and other relevant provisions of the Act.

###### b) Historical cost convention

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

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

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

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

An asset is treated as current when it is:

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

Held primarily for the purpose of trading

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

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

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

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

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

The Company classifies all other liabilities as non-current.

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

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

##### ii) Segment reporting

Operating segments are reported in a manner consistent with the internal reports provided to the chief operating decision maker (CODM), Managing Director. Refer note 26 for segment information presented.

##### iii) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

*Transition to Ind AS:*

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



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

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

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

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

Spare parts having useful life of more than one period are accounted for as separate items and are depreciated over the useful life.

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

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

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

#### **iv) Intangible assets**

##### **Computer software**

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

##### **Transition to Ind AS**

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

##### **Amortisation methods and periods**

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

#### **v) Inventories**

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

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases after deducting rebates and discounts. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

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

#### **vi) Revenue Recognition**

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer note 1(vi), Significant accounting policies, in the Companies March'18 annual report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 has resulted into gross up of revenue and advertisement & sales promotion expenses, other than this the effect of Ind AS 115 was insignificant.

Sale of goods: Revenue is measured at the fair value of consideration received or expected to be received in exchange for transferring goods or providing services. The amount of consideration disclosed as revenue is net of goods and service tax and variable considerations like sales incentives, rebates, rights of return or other items offered to the customers. The variable considerations are estimate of the expected amounts based on an analysis of historical experience, or as the most likely amount in a range of possible outcomes.

The Company recognises revenue when obligations under the terms of a contract are satisfied and control is transferred. This generally occurs with shipment or delivery, depending on the terms of the underlying contract, or when services have been rendered. At contract inception the Company assesses its performance obligation in the contract and allocates



the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price. Further revenue and advertisement & sales promotion expenses are grossed up as and when gifts/ vouchers has been provided to the customers. Payment terms with customers vary by customer, but are generally 30-90 days.

When consideration from a customer is received prior to transferring of goods or services under the terms of a sales contract, the Company record deferred revenue, which represents a contract liability. Deferred revenue is included in Other Current Liabilities in the Balance Sheet. The Company recognize deferred revenue after transferring the control of the goods or services to the customer and all revenue recognition criteria are met which by the nature of the contract with the customer is completed in less than one year.

## vii) Employee Benefits

### a) Short-term obligations

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

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

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

### c) Post employment obligations

#### Defined Contribution Plans

1. **Employee Pension Scheme 1995 :** Contribution are made to the regulatory authorities and are recognised as employee benefits expense in the statement of profit and loss as and when due. This benefits is classified as Defined Contribution Schemes as the Company

does not carry any further obligations, apart from the contributions made on a monthly basis.

2. **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

1. **Provident Fund:** Provident Fund contributions are made to the Trusts administered by the Company. Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Trusts administered by the Company. Those trusts invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trusts and the notified interest rate.
2. **Gratuity:** The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

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

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

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



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

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

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

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

**d) Share-based payments**

Liabilities for the stock-based payments (Stock Appreciation Right and Restricted Stock Units) are recognised as employee benefit expenses over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as under Provisions in the balance sheet.

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

**e) Termination benefits**

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

**f) Bonus plans**

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

**viii) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in

deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

**ix) Foreign Currency Translations**

**a) Functional and presentation currency**

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

**b) Transactions and balances**

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

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



## x) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

### Company as a Lessee

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate calculated as the weighted average rate specific to the portfolio of leases with similar characteristics.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company may elect not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**Assumptions:** The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that

rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

## xi) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

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

## xii) Borrowing costs

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

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

## xiii) Impairment of Assets - non financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes



in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### xiv) Provisions and Contingencies

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

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

##### **Contingent Liabilities:**

Contingent liabilities are disclosed when:

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

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

#### xv) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### xvi) Earnings Per Share

##### a) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

##### b) Diluted earnings per share

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

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

#### xvii) Trade receivables

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

#### xviii) Other financial assets

##### a) Classification

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

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

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

##### b) Measurement

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



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

**c) Impairment of financial assets**

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

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

**d) Derecognition**

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay cash flows to one or more recipients. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

**e) Income recognition**

Interest income: Interest income from financial instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension,

call and similar options) but does not consider the expected credit losses.

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

**xix) Government Grants**

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

**xx) Embedded derivatives**

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

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

***Embedded foreign currency derivatives***

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

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

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

**xxi) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable



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

#### **xxii) Trade and other payables**

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

#### **xxiii) Contributed equity**

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

#### **xxiv) Dividends**

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

#### **xxv) Rounding of amounts**

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

## **2 CRITICAL ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgements in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

### **Critical estimates and judgements**

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligations Note 11
- Provision for litigations and contingent liabilities Note 11 and 28
- Estimation of current tax expense and payable Note 22
- Impairment of trade receivables Note 24
- Right of use assets Note 3(a)
- Right of use liabilities Note 10(c)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



## GOODYEAR INDIA LIMITED

### NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2020

(All amount in INR lakhs, unless otherwise stated)

#### 3 Property plant and equipment

	Freehold Land	Freehold Buildings	Furniture and fittings	Office Equipments	Plant and Machinery	Vehicles	Total
<b>Year ended March 31, 2019</b>							
<i>Gross Carrying amount</i>							
Opening gross carrying amount	173	4,553	1,901	1,062	28,265	20	35,974
Additions	-	627	780	362	2,842	*	4,611
Disposals/adjustments	-	-	79	1	65	-	145
<b>Closing gross carrying amount</b>	<b>173</b>	<b>5,180</b>	<b>2,602</b>	<b>1,423</b>	<b>31,042</b>	<b>20</b>	<b>40,440</b>
<i>Accumulated Depreciation</i>							
Opening accumulated depreciation	-	791	705	630	9,228	5	11,359
Depreciation charge during the year	-	228	720	170	2,981	3	4,102
Disposals/adjustments	-	-	69	1	40	-	110
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>1,019</b>	<b>1,356</b>	<b>799</b>	<b>12,169</b>	<b>8</b>	<b>15,351</b>
<b>Net carrying amount</b>	<b>173</b>	<b>4,161</b>	<b>1,246</b>	<b>624</b>	<b>18,873</b>	<b>12</b>	<b>25,089</b>
<b>Year ended March 31, 2020</b>							
<i>Gross Carrying amount</i>							
Opening gross carrying amount	173	5,180	2,602	1,423	31,042	20	40,440
Additions	-	318	479	261	8,456	-	9,514
Disposals/adjustments	-	-	26	*	99	-	125
<b>Closing gross carrying amount</b>	<b>173</b>	<b>5,498</b>	<b>3,055</b>	<b>1,684</b>	<b>39,399</b>	<b>20</b>	<b>49,829</b>
<i>Accumulated Depreciation</i>							
Opening accumulated depreciation	-	1,019	1,356	799	12,169	8	15,351
Depreciation charge during the year	-	262	760	244	3,206	2	4,474
Disposals/adjustments	-	-	21	*	97	-	118
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>1,281</b>	<b>2,095</b>	<b>1,043</b>	<b>15,278</b>	<b>10</b>	<b>19,707</b>
<b>Net carrying amount</b>	<b>173</b>	<b>4,217</b>	<b>960</b>	<b>641</b>	<b>24,121</b>	<b>10</b>	<b>30,122</b>

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

Notes:

- Contractual obligations:  
Refer to note 29 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e January 1, 2015 as its deemed cost on the date of transition to Ind AS i.e. January 1, 2015. The Gross Value as per previous GAAP as on March 31, 2020 is as follows:

	Freehold Land	Freehold Buildings	Furniture and fittings	Office Equipments	Plant and Machinery	Vehicles	Total
<b>Year ended March 31, 2020</b>							
Closing gross carrying amount ( Previous GAAP)	173	7,430	3,196	2,260	57,724	25	70,808
Closing gross accumulated amount ( Previous GAAP)	-	3,213	2,236	1,619	33,603	15	40,686
<b>Net carrying amount ( Previous GAAP)</b>	<b>173</b>	<b>4,217</b>	<b>960</b>	<b>641</b>	<b>24,121</b>	<b>10</b>	<b>30,122</b>



3(a) Right of use assets

	Land & Building	Vehicle	Total
<b>Year ended March 31, 2020</b>			
<i>Gross Carrying amount</i>			
<b>Balance as at April 01, 2019</b>	1,075	54	1,129
Additions	920	158	1,078
Deletions	331	-	331
<b>Balance as at March 31, 2020</b>	<b>1,664</b>	<b>212</b>	<b>1,876</b>
<i>Accumulated Depreciation</i>			
<b>Balance as at April 01, 2019</b>	-	-	-
Depreciation charge during the year	491	42	533
Deletions	67	-	67
<b>Balance as at March 31, 2020</b>	<b>424</b>	<b>42</b>	<b>466</b>
<b>Net balance as at March 31, 2020</b>	<b>1,240</b>	<b>170</b>	<b>1,410</b>

**Transition to IND AS 116**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all Lease contracts existing on April 1, 2019 using the modified retrospective method and no cumulative adjustment is there which needs to be adjusted with retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included in the audited financial statements for the year ended March 31, 2019.

Company as a lessee:

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value on a lease-by-lease basis. On transition, the adoption of the new standard resulted in recognition of Right of use asset (ROU) and equivalent lease liability of Rs.1,129 Lakhs. In the statement of profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

4 Intangible Assets

	Computer Software	Total
<b>Year ended March 31, 2019</b>		
<i>Gross Carrying amount</i>		
Opening gross carrying amount	10	10
Acquired	1	1
Disposals/adjustments	2	2
<b>Closing gross carrying amount</b>	<b>9</b>	<b>9</b>
<i>Accumulated amortisation</i>		
Opening accumulated amortisation	4	4
Amortisation charge for the year	1	1
Disposals/adjustments	2	2
<b>Closing accumulated amortisation</b>	<b>3</b>	<b>3</b>
<b>Net carrying amount</b>	<b>6</b>	<b>6</b>



	Computer Software	Total
<b>Year ended March 31, 2020</b>		
<i>Gross Carrying amount</i>		
Opening gross carrying amount	9	9
Acquired	19	19
<b>Closing gross carrying amount</b>	<b>28</b>	<b>28</b>
<i>Accumulated amortisation</i>		
Opening accumulated amortisation	3	3
Amortisation charge for the year	3	3
<b>Closing accumulated amortisation</b>	<b>6</b>	<b>6</b>
<b>Net carrying amount</b>	<b>22</b>	<b>22</b>

- a The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e January 1, 2015 as its deemed cost on the date of transition to Ind AS i.e. January 1, 2015. The Gross Value as per previous GAAP as on March 31, 2020 is as follows:

	Computer Software	Total
Closing gross carrying amount ( Previous GAAP)	666	666
Closing accumulated amortisation ( Previous GAAP)	644	644
<b>Net carrying amount ( Previous GAAP)</b>	<b>22</b>	<b>22</b>

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current

**5 Financial assets**

**5a Other financial assets**

Security deposits	167	715	218	568
Long term deposits with bank with original maturity period more than 12 months *	-	1	-	56
Other receivables from related parties ( refer note 27)	406	-	356	-
Accrued interest on fixed deposits	596	-	390	-
	<b>1,169</b>	<b>716</b>	<b>964</b>	<b>624</b>

\* Held as lien by bank against bank guarantees.

The Company has determined its security deposits not to be in the nature of loans and accordingly have been classified as part of other financial assets.

	As at March 31, 2020		As at March 31, 2019	
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**5(b) Trade receivables**

Trade receivables	21,634		23,982	
Less: allowance for doubtful debts	(184)	21,450	(130)	23,852
Receivables from related party (refer note 27)		544		497
		<b>21,994</b>		<b>24,349</b>
Current portion		21,994		24,349
Non-current portion		-		-



	As at March 31, 2020	As at March 31, 2019
<b>Break up of security details:</b>		
Secured, considered good	2,778	3,654
Unsecured, considered good	19,216	20,695
Doubtful	184	130
	<u>22,178</u>	<u>24,479</u>
Allowance for credit loss	(184)	(130)
	<u>21,994</u>	<u>24,349</u>

	As at March 31, 2020	As at March 31, 2019
<b>5(c) Cash and cash equivalents</b>		
Balances with banks:		
-in current account	2,693	3,034
-in Exchange Earner Foreign Currency (EEFC) account	20	67
Deposits with original maturity of less than three months	19,611	26,450
Cheques on hand	212	535
	<u>22,536</u>	<u>30,086</u>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.

	As at March 31, 2020	As at March 31, 2019
<b>5(d) Bank balances other than cash and cash equivalents</b>		
Fixed deposits with original maturity more than 3 months but less than 12 months	31,800	25,500
Bank balances for unpaid dividend	281	295
	<u>32,081</u>	<u>25,795</u>

	As at March 31, 2020	As at March 31, 2019
<b>6(a) Other non-current assets</b>		
Capital advances	89	621
Advances other than capital advances:		
Payments under protest:		
(i) Excise/service tax matters	515	519
(ii) Customs duty matters	298	298
(iii) Sales tax matters	26	26
[net of provisions March 31, 2020 - Rs. 37, March 31, 2019 - Rs. 37]		
(iv) Other matters	78	78
	<u>1,006</u>	<u>1,542</u>

	As at March 31, 2020	As at March 31, 2019
<b>6(b) Current tax assets (net)</b>		
Advance income tax/payments under protest	1,835	1,257
[net of provisions March 31, 2020 - Rs. 52,122, March 31, 2019 - Rs. 48,997]		
	<u>1,835</u>	<u>1,257</u>



	As at March 31, 2020	As at March 31, 2019
<b>7 Inventories</b>		
Raw materials [includes in transit March 31, 2020 - Rs. 1,410, March 31, 2019 - Rs. 1164]	4,237	4,263
Work-in-progress	674	713
Finished goods [includes in transit March 31, 2020 - Rs. 513, March 31, 2019 - Rs. 810]	3,919	5,059
Stock-in-trade [includes in transit March 31, 2020 -Rs. 696, March 31, 2019 -Rs. 420]	4,102	4,762
Stores and spare parts [includes in transit March 31, 2020 - Rs. 38, March 31, 2019 - Rs. 2]	2,050	1,928
	<b>14,982</b>	<b>16,725</b>

Write-downs of inventories, except for stores and spare parts and work in progress, to net realisable value amounted to March 31, 2020 - Rs. 11, March 31, 2019 - Rs. 24. Due to COVID 19, the Company has not able to use the part of the work in progress inventory for production of goods and accordingly the Company has created the provision of Rs. 344 lakhs as on March 31, 2020. These were recognised as an expense during the year and included in 'changes in inventories of work-in-progress, stock-in-trade and finished goods' in the statement of profit and loss.

	As at March 31, 2020	As at March 31, 2019
<b>8 Other current assets</b>		
Advances to vendors	136	172
Advances to employees	42	48
Prepayments	382	325
Balance recoverable from others	10	32
Balance with government authorities:		
- Considered good	750	1,010
- Considered doubtful	10	10
- Less: Provision for doubtful other current assets	(10)	(10)
	<b>1,320</b>	<b>1,587</b>

	Number of shares (in lakhs)	Amount
<b>9 Equity share capital and other equity</b>		
<b>9(a) Equity share capital</b>		
Authorised equity share capital		
<b>As at April 1, 2018</b>	300	3,000
Increase during the year	-	-
<b>As at March 31, 2019</b>	<b>300</b>	<b>3,000</b>
Increase during the year	-	-
<b>As at March 31, 2020</b>	<b>300</b>	<b>3,000</b>



	Number of shares (in lakhs)	Amount
(i) <i>Movement in equity share capital (issued, subscribed and paid up)</i>		
<b>As at April 1, 2018</b>	231	2,307
Increase during the year	-	-
<b>As at March 31, 2019</b>	<u>231</u>	<u>2,307</u>
Increase during the year	-	-
<b>As at March 31, 2020</b>	<u>231</u>	<u>2,307</u>

- (ii) *Terms and rights attached to equity shares*  
The Company has only one class of equity shares having par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

	As at March 31, 2020	As at March 31, 2019
(iii) <i>Shares of the Company held by holding Company</i>		
Equity Shares:		
Goodyear Orient Company (Private) Limited, Singapore	171	171

	As at March 31, 2020		As at March 31, 2019	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
(iv) <i>Details of shareholders holding more than 5% shares in the Company</i>				
Goodyear Orient Company (Private) Limited, Singapore	171	74	171	74

	As at March 31, 2020	As at March 31, 2019
<b>9(b) Other equity</b>		
Securities Premium	6,314	6,314
General Reserve	6,420	6,420
Other equity- revaluation	272	272
Retained earnings	76,261	71,399
	<u>89,267</u>	<u>84,405</u>
<b>(i) Securities premium</b>		
Opening balance	6,314	6,314
Movement during the year	-	-
<b>Closing balance</b>	<u>6,314</u>	<u>6,314</u>
<b>(ii) General reserve</b>		
Opening balance	6,420	6,420
Transfer from retained earnings	-	-
<b>Closing balance</b>	<u>6,420</u>	<u>6,420</u>
<b>(iii) Other equity- revaluation</b>		
Opening balance	272	272
Movement during the year	-	-
<b>Closing balance</b>	<u>272</u>	<u>272</u>



	As at March 31, 2020	As at March 31, 2019
(iv) <b>Retained earnings</b>		
Opening balance	71,399	64,906
Net profit for the year	8,884	10,207
Dividend on the equity shares	(2,999)	(2,999)
Dividend distribution tax on dividend	(616)	(616)
<i>Items of other comprehensive income recognised directly in equity</i>		
Remeasurement of defined benefit plans, net of tax	(407)	(99)
<b>Closing balance</b>	<b>76,261</b>	<b>71,399</b>

(v) **Nature and purpose of other reserves**

i **Securities premium**

Securities premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

ii **General reserve**

General reserve is kept aside out of Company's profits and are used to meet future obligations.

iii **Other equity- revaluation**

As the Company has opted for exemption under paragraph D7AA of Ind AS 101 and also elected the cost model under Ind AS 16 for subsequent measurement of Property, Plant and Equipment, the revaluation reserve recognised under previous GAAP has been transferred to 'Other equity- revaluation' on the date of transition to Ind AS. This balance does not constitute free reserves available for distribution as dividend in accordance with the provisions of the Companies Act, 2013.

	As at March 31, 2020	As at March 31, 2019
<b>10 Financial liabilities</b>		
<b>10(a) Other financial liabilities</b>		
Security deposits	4,122	4,510
Interest accrued on security deposits	78	88
Unpaid dividend *	281	295
Creditors for capital items #	473	1,182
	<b>4,954</b>	<b>6,075</b>

\* Unpaid dividends represents dividends paid, but not claimed by shareholders. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

# Includes payable to related party March 31, 2020 - Rs. Nil, March 31, 2019 - Rs. 76 (refer note 27).

	As at March 31, 2020	As at March 31, 2019
<b>10(b) Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 33)	184	256
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related party (refer note 27)	7,551	8,867
- Others	18,891	25,092
	<b>26,626</b>	<b>34,215</b>



	As at March 31, 2020
<b>10(c) Lease liabilities</b>	
Balance as at April 01, 2019	1,129
Additions during the year	1,078
Deletions during the year	(279)
Interest accrued during the year	121
Payments	(565)
<b>Balance as at March 31, 2020</b>	<b>1,484</b>

The following is the break up of current and non-current lease liabilities as at March 31, 2020

Particulars	Amount
Current lease liabilities	416
Non-Current lease liabilities	1,068
<b>Total</b>	<b>1,484</b>

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
<b>11 Provisions</b>				
Provision for employee benefits				
Gratuity	315	2,155	117	2,128
Share-based payments (refer note 31)	8	12	58	30
Leave obligations	680	-	615	-
Provident Fund	-	402	-	-
<b>Other provisions</b>				
Provision for customs/excise litigations	222	-	222	-
Provision for replacement loss	131	-	93	-
	<b>1,356</b>	<b>2,569</b>	<b>1,105</b>	<b>2,158</b>

- (a) Information about individual provisions and significant estimates

**Provision for customs, excise and sales tax litigation:** These represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

**Provision for replacement loss:** Replacement loss reserves are based on past claims experience, sales history and other considerations. Replacement loss is provided on the sale of our products and an accrual for estimated future claims is recorded at the time revenue is recognized. Tyres replacement offered by the Company is on a prorated basis.

	Replacement loss	Customs/ excise litigation	Sales tax litigation matters*	Total
<b>(b) Movements in provisions</b>				
As at April 1, 2019	93	222	37	352
Additions during the year	38	-	-	38
Utilized/Reversed during the year	-	-	-	-
<b>As at March 31, 2020</b>	<b>131</b>	<b>222</b>	<b>37</b>	<b>390</b>

\* Refer note 6 (a)



(c) **Employee Benefit Obligations**

(A) *Leave obligations*

The amount of the provision of Rs. 680 (March 31, 2019 – Rs.615) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months.

	As at March 31, 2020	As at March 31, 2019
Current leave obligations expected to be settled within the next 12 months	167	104

(B) *Defined Contribution Plans*

(a) Superannuation Fund

(b) Employee's Pension Scheme 1995 (State plan)

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

	Year ended March 31, 2020	Year ended March 31, 2019
Employer's contribution to Employee's Pension Scheme 1995 (State Plan)*	138	136

\* Included in "Contribution to provident and other funds" under Employee benefits expense (refer note 18)

(C) *Defined Benefit Plans*

a) Gratuity

b) Provident Fund

(i) **Balance Sheet amounts - Gratuity**

The amount recognised in balance sheet and the movement in the net defined benefit obligation over the years are as follows:

	Present value of obligations	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Present value of obligations as at the beginning of the year</b>	<b>2,245</b>	<b>1,893</b>
Current service cost	183	170
Interest cost	174	147
<b>Total amount recognised in profit and loss</b>	<b>357</b>	<b>317</b>
<i>Remeasurements</i>		
(Gain)/loss from changes in demographic assumptions	(1)	23
(Gain)/loss from changes in financial assumptions	91	131
Experience (gains)/losses	52	(1)
<b>Amount recognised in other comprehensive income</b>	<b>142</b>	<b>153</b>
Benefits payment	(274)	(118)
<b>Present value of obligations as at the end of the year</b>	<b>2,470</b>	<b>2,245</b>

Liability for Gratuity is not funded.

	As at March 31, 2020	As at March 31, 2019
Present value of obligation	2,470	2,245
Fair value of plan assets	-	-
<i>Current</i>	<i>315</i>	<i>117</i>
<i>Non-current</i>	<i>2,155</i>	<i>2,128</i>



### Balance Sheet amounts - Head Office Provident Fund trust

Amount recognised in balance sheet and the movement in the net defined benefit obligation over the years are as follows:

	Year ended March 31, 2020			Year ended March 31, 2019		
	Present value of obligations	Fair value of plan assets	Net amount	Present value of obligations	Fair value of plan assets	Net amount
<b>Present value at the beginning of the year</b>	<b>5,512</b>	<b>(5,692)</b>	<b>(180)</b>	<b>4,560</b>	<b>(4,679)</b>	<b>(119)</b>
Current service cost	427	-	427	248	-	248
Interest cost/ (income)	183	-	183	353	-	353
Return on plan assets, excluding amount included in interest expenses/ (income)	-	(241)	(241)	-	(478)	(478)
Experience (gains)/losses	195	-	195	64	-	64
Employer contribution	-	(183)	(183)	-	(248)	(248)
Employee contribution	370	(370)	-	415	(415)	-
Settlements / Transfer in	155	(155)	-	138	(138)	-
Benefits payment	(816)	816	-	(266)	266	-
<b>Present value as at the end of the year</b>	<b>6,026</b>	<b>(5,825)</b>	<b>201</b>	<b>5,512</b>	<b>(5,692)</b>	<b>(180)</b>

The net liability disclosed above relates to funded plan as follows:

	As at March 31, 2020	As at March 31, 2019
Present value of obligation	6,026	5,512
Fair value of plan assets	5,825	5,692
<b>Deficit of funded plan*</b>	<b>201</b>	<b>-</b>

\* the provident funds have a deficit which are recognised through OCI "Other Comprehensive Income".

### Balance Sheet amounts - Factory Provident Fund trust

Amount recognised in balance sheet and the movement in the net defined benefit obligation over the years are as follows:

	Year ended March 31, 2020			Year ended March 31, 2019		
	Present value of obligations	Fair value of plan assets	Net amount	Present value of obligations	Fair value of plan assets	Net amount
<b>Present value at the beginning of the year</b>	<b>6,363</b>	<b>(6,887)</b>	<b>(524)</b>	<b>5,669</b>	<b>(6,156)</b>	<b>(487)</b>
Current service cost	166	-	166	163	-	163
Interest cost/ (Income)	493	-	493	439	-	439
<i>Remeasurements</i>						
Return on plan assets, excluding amount included in interest expenses/ (income)	-	14	14	-	(530)	(530)
(Gain)/loss from changes in demographic assumptions	-	-	-	-	-	-
(Gain)/loss from changes in financial assumptions	-	-	-	-	-	-
Experience (gains)/losses	218	-	218	54	-	54
Employer contribution	-	(166)	(166)	-	(163)	(163)
Employee contribution	644	(644)	-	486	(486)	-
Settlements / Transfer in	130	(130)	-	7	(7)	-
Benefits payment	(499)	499	-	(455)	455	-
<b>Present value as at the end of the year</b>	<b>7,515</b>	<b>(7,314)</b>	<b>201</b>	<b>6,363</b>	<b>(6,887)</b>	<b>(524)</b>



The net liability disclosed above relates to funded plan as follows:

	As at March 31, 2020	As at March 31, 2019
Present value of obligation	7,515	6,363
Fair value of plan assets	7,314	6,887
<b>Deficit of funded plan*</b>	<b>201</b>	<b>-</b>

\* the provident funds have a deficit which are recognised through OCI "Other Comprehensive Income".

(ii) *Post-employment plans*

The significant actuarial assumptions were as follows:

Particulars	Gratuity		Head Office Provident Fund Trust		Factory Provident Fund Trust	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Expected statutory interest rate on the fund	N.A.	N.A.	8.50%	8.65%	8.50%	8.65%
Discount rate (per annum)	6.75%	7.75%	6.75%	7.75%	6.75%	7.75%
Rate of increase in compensation level	6.00%	6.50%	N.A.	N.A.	N.A.	N.A.
Expected shortfall in interest earnings of fund	N.A.	N.A.	0.40%	0.05%	0.40%	0.05%
Withdrawal rate						
- upto 30 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
- from 31 to 44 years	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
- above 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Average remaining working life	18.42	18.46	N.A.	N.A.	N.A.	N.A.

(iii) Major category of plan assets are as follows:

Type of Securities	Head Office Provident Fund Trust		Factory Provident Fund Trust	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Government securities and related investment	51%	49%	43%	40%
Debt instruments and related investments	40%	41%	28%	28%
Equity shares and mutual funds	4%	4%	6%	6%
Special deposit scheme	5%	5%	23%	26%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(iv) *Sensitivity analysis*

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is :

	Impact on defined benefit obligations					
	Changes in assumptions		Increases in assumptions		Decreases in assumptions	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Gratuity:						
Discount rate (per annum)	0.5%	0.5%	-3.76%	-3.68%	4.03%	3.94%
Rate of increase in compensation level	0.5%	0.5%	4.04%	3.97%	-3.80%	-3.74%
<b>Head Office Provident Fund Trust:</b>						
Discount rate (per annum)	0.5%	0.5%	-0.12%	-0.01%	0.12%	0.01%
<b>Factory Provident Fund Trust:</b>						
Discount rate (per annum)	0.5%	0.5%	-0.08%	-0.01%	0.08%	0.01%



The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) **Risk Exposures**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below :

**Salary Increases**

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

**Investment Risk**

If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

**Discount Rate**

Reduction in discount rate in subsequent valuations can increase the plan's liability.

**Mortality & disability**

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

**Withdrawals**

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

The Company through its Trusts ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

The Company through its Trusts actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets in 2019-20 consists of government and corporate bonds, although the Company through its Trusts also invests in equities and mutual funds. The plan asset mix is in compliance with the requirements of the respective local regulations.

(vi) *Defined benefit liability and employer contributions*

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are Rs. 842.

The weighted average duration of the defined benefit obligation is 13.04 years (Mar 31,2019- 13.06 years).



The expected maturity analysis of gratuity and provident fund benefits is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
<b>March 31, 2020</b>					
Defined benefit obligation (gratuity and provident fund)	4,535	189	2,134	9,154	16,011
<b>March 31, 2019</b>					
Defined benefit obligation (gratuity and provident fund)	3,336	314	1,784	8,687	14,121

**12 Deferred tax liabilities (net)**

The balance comprises temporary difference attributable to:

	As at March 31, 2020	Movement during the year	As at March 31, 2019
<b>Deferred tax liability</b>			
Depreciation	1,170	(577)	1,747
<b>Total Deferred tax liability</b>	<b>1,170</b>	<b>(577)</b>	<b>1,747</b>
<b>Deferred tax assets</b>			
<i>Other items</i>			
- Share-based payments	(5)	26	(31)
- Provision for doubtful debts/ advances	(46)	-	(46)
- Provision for expenses disallowed u/s 43B of the Income-tax Act, 1961	(911)	89	(1,000)
<b>Total Deferred tax assets</b>	<b>(962)</b>	<b>115</b>	<b>(1,077)</b>
<b>Net deferred tax liabilities</b>	<b>208</b>	<b>(462)</b>	<b>670</b>

**13 Other non-current liabilities**

	As at March 31, 2020	As at March 31, 2019
Employee benefits payable	42	34
	<b>42</b>	<b>34</b>

**14 Other current liabilities**

	As at March 31, 2020	As at March 31, 2019
Contract liability (unearned revenue)	189	92
Employee benefits payable	992	865
Advances from customers	151	86
Statutory dues	535	1,041
	<b>1,867</b>	<b>2,084</b>

**15 Revenue from operations**

	Year ended March 31, 2020	Year ended March 31, 2019
Sales of product	174,110	188,477
Other operating revenue	447	2,714
	<b>174,557</b>	<b>191,191</b>

Sales of product includes:

- Manufacturing products: Rs. 1,13,680 ( March 31, 2019 - Rs. 1,26,126)
- Traded products: Rs. 60,430 ( March 31, 2019 - Rs. 62,351)

Other operating revenue includes:

- Commission Income: Rs. 332 ( March 31, 2019 - Rs. 376)
- Sale of scrap: Rs. 115 ( March 31, 2019 - Rs. 166)
- Sale of compound: Rs. Nil ( March 31, 2019 - Rs. 2,172)

Refer note 26 for disclosure of disaggregation of revenue



	Year ended March 31, 2020	Year ended March 31, 2019
<b>16 Other Income</b>		
Interest income from financial assets at amortised cost		
- On fixed deposits with banks	3,068	3,432
Unwinding of discount on security deposits	-	11
Interest on Income tax refund	5	38
Liabilities/provisions no longer required written back	41	52
Government grants (i)	135	101
Miscellaneous income (ii)	268	135
	<b>3,517</b>	<b>3,769</b>
(i) Government grants are related to export incentives on duty drawback schemes.		
(ii) Miscellaneous income includes :		
- Reversal of provision for SAR and RSU of Rs. 37 (SAR March 31, 2019- Rs.26) -Refer Note 31		
	Year ended March 31, 2020	Year ended March 31, 2019
<b>17 (a) Cost of materials consumed</b>		
Raw materials at the beginning of the year	4,263	4,028
Add: Purchases	67,574	82,025
Less: Raw materials at the end of the year	4,237	4,263
	<b>67,600</b>	<b>81,790</b>
	Year ended March 31, 2020	Year ended March 31, 2019
<b>17 (b) Changes in inventories of work-in-progress, stock-in-trade and finished goods</b>		
<b>Opening balance</b>		
Work-in-progress	713	577
Finished goods	5,059	6,774
Stock-in-trade	4,762	3,486
<b>Total (a)</b>	<b>10,534</b>	<b>10,837</b>
<b>Closing balance</b>		
Work-in-progress	674	713
Finished goods	3,919	5,059
Stock-in-trade	4,102	4,762
<b>Total (b)</b>	<b>8,695</b>	<b>10,534</b>
Total changes in inventories of work-in-progress, stock in trade and finished goods (a-b)	<b>1,839</b>	<b>303</b>
	Year ended March 31, 2020	Year ended March 31, 2019
<b>18 Employee benefits expense</b>		
<b>Salaries, wages and bonus</b>	11,708	10,556
Contribution to provident and other funds (refer note 11 (c))	589	573
Gratuity (refer note 11 (c))	357	317
Leave obligations (refer note 11 (c))	361	302
<b>Share-based payments to employees (refer note 31)</b>	-	<b>26</b>
Workmen and staff welfare expenses	949	892
	<b>13,964</b>	<b>12,666</b>



		Year ended March 31, 2020	Year ended March 31, 2019
19	<b>Finance costs</b>		
	Interest on security deposits from dealers	270	293
	Interest on lease liabilities (refer note 10(c))	121	-
	Interest - Others	6	7
		<u>397</u>	<u>300</u>
		Year ended March 31, 2020	Year ended March 31, 2019
20	<b>Depreciation and amortisation expense</b>		
	Depreciation of property, plant and equipment	4,474	4,102
	Depreciation on right of use (ROU) assets (refer note 3(a))	533	-
	Amortisation of intangible assets	3	1
		<u>5,010</u>	<u>4,103</u>
		Year ended March 31, 2020	Year ended March 31, 2019
21	<b>Other expenses</b>		
	Consumption of stores and spare parts	250	229
	Power and fuel	6,303	6,599
	Travelling	777	854
	Repairs and maintenance	2,142	1,487
	Short term lease payment (refer note 29(c))	387	-
	Rent (refer note 29(c))**	-	788
	Insurance	127	162
	Telecommunication	122	138
	Rates and taxes	48	99
	Legal and professional	686	516
	Carrying and forwarding agent expenses	618	808
	Freight, transport and delivery	4,771	4,880
	Advertising and sales promotion***	1,096	3,428
	Trade mark fees	1,184	1,293
	Regional service charges	6,272	5,532
	Conversion charges	20	34
	Net foreign exchange losses	115	313
	Property, plant and equipment written off	15	35
	Provision for doubtful debts and other current assets	55	64
	Bad debts and other current assets written off	1	25
	Less : Provision held for doubtful debts and other current assets	<u>1</u>	<u>25</u>
	Payments to auditors (refer note 21(a))	74	83
	Corporate social responsibility expenditure (refer note 21(b))	365	396
	Miscellaneous expenses	<u>2,358</u>	<u>2,089</u>
		<u>27,785</u>	<u>29,827</u>

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

\*\* As per Ind AS 116 operating lease rent has been changed to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability other than short term leases.

\*\*\* Due to applicability of Ind AS 115, revenue and advertising and sales promotion expenses are grossed up by Rs. 315 (March 31, 2019: Rs. 2,227).



	Year ended March 31, 2020	Year ended March 31, 2019
<b>21(a) Details of payment to auditors</b>		
<b>As auditor:</b>		
For statutory audit	33	34
For quarterly limited reviews	18	18
For tax audit	2	2
<b>In other capacity</b>		
Certification fees & tax services	17	22
Re-imbursement of expenses	4	7
<b>Total payment to auditors</b>	<b>74</b>	<b>83</b>

**21(b) Corporate social responsibility expenditure**

Amount required to be spent as per section 135 of the Companies Act 2013.

Details of expenditure towards Corporate Social Responsibility (CSR) activities:

a) Gross amount required to be spent by the Company during the year was Rs. 377 (Previous Year Rs. 396).

b) Amount spent during the year on:

	In Cash	Yet to be paid in Cash	Total
<b>i) Construction/ acquisition of any asset.</b>	-	-	-
	(-)	(-)	(-)
<b>ii) On purposes other than (i) above</b>	358	7	365
	(389)	(7)	(396)

*Figures in brackets represent previous period numbers.*

Amount unspent during the year was Rs. 12 ( Mar 31, 2019 - NIL).

	Year ended March 31, 2020	Year ended March 31, 2019
<b>22 Income tax expense</b>		
<b>22(a) Income tax expense</b>		
<b>Current tax</b>	3,125	5,802
Current tax on profits for current year	-	-
Adjustments for current tax for prior periods	3,125	5,802
<b>Deferred tax</b>	252	(76)
Decrease/(increase) in deferred tax assets	(577)	(119)
(Decrease)/increase in deferred tax liabilities	(325)	(195)
<b>Income tax expense</b>	<b>2,800</b>	<b>5,607</b>

**22(b) Reconciliation of tax expense and accounting profit multiplied by India's tax rate**

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income tax expense	11,684	15,814
Tax at the Indian tax rate of 25.168% (March 31, 2019: 34.944%)	2,941	5,526
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	49	74
MSME Interest, Interest u/s 234A, Interest on TDS	1	4
Changes in applicable tax rate*	(187)	-
Adjustment recognised in the current year in relation to the current tax of prior years	(4)	3
<b>Income tax expense</b>	<b>2,800</b>	<b>5,607</b>

\*The Indian corporate tax rate was decreased from 34.944% to 25.168% effective from April 1, 2019. As a result, the relevant deferred tax balances have been remeasured. The impact of the change in tax rate has been recognised in tax expense in profit or loss of previous year.



- (c) The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. For this purpose, the Company has appointed independent consultants for conducting Transfer Pricing Study. Management is of the opinion that its international transactions with associated enterprises have been undertaken at arms' length basis at duly negotiated prices on usual commercial terms. The Company has submitted the Accountants' Report in form 3CEB upto the financial year ended on March 31, 2019 as required under section 92E of the Income Tax Act, 1961.

## 23 Fair Value Measurements

Financial instruments by category:

	As at March 31, 2020 Amortised cost	As at March 31, 2019 Amortised cost
<i>Financial assets</i>		
-Security deposits	882	786
-Trade receivables	21,994	24,349
-Cash and cash equivalents	22,536	30,086
-Other bank balances	32,081	25,795
-Other financial assets	1,003	802
<b>Total Financial assets</b>	<b>78,496</b>	<b>81,818</b>
<i>Financial liabilities</i>		
-Security deposits	4,122	4,510
-Trade payables	26,626	34,215
-Creditors for capital items	473	1,182
-Other financial liabilities	359	383
-Lease liabilities	1,484	-
<b>Total Financial Liabilities</b>	<b>33,064</b>	<b>40,290</b>

The carrying amounts of security deposits, trade receivables, trade payables, creditors for capital items, cash and cash equivalents, other bank balances and other financial assets/ liabilities are considered to be the same as their fair values, due to their short-term nature.

The Company does not have any financial instruments where significant estimation was involved in determination of its fair value.

## 24 Financial Risk Management

The Company's activities expose it to the market risk, liquidity risk and the credit risk. The Company's risk management is carried out by the treasury department for cash and cash equivalent, deposits with banks, foreign currency risk exposure and liquidity risk under various approved policies. The risk management for trade receivables is carried out by controlling department of the Company.

### (A) Credit Risk

Credit risk arises from cash and cash equivalents, other bank balance, trade receivables and other financial assets.

#### (i) Credit risk management

#### (a) Cash and cash equivalents and other bank balance

The Company is in control of its exposure to these financial instruments by diversifying the deposit, by investing cash and cash equivalents and other bank balance based on counterparty credit strength as measured by long-term credit ratings of the three major rating agencies (Standard & Poors, Moody's and Fitch) and by monitoring the financial strength of these banks on regular basis.

The Company has the deposits with banks and their respective rating are as in below table:

Long Term Credit Rating	As at March 31, 2020	As at March 31, 2019
AA- to A+	46,900	51,950
BBB to BBB-	4,000	-
BB+ to lower limit *	511	-

\*With Nationalised bank

By controlling and monitoring exposure in this manner, the Company believes that it effectively manage the risk of loss due to non performance by the banks.



(b) *Trade Receivables:*

The Company has Credit Policy and the independent credit control department to review the credit worthiness of the customers and assess the recoverability of the asset. Finance Director is the authority to approve any exception to the Policy.

Customer credit risk is managed basis established policies of the Company, procedures and controls relating to customer credit risk management which helps in assessing the risk at the initial recognition of the asset. Outstanding customer receivables are regularly and closely monitored. The Company has a monthly process of following past due analysis leading to very few cases of bad debts and delayed payments. The same is evident from the earlier years receivable write-off. The Company provides for any outstanding beyond 180 days. The trade receivables on the respective reporting dates are net off the allowance which is sufficient to cover the entire lifetime loss of sales recognised including those that are currently less than 180 days outstanding.

A default on a financial asset is when the counterparty fails to make contractual payment within 180 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates.

The Company believe that there are efficient processes established to monitor and control the risk of loss associated with receivables.

(c) *Other financial assets:*

Other financial assets of the Company mainly comprises of security deposit with Dakshin Haryana Bijli Vitran Limited, security deposits for the rental premises and others, accrued interest on fixed deposits with banks, deposits held as lien with Banks and other receivables from related parties.

Credit risk exposure with respect to other financial assets are negligible as they are either supported by legal agreement or are with Nationalised banks and Government organisations:

- Security deposit with Dakshin Haryana Bijli Vitran Limited, a public sector organisation, represents low credit risk.
- Security deposits for the rental premises and others are with counter parties with strong capacity to meet the obligation, hence the risk of default is considered to be negligible.
- Deposits held as lien with Banks are with Nationalised Bank, hence the risk of default is considered to be negligible.
- Accrued interest on fixed deposits are with banks having strong financial strength as explained above, hence the risk of default is considered to be negligible.
- Other receivables from related parties are as per approved policy and the established procedure to monitor the dues from related parties which also ensures timely payments and no default, hence credit risk is negligible.

(ii) *Provision for expected credit losses*

Customer credit risk is managed basis established policies of the Company, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company has a diverse customer base, as its customers are located and operate in largely independent markets and does not see any significant concentration of risk related to reliance on any single customer. The credit quality of the customers is evaluated based on the approved policies and established processes.

(iii) *Reconciliation of loss allowance provision - Trade receivable*

	Amount
<b>Loss allowance as on March 31, 2018</b>	<b>91</b>
Changes in loss allowance	39
<b>Loss allowance as on March 31, 2019</b>	<b>130</b>
Changes in loss allowance	54
<b>Loss allowance as on March 31, 2020</b>	<b>184</b>

*Significant estimates and judgements*

*Impairment of Trade Receivables:*

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



**(B) Liquidity Risk**

The Company's primary sources of liquidity are cash generated from operation. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.

The Company intend to operate the business in a way that allows the Company to address its needs with existing cash and available financing arrangement if they cannot be funded by cash generated from operations.

The Company believe that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment

**(i) Financing arrangements**

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Floating rate	As at March 31, 2020	As at March 31, 2019
Expiring within one year (bank overdraft and other facilities)	2,779	3,252

The bank overdraft facilities may be drawn at any time. No drawdown as at Mar 31, 2020 and Mar 31, 2019.

**(ii) Maturities of financial liabilities**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table are the undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(iii) Contractual maturities of financial liability	Less than 3 months	3 months to 6 months	6 months to 12 months	1 year to 2 year	2 year to 5 year	More than 5 year	Total
<b>March 31, 2020</b>							
- Trade Payable	24,956	1,670	-	-	-	-	26,626
- Lease liabilities	197	191	371	583	746	35	2,123
- Other financial liability	4,954	-	-	-	-	-	4,954
<b>March 31, 2019</b>							
- Trade Payable	32,383	1,832	-	-	-	-	34,215
- Other financial liability	6,075	-	-	-	-	-	6,075

**(C) Market Risk**

- (ia) Foreign Currency Risk:** The Company operates internationally and is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions, primarily with respect to the USD and EUR. The Company has approved policies to enter into foreign currency contracts in order to manage the impact of changes in foreign exchange rates on the results of operations and future foreign currency-denominated cash flows.

Foreign currency exposure of the Company is minimal.

**(ib) Foreign currency risk exposure**

Particulars of unhedged foreign currency exposures are:

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		(Foreign Currency in Lakhs)	INR in Lakhs	(Foreign Currency in Lakhs)	INR in Lakhs
<i>Financial liabilities:</i>					
Trade and other payables	USD	27	2,055	29	2,027
	EUR	*	33	*	16
<i>Financial assets:</i>					
Trade and other receivables	USD	11	849	11	749
Balance in Bank accounts	USD	*	20	1	67

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



(ic) **Sensitivity analysis**

	Impact on profit after tax	
	As at March 31, 2020	As at March 31, 2019
USD sensitivity		
- Increase by 2.1% (Mar 31, 2019 - 3%) #	(19)	(24)
- Decrease by 2.1% (Mar 31, 2019- 3%) #	19	24
EUR sensitivity		
- Increase by 1.6% (Mar 31, 2019- 2.4%) #	*	*
- Decrease by 1.6% (Mar 31, 2019- 2.4%) #	*	*
# Holding all other variables constant		
* Amount below the rounding off norm adopted by the Company.		

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings therefore it is not impacted by interest rate risk.

(iii) **Price Risk:** Price risk arises from exposure to equity securities prices from investments held by the Company. The Company does not have any investments in equity shares.

25 **Capital Management**

(a) **Risk Management**

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

As of March 31, 2020, the Company has only one class of equity shares and no debt. Therefore, there are no externally imposed capital requirements.

There is no change in the Company's capital structure since previous year.

(b) **Dividend**

	Year ended March 31, 2020	Year ended March 31, 2019
(i) Equity shares		
- Final dividend for the year ended March 31, 2019 of Rs. 13 ( year ended March 31,2018 of Rs. 13) per fully paid equity share	2,999	2,999
- Dividend distribution tax on above	616	616
(ii) Dividend not recognised at the end of the reporting year		
- In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs.13 per fully paid equity share (March 31, 2019 of Rs.13). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	2,999	2,999
- Dividend distribution tax on above.*	-	616

\* Dividend distribution tax has been abolished w.e.f FY 2020-21



## Segment Information

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

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

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

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

	Automotive tyres, tubes & flaps	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue</b>		
Tyres*	165,419	178,941
Tubes	8,660	9,486
Flaps	31	50
<b>Total</b>	<b>174,110</b>	<b>188,477</b>

\* Tyres consist of farm, consumer and commercial tyres sales.

### (B) Information about geographical areas:

The following information discloses Revenues from external customers:

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

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

	Revenue generated in India		Revenue generated from exports		Total	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019

Revenue

External Customers	170,030	184,370	4,080	4,107	174,110	188,477
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All the non-current assets of the Company are located in India.

### (C) Net Revenue of Rs. 33,047 (March 31, 2019 - Rs. 36,814) are derived from a single external customer. No other single customer contributed 10% or more to the revenue.

## 27 Related Party Transactions

### 27(a) Parent entities

The Company is controlled by the following:

Name	Type	Place of incorporation	Ownership interest	
			As at March 31, 2020	As at March 31, 2019
The Goodyear Tire & Rubber Company	Ultimate holding Company	Akron, Ohio, USA	-	-
Goodyear Orient Company (Private) Limited	Holding Company	Singapore	74%	74%

### 27(b) Key management personnel compensation

	As at March 31, 2020	As at March 31, 2019
Short-term employee benefits	570	467
Post-employee benefits	55	53
Employee share based payment	15	9
<b>Total compensation</b>	<b>640</b>	<b>529</b>



**(C) (i) List of related parties:**

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

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

Other related parties:

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

**(C) (ii) Transactions with related party**

	Year ended March 31, 2020	Year ended March 31, 2019
<b>The Goodyear Tire &amp; Rubber Company</b>		
(Ultimate Holding Company)		
- Purchase of raw materials and spare parts	827	884
- Purchase of capital items	93	-
- Expenditure for trade mark fees	1,184	1,293
- Expense reimbursed to ultimate holding Company	85	68
- Recovery for Deputation of Employees	7	37
- Reimbursement of expense by ultimate holding Company	6	16
- Expenditure for regional service charges	6,272	5,532
<b>Goodyear Orient Company (Private) Limited</b>		
(Holding Company)		
- Dividend paid	2,219	2,219
- Purchase of raw materials	1,521	2,763



	Year ended March 31, 2020	Year ended March 31, 2019
<b>Fellow subsidiaries:</b>		
<b>Purchase of finished goods</b>		
- Goodyear South Asia Tyres Private Limited #	52,542	49,935
- Goodyear Dalian Tire Company Limited	150	1,000
- Goodyear (Thailand) Public Company Limited	107	88
- PT. Goodyear Indonesia TBK	49	345
- Goodyear Dunlop Tires Operations SA	169	229
- Goodyear Malaysia Berhad	47	46
# Net of recovery for replacement loss Rs. 1,597 (Rs. 1,167)		
<b>Purchase of raw materials and spare parts</b>		
- Goodyear South Asia Tyres Private Limited	81	338
- Goodyear Dalian Tire Company Limited	-	89
- Goodyear Do Brasil Produtos De Borracha Ltda.	-	4
- Goodyear SA (Luxembourg)	3	1
- TC Debica S.A.	*	-
<b>Sale of finished goods</b>		
- Goodyear & Dunlop Tyres (Australia) Pty Limited	-	9
- Compania Goodyear Del Peru SA	-	11
- Goodyear Middle East, FZE	443	161
- Goodyear South Africa (Pty) Limited	304	108
- Goodyear Singapore Tyres	70	230
- Goodyear International Corporation	509	284
- Goodyear Dunlop Tires Operations SA	1	7
- Goodyear De Chile S.A.I.C	26	22
- Goodyear & Dunlop Tyres (Nz) Limited	21	26
- Goodyear Philippines Inc.	39	24
- Goodyear Japan Ltd.	2	2
- Goodyear De Colombia S.A	45	6
<b>Purchase of capital items</b>		
- Goodyear South Asia Tyres Private Limited	-	11
- Goodyear (Thailand) Public Company Limited	-	78
<b>Recovery for deputation of employees</b>		
- Goodyear Singapore Tyres	445	501
- Goodyear (Thailand) Public Company Limited	7	7
- Goodyear Dalian Tire Company Limited	13	44
- Goodyear SA (Luxembourg)	58	57
- PT. Goodyear Indonesia Tbk	86	50



	Year ended March 31, 2020	Year ended March 31, 2019
<b>Payment for deputation of employees</b>		
- Goodyear Tire Management Company ( Shanghai) Ltd.	-	330
<b>Sale of raw materials, spare parts and other charges</b>		
- Goodyear South Asia Tyres Private Limited	3	2,589
<b>Expenses recovered from related parties</b>		
- Goodyear Dalian Tire Company Limited	3	6
- Goodyear Singapore Tyres	30	157
- Goodyear South Asia Tyres Private Limited #	580	1,024
- Goodyear SA (Luxembourg)	5	9
- Goodyear Earthmover Pty Limited	2	4
- Goodyear (Thailand) Public Company Limited	5	-
- PT. Goodyear Indonesia TBK	-	1
# Net of reimbursement Rs. 3 (Rs. 5)		
<b>Reimbursement of expenses to related parties</b>		
- PT. Goodyear Indonesia TBK	6	-
- Goodyear Regional Business Services Inc.	293	232
- Goodyear Dunlop Tires Operations SA	29	*
- Goodyear Tire Management Company ( Shanghai) Ltd.	-	1
<b>Commission received</b>		
- Goodyear Earthmover Pty Limited	392	443
<b>Contribution of provident fund</b>		
- Provident Fund of Goodyear India Limited	553	663
- Trustee Goodyear India Limited Factory Provident Fund	811	649

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

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

	As at March 31, 2020	As at March 31, 2019
<b>Trade Payables</b>		
<b>Ultimate holding Company :</b>		
The Goodyear Tire & Rubber Company	1,565	1,408
<b>Holding Company :</b>		
Goodyear Orient Company (Private) Limited	521	502
<b>Fellow subsidiaries :</b>		
Goodyear South Asia Tyres Private Limited	5,324	6,856
Goodyear Dunlop Tires Operations SA	32	16
PT. Goodyear Indonesia TBK	3	10



	As at March 31, 2020	As at March 31, 2019
Goodyear Regional Business Services Inc.	45	22
Goodyear Dalian Tire Company	32	32
Goodyear (Thailand) Public Company Limited	18	-
Goodyear Malaysia Berhad	10	6
Goodyear Do Brasil Produtos De Borracha Ltda.	-	1
Goodyear SA (Luxembourg)	1	-
Goodyear Tire Management Company ( Shanghai) Ltd.	-	14
<b>Total trade payables to related parties (refer note 10(b))</b>	<b>7,551</b>	<b>8,867</b>

#### Creditors for Capital items

##### Fellow subsidiaries :

Goodyear (Thailand) Public Company Limited	-	76
<b>Total payables for capital items to related parties ( refer note 10(a))</b>	<b>-</b>	<b>76</b>

#### Trade Receivables

##### Fellow subsidiaries :

Goodyear Middle East, FZE	84	16
Goodyear International Corporation	256	103
Goodyear Philippines Inc.	-	819
Goodyear Singapore Tyres	53	55
Goodyear South Asia Tyres Private Limited	3	236
Goodyear South Africa (Pty) Limited	135	54
Goodyear & Dunlop Tyres (Nz) Limited	7	18
Goodyear Dunlop Tires Operations SA	-	7
Goodyear De Colombia S.A	6	-
<b>Total trade receivable from related parties ( refer note 5(b))</b>	<b>544</b>	<b>497</b>

#### Other Receivables

##### Ultimate holding Company :

The Goodyear Tire & Rubber Company	-	9
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##### Fellow subsidiaries :

Goodyear Singapore Tyres	163	46
Goodyear (Thailand) Public Company Limited	1	5
PT. Goodyear Indonesia Tbk	38	20
Goodyear SA (Luxembourg)	15	14
Goodyear Earthmover Pty Limited	53	41
Goodyear Dalian Tire Company	*	17
Goodyear South Asia Tyres Private Limited	136	203
Goodyear Do Brasil Produtos De Borracha Ltda.	-	1
<b>Total other receivable from related parties ( refer note 5(a))</b>	<b>406</b>	<b>356</b>

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



(e) **Terms and conditions**

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

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

All outstanding balances are unsecured and are repayable in cash.

	As at March 31, 2020	As at March 31, 2019
<b>28</b>		
<b>Contingent liabilities</b>		
i) Guarantee to Sarva Haryana Gramin Bank *	99	198
ii) Claims against the Company disputed and not acknowledge as debt **		
A. Excise duty and Service tax matters	1,535	1,647
B. Income tax matters	3,340	2,764
C. Sales tax matters	261	261
D. Customs duty matter	298	298
E. Other matters	173	156
F. Haryana Local Area Development Tax (HLADT) :		

In 2008, the State of Haryana (the State) introduced the "Entry Tax Act" ("Act"), which the Punjab and Haryana High Court declared as 'Unconstitutional'. The State did not frame and notify enabling "Entry Tax Rules", and no notice or demand has been received to date by the Company. Accordingly, the amount of liability, if any, under the Entry Tax Act involved has not been quantified by the Company. On November 11, 2016, the nine Judges Bench of Hon'ble Supreme Court held that the State Governments do have right to levy an 'Entry Tax', however (i) whether States have enacted correct legislations in alignment with Indian Constitutional provisions (ii) whether such taxes demanded by State Governments were actually used for intended development of local area and (iii) the interpretation of the word "Local Area" were among questions not addressed by the November 11, 2016 ruling, but instead are to be heard by Hon'ble Divisional Bench of the Supreme Court individually for each state, on merits.

The above mentioned matter heard by the Hon'ble Divisional Bench of the Supreme Court and were remanded back to the Punjab and Haryana High Court and directed that fresh petitions should be filed by the parties, based on the above principles given by the nine Judges Bench of Supreme Court. The Company has filed its fresh petition in May 2017 and based on legal opinion have considered this as contingent liability at this stage.

- G. In February 2019, the Hon'ble Supreme Court has passed a judgement in relation to the non-exclusion of certain allowances from the definition of 'basic wages' of the relevant employees for the purpose of determining contribution to provident fund under Employees Provident Fund & Miscellaneous Provisions Act, 1952. According to the management and legal opinion obtained by the management, there are the various interpretational issues related to this matter, therefore, as of now, the impact on the financials statements, if any can not be ascertained.

- \* The Company has given financial guarantee to Sarva Haryana Gramin Bank (Bank) in respect of loans taken by its employees. In case any employee on who's behalf a guarantee has been provided by the Company, opts to leave his/ her employment, then the Company is required to pay the outstanding balance in his loan account to the Bank from the proceeds of the terminal benefits payable to him after adjusting the Company's dues. The Company is not exposed to any loss, further the fair value of financial guarantee is not material.

- \*\* These represent the best estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.  
Amount of contingent liabilities are inclusive of Interest as per order.

**29** **Commitments**

**29(a) Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liability is as follows:

	As at March 31, 2020	As at March 31, 2019
<b>Property, plant and equipment *</b>	<b>2,658</b>	<b>2,221</b>

\* Net of advance March 31, 2020 - Rs. 89, March 31, 2019 - Rs. 621.



29(b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

**29(c) Non-cancellable leases**

Non-cancellable: The Company has entered into a non-cancellable leases for office premises and certain vehicles. The schedule of future minimum lease payment which is set out below :

	As at March 31, 2020	As at March 31, 2019
<b>Commitment for minimum lease payments in relation to non-cancellable leases are as follows:</b>		
Within one year	-	66
Later than one year but not later than five years	-	35
<b>Total</b>	<b>-</b>	<b>101</b>

Rental expense relating to leases

	As at March 31, 2020	As at March 31, 2019
Minimum lease payments	387	788
<b>Total rental expense relating to leases</b>	<b>387</b>	<b>788</b>

**30 Events occurring after the reporting period**

Refer to note 25 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

**31 Share-based payments**

The Goodyear Tire & Rubber Company, Akron, Ohio, USA (Ultimate holding Company) issues stock-based awards to the Company's employees under their approved Performance Plan. The issue of grants of restricted stock units and stock appreciation rights to the employees of the Company are covered under the same Performance Plan as declared by the ultimate holding Company.

**Stock appreciation rights (SAR)**

Grants of Stock Appreciation Right generally have a graded vesting period of four years whereby one-fourth of the awards vest on each of the first four anniversaries of the grant date, an exercise price equal to the fair market value of one share of the ultimate holding Company on the date of grant (calculated as the average of the high and low price or the closing market price on that date depending on the terms of the related Plan) and a contractual term of ten years. Stock Appreciation Rights are cancelled on, or 90 days following, termination of employment unless termination is due to retirement, death or disability under certain circumstances, in which case, all outstanding options vest fully and remain outstanding for a term set forth in the related grant agreement. As the obligation to settle the share based transaction rests with the Company in cash, hence these are accounted for as cash-settled options. The Company has not granted any SAR after December 2014.

**Restricted stock units (RSU)**

Restricted stock units have vesting period of three years beginning on the date of grant. Restricted stock units will be settled through the issuance of an equivalent number of shares of The Goodyear Tire & Rubber Company, Akron, Ohio, USA common stock. The Company is required to reimburse the ultimate holding Company the cost of the share issuance as on the date of vesting. As the obligation to settle the share based transaction rests with the Company in cash, hence these are accounted for as cash-settled options.

**i. Description of share-based payments arrangements**

Details of liabilities arising from SARs and RSUs were as follows:

	As at March 31, 2020	As at March 31, 2019
Total carrying amount of liabilities for SARs	*	19
Total carrying amount of liabilities for RSUs	20	69
<b>Total</b>	<b>20</b>	<b>88</b>
<i>Current</i>	8	58
<i>Non-current</i>	12	30

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



ii. **Expenses recognised in profit and loss account**

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Share appreciation rights	(19)	(26)
Restricted stock units	(18)	26
<b>Expenses/ (Income) arising from cash-settled share based payment transactions</b>	<b>(37)</b>	<b>*</b>

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

iii. **Measurement of fair values**

The fair value of SARs have been measured using the Black Scholes formula. Service and non-performance conditions attached to the arrangements were not taken into account in measuring fair value. The fair value of grant of restricted stock unit is based on the closing market price of a share of The Goodyear Tire and Rubber Company, Akron's common stock on the date of grant, thereafter re-measuring the value on each reporting date at the closing market price of a share.

**Stock appreciation rights**

The inputs used in measurement of the fair value at grant date and measurement date of the SARs were as follows:

	Measurement date, March 31, 2020	Measurement date, March 31, 2019
Dividend yield (%)	1.13%	1.13%
Expected Volatility (weighted average)	33.63%	33.63%
Expected Life (weighted average)	7.2	7.2
Risk-free interest rate (based on government bonds)	2.13%	2.13%
Model used	Black Scholes	

Expected volatility has been based on an evaluation of the historical volatility of the ultimate holding Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments have been based on historical experience and general option holder behavior.

32

**Earnings Per Share**

	Year ended March 31, 2020	Year ended March 31, 2019
(a) <b>Basic earnings per share (Rs.)</b>	38.51	44.25
(b) <b>Diluted earnings per share (Rs.)</b>	38.51	44.25
(c) <b>Reconciliations of earnings used in calculating earnings per share</b>		
<b>Basic earnings per share</b>		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share:	8,884	10,207
<b>Diluted earnings per share</b>		
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share:	8,884	10,207
(d) <b>Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (Nos)	23,066,507	23,066,507
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (Nos)	23,066,507	23,066,507

Note: There are no dilutive instruments.



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

	Year ended March 31, 2020	Year ended March 31, 2019
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end*	209	276
ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	222	256
iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	2	2
vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
vii) Further interest remaining due and payable for earlier years	-	-

\*Principal amount due to supplier includes 'Creditors for capital items' and 'Trade payables' as follows:  
Creditors for capital items: Mar 31, 2020 - Rs. 25 (Mar 31, 2019- 20)  
[Refer Note - 10 (a)]  
Trade payable: Mar 31, 2020 - Rs. 184 (Mar 31, 2019 - 256) [Refer Note - 10 (b)]

**34 Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

**35 Estimation of uncertainties relating to the pandemic from COVID-19:**

The Company has considered the possible effects that may result from the pandemic relating to COVID 19 on the carrying amount of all assets and liabilities as at March 31, 2020. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these Financials Statements has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on the estimates expects the carrying amount of these assets / liabilities will be recovered / settled and subsequent liquidity is available to fund the business operations for at least another 12 months. The impact of COVID-19 on the Company's Financial Statements may differ from that estimated as at the date of approval of these Financial Statements and would be recognized prospectively.

In terms of our report attached.  
**For Deloitte Haskins & Sells LLP**  
Firm Registration No. 117366W/W-100018  
Chartered Accountants

**Vijay Agarwal**  
Partner  
Membership Number: 094468  
Place: Gurugram

Date: June 12, 2020

**For and on behalf of the Board**

**Rajeev Anand**  
Chairman  
DIN:02519876  
Place: Gurugram

**Sonali Khanna**  
Company Secretary  
Place: New Delhi

**Sandeep Mahajan**  
Managing Director  
DIN:08627456  
Place: Noida

**Mitesh Mittal**  
Chief Financial Officer  
Place: Gurugram



# SAFER ROADS, SAFER YOU

A CSR initiative of Goodyear on road safety for taxi and school bus drivers,  
in collaboration with IRTE



**GOODYEAR**

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

# SPORTS INFRASTRUCTURE SUPPORT FOR YOUNG ATHLETES

A CSR initiative of Goodyear India Limited in association with Mary Kom Regional Boxing Foundation, to build sports infrastructure for athletes from economically challenged background



**GOODYEAR**

# WATERSHED DEVELOPMENT PROJECT

A CSR initiative of Goodyear to increase water availability in a village in Aurangabad district, Maharashtra, in collaboration with IAHV



**GOODYEAR**



# SAFETY MESSAGES

## by Goodyear Associates

Follow social distancing



Best practices to  
stay safe & healthy



Stay home, Stay safe

