

GOODYEAR INDIA LIMITED

Registered Office: Mathura Road, Ballabgarh, (Dist. Faridabad) – 121004, Haryana, India

NOTICE

NOTICE is hereby given that the 52nd ANNUAL GENERAL MEETING of the Members of GOODYEAR INDIA LIMITED will be held on Friday, 7th day of June 2013 at 3.30 P.M. at Magpie Tourism Complex, Sector 16A, Faridabad – 121002, Haryana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at December 31, 2012 and the Statement of Profit and Loss for the year ended on that date along with the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a director in place of Mr C Dasgupta, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr Yashwant Singh Yadav, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and fixing their remuneration, M/s Price Waterhouse & Co., Bangalore (FRN 007567S), Chartered Accountants, the existing Auditors of the Company are eligible and offer themselves for re-appointment.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions:

6. As a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Members of the Company be and is hereby accorded to the revision in the remuneration payable to Mr Rajeev Anand as wholtime Managing Director of the Company with effect from May 1, 2013, as specified in detail, in the fifth supplemental agreement to be entered into between the Company and Mr Anand (a draft whereof was placed before the meeting) subject to the condition that the Board of Directors of the Company is authorized to revise, amend, alter or otherwise vary the terms and conditions of his appointment from time to time as it deems fit, but at no time the remuneration payable to Mr Anand shall exceed the maximum limit prescribed in Section I of Part II of Schedule XIII to the Companies Act, 1956 as existing or as may be amended and in the event of the Company not earning profit or inadequacy of profit in any financial year, Mr Anand would be entitled to receive the remuneration to the maximum extent prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 as existing or as may be amended.”

7. As a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Members of the Company be and is hereby accorded to the revision in the remuneration payable to Mr Yashwant Singh Yadav as wholtime Director of the Company with effect from May 1, 2013, as specified in detail, in the third supplemental agreement to be entered into between the Company and Mr Yadav (a draft whereof was placed before the meeting) subject to the condition that the Board of Directors of the Company is authorized to revise, amend, alter or otherwise vary the terms and conditions of his appointment from time to time as it deems fit, but at no time the remuneration payable to Mr Yadav shall exceed the maximum limit prescribed in Section I of Part II of Schedule XIII to the Companies Act, 1956 as existing or as may be amended and

in the event of the Company not earning profit or inadequacy of profit in any financial year, Mr Yadav would be entitled to receive the remuneration to the maximum extent prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 as existing or as may be amended.”

8. As a Special Resolution:

Post facto approval in terms of the Central Government approval no. 4/376/T-1/2012/D/5537 dated 17.10.2012 read with corrigendum dated 07.11.2012 for consultancy services taken from M/s Performance Capital Partners, LLP.

“RESOLVED THAT pursuant to section 297 of the Companies Act, 1956, approval of the Central Government no. 4/376/T-1/2012/D/5537 dated 17.10.2012 read with corrigendum issued by the Central Government dated 07.11.2012 and other applicable provisions, consent of members be and is hereby given to approve the contract and arrangement entered into by the Company with M/s Performance Capital Partners, LLP for availing consultancy services for a total sum of Rs 10.00 Lacs.

RESOLVED FURTHER THAT (a) the Contract entered into with M/s Performance Capital Partners, LLP is competitive, at arm's length, without conflict of interest and is not less advantageous to it as compared to similar contracts with other parties and the company has not made any default under section 297 of the Companies Act, 1956 in the past and there is no default in repayment of any of its debts (including public deposits) or debenture or interest payable thereon and has filed its up to date balance sheet and annual return with the registrar of companies; (b) the contract is falling within the provisions of section 297 of the Companies Act, 1956 and provisions of section 198, 269, 309, 314 and 295 are not applicable; and (c) the Company and its directors have complied with the provisions of section 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to the said contract.”

By Order of the Board

April 26, 2013
New Delhi

Pankaj Gupta
Company Secretary

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend, and, on a poll to vote instead of himself/herself and such proxy need not be a member. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Register of Members and Share Transfer Books of the Company will remain closed from May 25, 2013 to June 7, 2013, both days inclusive.
3. Dividend on the shares, if declared by the Company at the meeting, will be paid on or after June 7, 2013 but within the statutory time limit, subject to the provisions of Section 206A of the Companies Act, 1956, to the members whose names appear on the Company's Register of Members as on May 24, 2013 or to their mandatees. In respect of shares held in dematerialized form, the dividend will be preferably paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.
4. Members of the Company are informed that pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend which remains unclaimed/unpaid for a period of 7 years would be transferred to the Investor Education & Protection Fund (IEPF) constituted by the Central Government and the members would not be able to claim dividend so transferred to the Fund. As such, member who have not encashed their dividend warrant(s) are requested in their own interest to write to the Company immediately claiming the Dividend(s) declared by the Company during the years 2007, 2008, 2009, 2010, 2011 & 2012.

5. To protect the interest of investors in securities and to promote the development of and to regulate the security market, SEBI vide its circular no. CIR/MRD/DP/10/2013 dated March 21, 2013 advised the usage of following electronic payments modes for making cash payments to the investors;
- (i) For making cash payments to the investors, companies shall use, either directly or through Registrar and Share Transfer Agent (RTA), any RBI (Reserve Bank of India) approved electronic mode of payment such as ECS (Electronic Clearing Services), National Electronic Funds Transfer (NEFT) etc.
 - (ii) Further, in order to enable usage of electronic payment instruments, Companies shall maintain requisite bank details of their investors:
 - a) For investors that hold securities in demat mode, companies or their RTA shall seek relevant bank details from the depositories;
 - b) For investors that hold physical share(s), companies or their RTA shall take necessary steps to maintain updated bank details of the investors at its end; and
 - c) In cases where either the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment are not available or the electronic payment instructions have been failed or rejected by the bank, Companies or their RTA may use physical payment instruments for making cash payments to the investors. Companies shall mandatorily print the bank account details of the investors on such payment instruments.

Accordingly, members are encouraged to claim payment of dividend in terms of above mentioned electronic payment modes, hence, to comply with the requirements of the above mentioned SEBI circular, Company hereby requests:

- (i) that members holding shares in demat mode should approach the Depository Participant with whom they are maintaining demat account and provide updated bank details; and
- (ii) that members holding physical share(s) should forward the following details immediately under the signature of named member via email as “Goodyear India Limited – Member Bank Details” at ‘goodyearindia_investorcell@goodyear.com’ and / or ‘info@skylinerta.com’ or by post at the Registered Office of the Company.
 - o Folio No
 - o No. of Share(s)
 - o Bank Account No.
 - o Nature of Bank Account
 - o Bank name, branch and address (with pin code)
 - o Nine digit MICR code of the Bank & Branch as appearing in the cheque book (also attach a photocopy of a cheque or a blank cancelled Cheque)
 - o IFSC

6. Pursuant to the directions of the Securities and Exchange Board of India (SEBI), trading in the shares of your Company is in compulsory de-materialized form. Members who have not yet got their shares de-materialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant (s) with whom they have opened the de-materialization account to the Company's Registrar and Share Transfer Agent (RTA):

M/s Skyline Financial Services Pvt. Ltd.,
D – 153/A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110 020.
Tel.: +91 11 26812682-83, 64732681 Email Id.: info@skylinerta.com

7. As per Section 53 of the Companies Act, 1956, which provides for service of documents under 'Certificate of Posting' as one of the accepted mode of service, whereas the Department of Posts has discontinued the postal facility under 'Certificate of Posting' vide their letter dated February 23, 2011. The Information Technology Act, 2000 also permits service of documents etc., in electronic mode. Keeping this in view the Ministry of Corporate Affairs vide their circular no. 17/2011 dated April 21, 2011 clarified that a Company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode provided the Company has obtained email addresses of its members for sending the notice/documents through email by giving an advance opportunity to all members to register their email addresses and changes therein from time to time with the Company.

In view of the above, the Company requests all its members to provide their email addresses along with client ID / folio no. and number of shares as reference to the following email addresses with Subject as "Goodyear India Limited – Member Email Id" at 'goodyearindia_investorcell@goodyear.com' and / or 'info@skylinerta.com'.

In order to implement the Green Initiatives of the Government, whereby Companies have now been allowed to send / service notice(s) / document(s) / Annual Report(s) etc. to its members through electronic mode, your Company hereby requests to all its members to provide email Id's, if not yet provided to promote Green Initiative.

8. The Members / Proxies are requested to produce at the Registration Counter(s) the attached attendance slip, duly completed and signed, for admission to the meeting hall. Photocopies of Attendance Slip will not be entertained for issuing Gate Pass for attending Annual General Meeting. However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office or to the RTA for issuing the duplicate of the same.
9. In case you have any query relating to the enclosed Annual Accounts, you are requested to send the same to the Company Secretary at the Registered office of the Company or on email Id "goodyearindia_investorcell@goodyear.com", atleast 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
10. As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their own copies of the Annual Reports to the meeting.
11. All the documents referred to in the accompanying notice, explanatory statement and Register of Directors' Shareholding are open for inspection at the registered office of the Company on all working days between 11.30 A.M. to 1.30 P.M. upto the date of Annual General Meeting. Register of Directors' Shareholding shall be open for inspection upto 3 days after the Annual General Meeting.
12. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit the request in prescribed form 2B to the RTA.
13. Corporate members are requested to send a duly certified copy of the board of directors' resolution authorizing their representative to attend and vote at the Annual General Meeting.
14. Abridged and full version of the Annual Reports will also be available on the website of the Company at 'www.goodyear.co.in' in the Investor Relations section. Also, hard copies of the full annual reports will be sent to those members who will request the same.
15. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is given below:

EXPLANATORY STATEMENT

Pursuant to Section 173 (2) of the Companies Act, 1956;

Item No. 6

As the Members are aware, Mr Rajeev Anand was appointed as wholetime Managing Director of the Company for a period of five years, effective February 20, 2009 and the Members had also accorded their approval for Mr Anand's appointment and payment of remuneration in the Annual General Meeting held on June 19, 2009. Thereafter, the Board of Directors revised Mr Anand's remuneration from time to time during the period from July 2009 to March 2012. The said remuneration was also approved by the Members at the Annual General Meetings held during the period from June 2010 to May 2012. Subsequent thereto, the Board of Directors at its meeting held on April 26, 2013 had further revised the remuneration payable to Mr Rajeev Anand, wholetime Managing Director, effective May 1, 2013. The detail of revised remuneration of Mr Rajeev Anand, as unanimously approved by the Board of Directors is appended below:

Expenditure on gas, electricity, water and furnishings upto ceiling of Rs 3,85,000/- in a year; Recreation/holiday trip once in a year for self and family in accordance with the rules of the Company subject to a ceiling of Rs 2,50,000/- in a year or Rs 5,00,000/- in a block of two years in terms of applicable Income Tax Act and Rules.

All other terms and conditions with respect to the remuneration of Mr Anand including basic salary (monthly), performance bonus, special allowance, housing facility, club fee, personal accident insurance, medical reimbursement, insurance, contribution to provident fund and superannuation fund, gratuity, encashment of leave, car with driver for use of Company's business and telephone at residence, reimbursement of expenses for running and maintenance of personal car, other perquisites shall remain under the limits, as approved, by Members in the Annual General Meeting held on May 25, 2012.

The above terms have been incorporated in the fifth supplemental agreement to be entered into with Mr Rajeev Anand as referred to in the resolution vide Item No. 6 of the Notice with the authority to the Board of Directors to revise, amend, alter or modify the remuneration from time to time, as it deems fit, but at no time, the remuneration payable to Mr Rajeev Anand shall exceed the maximum limit stipulated in Schedule XIII to the Companies Act, 1956, as existing or as may be amended. The fifth supplemental agreement, referred as above, also provides that subject to the applicable provisions of the Companies Act, 1956, in the event of the company not earning profit or inadequacy of profit in any financial year, Mr Anand would be entitled to receive the above remuneration as minimum remuneration. The revision of remuneration payable to Mr Rajeev Anand is subject to the approval of the Members of the Company and the approval, as required, is hereby sought.

The fifth supplemental agreement referred to in resolution No. 6 would be available for inspection by the members at the Registered Office of the Company on any working day between 11.30 A.M. to 1.30 P.M.

The explanatory Statement, together with the accompanying notice, may also be treated as abstract under section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr Rajeev Anand, wholetime Managing Director to the extent of revision in remuneration vide item No. 6 may deem to be interested or concerned in the said resolution.

Your Board of Directors recommends for passing of the above resolution.

Item No. 7

As the Members are aware, Mr Yashwant Singh Yadav was appointed as wholetime Director of the Company designated as Director – HR & Corporate Affairs for a period of five years, effective November 1, 2010 and the Members had also accorded their approval for Mr Yadav's appointment and payment of remuneration in the Annual General Meeting held on June 21, 2011. Thereafter, the Board of Directors revised Mr Yadav's remuneration from time to time during the period from May 2011 to March 2012. The said remuneration was also approved by the Members at the Annual General Meetings held during the period from June 2011 to May 2012. Subsequent thereto, the Board of Directors at its meeting held on April 26, 2013 had revised the remuneration payable to Mr Yashwant Singh Yadav, wholetime Director of the Company designated as Director – HR & Corporate Affairs, effective May 1, 2013.

The detail of revised remuneration of Mr Yashwant Singh Yadav, as unanimously approved by the Board of Directors is appended below:

Monthly basic salary – Rs 3,56,000/-; Monthly Special Allowance - Rs. 3,21,000/-; Performance Bonus including incentives – subject to board approval, restricted to Rs 8.84 million; Expenditure on gas, electricity, water and furnishings upto ceiling of Rs 2,70,000/- in a year.

Other Perquisites/Benefits: Personal Accident Insurance Premium not to exceed Rs 5,000/- p. a., a club fee, Medical reimbursement for self and family subject to a ceiling of four months' basic salary for each completed year of service or twelve months' basic salary over a period of three completed years of service, Medical Insurance as per the rules applicable for other senior management staff of the Company, the Company's car with driver for use on company's business and telephone at residence, House Rent Allowance/Leased Accommodation restricted to 60% of the basic salary.

Contribution to Provident Fund as per the applicable Income Tax Act and rules. Recreation/holiday trip once in a year for self and family in accordance with the rules of the Company subject to a ceiling of Rs 2,50,000/- in a year. Gratuity of One half months' basic salary for each completed year of service in the Company and Encashment of leave as at the end of the tenure, as per the rules of the Company, Personal driver salary reimbursement not exceeding Rs. 2,50,000/- in a year.

The above terms have been incorporated in the third supplemental agreement to be entered into with Mr Yashwant Singh Yadav as referred to in the resolution vide Item No. 7 of the Notice with the authority to the Board of Directors to revise, amend, alter or modify the remuneration from time to time, as it deems fit, but at no time, the remuneration payable to Mr Yashwant Singh Yadav shall exceed the maximum limit stipulated in Schedule XIII to the Companies Act, 1956, as existing or as may be amended. The third supplemental agreement, referred as above, also provides that subject to the applicable provisions of the Companies Act, 1956, in the event of the company not earning profit or inadequacy of profit in any financial year, Mr Yadav would be entitled to receive the above remuneration as minimum remuneration. The revision of remuneration payable to Mr Yashwant Singh Yadav is subject to the approval of the Members of the Company and the approval, as required, is hereby sought.

The third supplemental agreement referred to in resolution No. 7 would be available for inspection by the members at the Registered Office of the Company on any working day between 11.30 A.M. to 1.30 P.M.

The explanatory Statement, together with the accompanying notice, may also be treated as abstract under section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr Yashwant Singh Yadav, wholetime Director designated as Director – HR & Corporate Affairs to the extent of revision in remuneration vide item No. 7 may deem to be interested or concerned in the said resolution.

Your Board of Directors recommends for passing of the above resolution.

Item No. 8

Basis the prior approval of the Central Government, your Company executed an engagement letter of M/s Performance Capital Partners, LLP ("PCP") for availing consultancy services ("contract") and paid professional fees of Rs 10 lac, where Mr. Rajiv Lochan Jain, an independent director of the company was an executive chairman. The Central Government in its approval had, inter-alia, prescribed that the Company shall take post-facto approval of the shareholders of the Company by way of Special Resolution, hence, this resolution no. 8.

The contract and Central Government approvals, referred to in resolution no. 8, would be available for inspection by the members at the Registered Office of the Company on any working day between 11.30 A.M. to 1.30 P.M.

None of the Directors of the Company except Mr Rajiv Lochan Jain is concerned or interested in the above resolution.

Your Board of Directors recommends for passing of the above resolution.

By Order of the Board

April 26, 2013
New Delhi

Pankaj Gupta
Company Secretary

GOODYEAR INDIA LIMITED

Registered Office: Mathura Road, Ballabgarh, (Dist. Faridabad) – 121004, Haryana, India

DP Id :
Client Id :

PROXY FORM

Folio No. :
No of Shares :

I/We.....
of.....being a Member of GOODYEAR INDIA LIMITED

hereby appoint.....of.....
or failing him.....of.....
or failing him.....of.....
as my/our proxy to vote for me/us and on my/our behalf at the Fifty Second Annual General Meeting of the Company to be held on Friday, the 7th day of June 2013 and at any adjournment thereof.

As witness my/our hand (s) this.....Day of.....2013.

Signature.....

Affix
15 paise
Revenue
Stamp

- Note: 1. Those holding shares in electronic form are requested to fill in DP Id and Client Id also.
2. The proxy form duly completed, signed & stamped must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

ATTENDANCE SLIP

I, hereby record my presence at the Fifty Second Annual General Meeting of the Members of Goodyear India Limited held at Magpie Tourism Complex, Sector 16A, Faridabad – 121002, Haryana on Friday, the 7th day of June 2013 at 3.30 P.M.

DP Id :
Client Id :

Folio No. :
No of Shares :

Full Name of
Member(s).....
.....

Full Name of
Attending Member/proxy.....
.....

Signature of Member/Proxy

- Note : Please fill in block letters and sign at the Reception.
Please fill up DP Id and Client Id also if shares are held in electronic/demat form.
Please bring your copy of the Annual Report.



GOODYEAR INDIA LIMITED

2012

ANNUAL REPORT



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Message from the MD

Dear Shareholder,

Goodyear India made good progress in 2012 as we now work towards reaching our long-term goal of creating sustainable economic value—which can be achieved by being first with customers, the leader in our targeted segments, the innovation leader and competitively advantaged.

The economic slowdown which started in the second half of 2011 continued through 2012. This caused tremendous pressure on our market growth, but your company made steady progress, particularly in the Farm tyre business. This was because of our strong brand presence and excellent products, which were supported by sound go-to-market strategies. We were able to service our customers with their tyre requirements in a timely and effective manner.

Goodyear India's Farm business achieved a year-over-year volume growth of 4.3%. Additionally, we also increased our market share compared to the last year.

Overall, the business exhibited a strong performance which was backed by robust manufacturing processes at the Ballabgarh factory, consistent product quality and a highly dependable distribution support network. We also need to give credit to our associates for sustaining the business growth despite the adverse market conditions. I am proud of our progress and also our Goodyear India team members!

Going forward, we have carefully assessed the market and the challenges that we may have to encounter in 2013 and beyond. We are taking proactive steps to keep the business performance robust and profitable as we continue to grow our share of business in all channels.

Strategically, we shall remain focused on our key fundamentals such as introducing market back innovations, operational excellence, targeting profitable market segments, enabling our investments, and developing top talent and teams. We shall continue to assess the market for growth opportunities and look for 'white spaces' which are untapped. I can assure you that our team is fully committed to maintain the business strong, profitable and value oriented.

I am also glad to share that in the recent past, your company has received multiple awards from our esteemed customers, such as Best Support For The Year (2012) from Hyundai Motors, Overall Performance Award from TAFE, and Quality, Delivery & Capacity Award from EICHER.

I am thankful to you for your continued support. The confidence that you have shown in us over the past several years has given us the motivation and strength to achieve business excellence. I wish you and your family the very best for 2013.

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

Board of Directors



DANIEL LAWRENCE SMYTKA

Chairman

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

Mr. Smytka joined Goodyear in October 2008 as vice president of the Asia Pacific region's consumer tyre business. Mr Smytka has more than 23 years experience as a multi-functional senior executive with global leadership experiences in the areas of sales/ marketing, product management, supply chain management, finance, and Six Sigma Quality.

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

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



RAJEEV ANAND

Vice Chairman & Managing Director

Mr. Rajeev Anand has been associated with the Company for over 32 years, in various executive capacities, including as Manufacturing Director – ASEAN & India and Director Manufacturing & Strategic Initiatives – India. Prior to his appointment in 2009 as whole time Managing Director of the Company, Mr. Anand was holding the position of Chief Operations Officer.



R V GUPTA

Director

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



RAJIV LOCHAN JAIN

Director

Mr. Rajiv Jain is a Chemical Engineer from IIT Kharagpur and an MBA from USA. Mr. Jain was a member on the Board of ICI India Limited for over 12 years and the Managing Director from April 2003 to May 2009. Mr. Jain successfully led the portfolio reshaping of ICI India from a diversified Company to a focused and fastest growing player in the Paints business. Mr. Jain was also the Chairman of both ICI's Research Company in India and the joint-venture company of ICI and Orica, Australia. Currently, he is the Executive Chairman of Performance Capital Partners LLP, advises global companies on their entry strategies for India and serves on the Board of Tara Jewels Limited.



C. DASGUPTA

Director

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



YASHWANT SINGH YADAV

Director – HR & Corporate Affairs

Mr. Yashwant Singh Yadav, aged 54 years, is a Bachelor in Law and an MBA with specialization in Human Resources. He has more than 31 years of professional and diverse experience in the entire gamut of Human Resources Management with large multi-national and Indian organizations including Ballarpur Industries, Goodyear India, Escorts Ltd. and General Motors India at leadership levels.



MARK CHANDRAN RAVUNNI

Chief Financial Officer (CFO)

Mr. Mark Chandran Ravunni joined Goodyear in May 2011 from The Ansell Group where he was Asian Operations Controller with finance responsibility for eight manufacturing operations throughout Asia. Prior to Ansell, Mark was Chief Financial Officer (CFO) for Basis Bay Group Malaysia, Regional Financial Controller for Polyfelt Asia, Finance Manager for Western Digital Malaysia, Plant Accountant and Business Analysis for Cargill Malaysia, and Senior Auditor for KPMG, Malaysia.

Mark holds a Masters degree in International Business Management from St. George's University (US) and is a Chartered Accountant registered in the United Kingdom and Malaysia.

HEAD – LEGAL & COMPANY SECRETARY

MR. PANKAJ GUPTA

STATUTORY AUDITORS

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

COST AUDITORS

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

Directors' Report

Dear Member,

Your Directors present the audited results of your company for the year ended December 31, 2012 as under:

	(Rs. In Lakhs)	
	2012	2011
Total Sales & other Income	163,513	163,432
Less: Excise Duty	13,205	10,684
Net Sales & other income	150,308	152,748
Less: Total Expenditure excluding Interest & Depreciation	139,054	140,634
Profit before Interest, Depreciation, & Tax	11,254	12,114
Less: i) Finance cost	382	521
ii) Depreciation	2,409	1,969
Profit before Tax	8,463	9,624
Less: Provision for Taxation:		
Current Tax	2,821	3,079
Deferred Tax	10	86
Profit after Tax	5,632	6,459

1. DIVIDEND

Your Board recommends a dividend @ Rs 7/- per equity share for the year 2012. The recommended dividend will absorb a sum of Rs.1,615 Lakhs and tax on dividend will be Rs.262 Lakhs. Out of the surplus, an amount of Rs. 600 Lakhs is transferred to General Reserve and balance carried to the Balance Sheet as at December 31, 2012 is Rs. 3,155 Lakhs.

2. OPERATIONS

The Company manufactures automotive bias tyres viz. farm tyres and medium commercial truck tyres at its Ballabgarh plant and also trades in "Goodyear" branded tyres (including radial passenger and Off The Road (OTR) bias tyres) manufactured by Goodyear South Asia Tyres Private Limited (GSATPL) Aurangabad, pursuant to the offtake agreement dated September 1, 2001 and thereby revised offtake agreement effective April 1, 2012 (executed on July 11, 2012 post receipt of Government approval(s) no. 4/202/T-1/2012/D/2157, 4/203/T-1/2012/D/2158 and 4/204/T-1/2012/D/2159 dated July 2, 2012. The other products in which the Company markets and sells include tubes and flaps.

The process for sale of piece of land was terminated pursuant to a Circular Resolution passed by the Board of Directors on June 21, 2012.

Your Company feels proud to have been recognized as 'Self Certified Supplier' by one of the leading tractor manufacturers in India - TAFE (Tractors & Farm Equipment Limited). This award is based on the quality of products delivered and control measures being practiced in Ballabgarh plant.

In the OTR category, your Company has been awarded a 'Gold Level' in SQEP (Supplier Quality Excellence Programme) by India's leading earthmover brand, Caterpillar, as a recognition

based on achieving specified levels of process capability for key, special characteristics, PPM (Parts Per Million), PPAP (Product Part Approval Process), on-time completion, delivery performance and Six Sigma deployment in your company.

Your Company feels proud to have been recognized by the Hyundai Motors Company for being the best supplier for the year in the tyre commodity. Your company's farm business has been certified Class A S&OP. Your Company's 'Assurance Fuel Max' was voted the product of the year.

3. FINANCE AND ACCOUNTS

During the year, additions to fixed assets amounted to Rs. 3,254 Lakhs as against Rs.7,228 Lakhs in the previous year. The Capital expenditure incurred amounted to Rs. 2,936 Lakhs. The interest and other finance cost during the year was Rs. 382 Lakhs.

As of the end of December 2012, an amount of NIL matured deposits remained unclaimed.

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

4. FINANCIAL STATEMENTS (Full & Abridged)

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

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

The Board of Directors has decided to circulate the abridged annual report containing salient features of the balance sheet and profit and loss account to the shareholders for the financial year 2012. Full version of the annual report will be available on Company's website www.goodyear.co.in and will also be made available to investors upon request.

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

Your Directors state that the annual accounts of the Company have been prepared in conformity, in all material respects, with the generally accepted accounting standards in India and supported by reasonable and prudent judgments and statements so as to give a true and fair view of the state of affairs of the Company and of the results of the operations of the Company. Significant accounting policies followed and other disclosures are appearing in Note 2 to the Notes of the financial statements.

These financial statements of the Company have been audited by M/s Price Waterhouse & Co., Bangalore (FRN 007567S). A reference may be made to their report dated February 27, 2013 to the members together with Annexure thereto

containing information per requirement under the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment), Order, 2004 attached with these annual accounts.

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The internal control system of the Company is monitored by an independent internal audit team, which encompasses the examination and evaluation of the adequacy and effectiveness of the system of internal control. Internal Auditors, Audit Committee Members and Statutory Auditors have full and free access to all the information and records considered necessary to carry out the assigned responsibilities. The issues raised from time to time are suitably acted upon and followed up at different levels of management.

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

6. FUTURE OUTLOOK

As per the Central Bank's (RBI) estimates, the growth in the Indian economy is expected to continue to be moderate.

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

As far as the industry is concerned, a moderate growth rates is expected in the consumer tyre segment; however, we expect some momentum in growth during later part of the year. Your Company will continue to seek new Original Equipment Manufacturers' (OEM) fitments and introduce award winning new products to its existing consumer tyre portfolio.

The overall outlook of Indian agricultural is positive with the projected annual growth rate during the 12th plan (2012-17) at 4% as against actual annual growth of 3.3% during the 11th plan (2007-12).

Passenger vehicle sales grew at 8.5% (*Source: Society of Indian Automobile Manufacturers*), which translated to moderate consumer tyre demand from the OEM customers, however, the OE business has registered a healthy growth and we continue to gain market share. Consumer replacement tyres also felt softening of demand due to rising pressure on consumers' purchasing ability as a result of higher interest rates, fuel prices and food inflation.

7. DIRECTORS

Mr. C Dasgupta and Mr. Yashwant Singh Yadav are retiring by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

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

8. STATUTORY AUDITORS

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

9. COST AUDITORS

Dr. Ashok K Agarwal was appointed as cost auditor for conducting the cost audit for the year ending December 31, 2011. The due date for filing of the cost audit report with the Ministry of Corporate Affairs (MCA) for the year ended December 31, 2011 was June 28, 2012. The said report was filed on March 30, 2012.

M/s Vijender Sharma & Co., Cost Accountant, Delhi was appointed as Cost Auditor for conducting the cost audit for the year ending December 31, 2012.

10. CORPORATE GOVERNANCE

Your Company follows a corporate philosophy, enshrined in a manual titled 'Business Conduct Manual' for The Goodyear Tire & Rubber Company's global operations. The core values, inter-alia, include conducting business in accordance with the highest applicable legal and ethical standards, deliver the highest quality products and services and operate as a global socially responsible corporate citizen with a view to create value that can be sustained continuously for the benefit of customers, shareholders and associates. As per the applicable provisions of Clause 49 of the Listing Agreement, a Management Discussion & Analysis, a Report on Corporate Governance together with the Auditors' certificate on the compliance of conditions of Corporate Governance form part of the Annual Report.

11. HUMAN RESOURCE

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

The statement of particulars of the employees of the Company, pursuant to section 217 (2A) of the Companies Act, 1956 forming part of this report, is also attached. In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the abridged annual report has been sent to the shareholders excluding this annexure.

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

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

13. ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

New Delhi
February 27, 2013

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

Annexure A to the Directors' Report -2012

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

Employed throughout the year

Name of Employee	Age	Designation / Nature of duties	Remuneration received (Rs)	Qualification	Experience (Years)	Date of Joining	Last Employment Held	
							Company	Designation
Anand Rajeev	52	Vice Chairman & Managing Director	31879274	Diploma Mech. Engg.	31	01.01.1982		
Laha Soumava	45	Director - Supply Chain Asia Pacific ^	7995356	BE (Mechanical), Post Graduate Diploma in Financial Management	22	10.10.2007	Valvoline Cummins Ltd.	Asstt. General Manager-Sourcing and Plant Operations.
Singh Dipinder	54	Director of Strategic Projects ^	43385260	MBA,Phd	28	01.02.2009	Goodyear Tire Management Company (Shanghai) Ltd.	Marketing Director - Consumer PBU
Singh Hundal Sarabjit	52	Manufacturing Director - ASEAN ^	8618947	M.Sc., Advanced Course in Mgmt	27	15.11.2010	CEAT Ltd.	VP-Manufacturing
Walia P. K.	50	Vice President - Consumer PBU	14888581	MBA, The University of Chicago - Booth School of Business	28	01.08.1984	Goodyear Malaysia	Director - Supply chain ASEAN
Yashwant Singh Yadav	54	Director - Human Resources & Corporate Affairs	16275098	LLB,MBA	31	12.11.2009	General Motors India Pvt Ltd	Vice President - Human Resource

Employed for Part of the year

Name of Employee	Age	Designation / Nature of duties	Remuneration received (Rs)	Qualification	Experience (Years)	Date of Joining	Last Employment Held	
							Company	Designation
Devgun Vivek	44	Manufacturing Director ^	8549256	Diploma (Mechanical)	23	01.02.1990		
Gupta Sanjay	44	Director - Procurement^	4003522	B.E (Mech), MBA	20	25.04.2011	Flextronics	Director Procurement
Jaidka Harinder Singh	48	National Sales Manager - Replacement	2114845	MBA	25	01.06.1993	BOMBAY TYRES	TERRITORY MANAGER
Lecerf Jean Philippe	46	Chief Financial Officer** ^	35224366	Business Degree (Institut Commercial Supérieur) / Diplôme d'Expertise-Comptable (CPA)	25	01.07.2010	Planet of Hospitality	Group Chief Financial Officer
Mahajan Sandeep	48	Director - Farm, Commercial & OTR PBU ^	3729977	MBA	23	20.06.2012	LG Electronics India Pvt. Ltd.	General Manager - Rural & Brand Shop
Ravunni Mark Chandran	45	Chief Financial Officer^	13739250	Bechelors Accounting, International Business Management, Chartered General Accountant	20	16.07.2012	Ansell Services (Asia)	Asia Operations Controller
Singh Vinod Kumar	40	Plant Head - HR	1442566	PGDBM	17	30.09.2008	Dabur Pharma Ltd	Asstt. General Manager-HR
Sanwari Shakir Zakir	58	Zonal Manager - West	656101	MCom	35	28.12.1998	DCW Home Products LTD.	Manager Accounts

Notes:

1. Remuneration as shown above includes salaries, bonus, Company's contribution to Provident Fund, Leave Travel, House Rent Allowance, Expenditure incurred on providing Housing, Medical and other facilities.
 2. Employees named above are/were whole time employees of the Company.
 3. Conditions of employment provide for termination of services by either party upon giving three months notice and in the case of employees marked** upon giving one month's notice.
 4. None of the employees named above is a relative of any director.
 5. Designation of the employees indicates the nature of duties.
- ^ Non- Board Member as on December 31, 2012.

On behalf of the Board of Directors

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

Annexure B to Directors' Report

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

A) CONSERVATION OF ENERGY :

a) Energy conservation measures taken :

Electrical power:

1. Reduction in plant dead load of 8%
2. Energy efficient LED (Light Emitting Diode) lighting and usage of day light in plant
3. Energy efficient compressor installed in warehouse.
4. Interlocking provided in machines
5. Optimize Compressor running
6. Unit Power Factor to reduce reactive power consumption
7. Relocation of extruder mills

Steam & Nitrogen:

8. Pet coke Boiler efficiency improvement of 4%
9. Drive for leak management

10. New energy efficient HP (High Pressure) traps installed on headers

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

1. Flash Steam and condensation recovery.
2. Standardization of cylinders in plant to reduce power consumption.
3. Improved insulation to minimize heat losses in presses

c) Impact of the measures at (a) & (b) above for reduction of energy Consumption & consequent impact on the cost of production of goods:

The above measures contributed to a reduction in energy consumption, quality improvement, and reduction in utility cost, and partially offset high inflation in energy costs.

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

	Year-2012	Year-2011
A Power & Fuel Consumption		
1) ELECTRICITY (KWH)		
a) PURCHASED		
UNIT (000)	36980	34930
Total Amount (Rs. In Lakhs)	2061	1640
Rs./ UNIT	5.57	4.70
b) OWN GENERATION		
Through Generator		
Units (000)	822	2237
Unit / Ltr of Fuel	2.46	4.54
COST/UNIT (Rs.)	61.40	20.14
2) STEAM		
a) HSD/LDO		
Quantity (K.Ltrs)	64	58
Total Amount (Rs. In Lakhs)	26	22
Average Rate (Rs./K.Ltr)	40220	38487
b) Residual Furnace Oil /Furnace Oil		
Quantity (Tonnes)	164	386
Total cost (Rs. In Lakhs)	78	154
Average Rate (Rs./Tonne)	47502	39949
c) Petcoke (For Process Steam)		
Quantity (Tonnes)	9564	8927
Total Cost (Rs. In Lakhs)	842	826
Average Rate (Rs./Tonne)	8805	9252
3) Nitrogen		
Quantity (cubic meters-000)	1711	1732
Total Cost (Rs. In Lakhs)	143	121
Average Rate (Rs./cubic meter)	8.34	7.01
B) Consumption per Tonne of production		
Electricity (KWH)	757	762
**FUEL (K.LTRES.-EXCL.NITROGEN GAS)FOR STEAM	0.2202	0.2168
Nitrogen (m3)	25.93	27.80

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

B) TECHNOLOGY ABSORPTION:

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

Research & Development (R&D)

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

- The Company, in close co-ordination with The Goodyear Tire & Rubber Company, Akron, Ohio, USA and its Innovation centers based in Akron and Luxembourg carried out R&D activities in specific areas.
- Developed new Products for export and local market.
- Farm tyres with Radial Technology developed.
- Emphasis on enhancing quality standards and customer satisfaction through process improvements, system compliance, reduction in waste and energy.
- Usage of CIS tools like six sigma / lean with technical support resulted in stabilizing process, improvement in productivity with lower product cost.
- Optimization of construction and compound formulations resulted in enhancements in product performance.
- New testing equipment for farm tyre testing commissioned that improved new size development cycle time

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

The R&D activities helped the Company to add new products to its portfolio, increase size ranges and achieve greater customer acceptance. These activities also enabled the Company to reduce process waste, lower energy consumption, and increase productivity and release new products, thereby achieving higher "Customer Acceptance and Satisfaction".

3. Future Plan of Action

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

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

a. Capital	NIL
b. Recurring	17
c. Total	17
d. Total R & D expenditure	.0113%

[As a percentage of total turnover]

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

(a) New Product Introduction

R&D activities assisted the company in introducing new product designs for farm tyres with new construction to meet customer specific requirements and there by improving market acceptance.

(b) Process Improvement

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

(c) System Improvement

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

2. Benefits derived as a result of above efforts:

The technical innovations and adaptation made at Goodyear's Innovation Technical Centers in USA and Europe along with Company's inputs helped the Company to introduce new products and drive market acceptance of Goodyear products.

3. Imported Technology:

a)	Technology imported	Radial Farm Tyre Bias Farm Tubeless Tyre
b)	Year of import	2012
c)	Has technology been fully absorbed?	Technology to the extent of Specific sizes of Radial Farm Tyre and Bias Farm Tubeless Tyres has been absorbed
d)	If not full absorbed, areas where this has not taken place, reasons therefore and future plans of action	Product and Process fine tuning in progress. In future, require for New Size addition in Bias Farm Tubeless and Radial Farm Tyres

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

The countries of export during 2012 — Australia, Nepal, Bangladesh, Colombia, Egypt, Japan, Jordan, New Zealand, Nicaragua, Pakistan, Peru, South Africa, Sri Lanka, Thailand, Tanzania, United Arab Emirates, Vietnam etc.

- g) Foreign Exchange (Rs. in 'Lakhs')

Total foreign exchange used and earned :

(Rs in 'Lakhs')						
Year	Earned		Used			
	Export (FOB)	Others	Capital Goods	Import (CIF) Stores & Spares	Raw Material	Others
2012	3,877	543	356	21	20,282	8,641

On behalf of the Board of Directors

New Delhi
February 27, 2013

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

REPORT ON CORPORATE GOVERNANCE AS ON DECEMBER 31, 2012

1. Company's Philosophy on Code of Governance

Goodyear India Limited is a subsidiary Company of the Goodyear Orient Company (Private) Limited, Singapore ("GOCPL") effective November 29, 2011, which is 100% subsidiary of The Goodyear Tire & Rubber Company, Akron ("GTRC") and hence, GTRC became the Ultimate Holding Company. The Company's Corporate Philosophy is enshrined in a manual titled 'Business Conduct Manual' for GTRC global operations. The core values, inter-alia, include conducting business in accordance with the highest applicable legal and ethical standards, deliver the highest quality products and services, operate as a global socially responsible Corporate citizen with a view to create value that can be sustained continuously for the benefits of its customers, shareholders and the associates. The Company is in compliance of the requirements placed under Clause 49 of the Listing Agreement ("Clause 49").

2. Code of Conduct

In terms of the requirement of clause 49(I)(D) of the Listing Agreement, the Board of Directors of the Company, in line with the Corporate Philosophy laid down the Code of Conduct (revised dated November 8, 2012) ("Code") for all Board Members and Senior Management of the Company. The Code is displayed at the Company's website (www.goodyear.co.in). As required, a declaration duly signed by the Vice Chairman & Managing Director regarding affirmation of compliance with the Code of Conduct is attached as Annexure-A.

3. Board of Directors

The composition of the Board of Directors of the Company, in compliance with Clause 49 of the Listing Agreement, as on December 31, 2012 is given below:

Name and Designation	Status i.e. Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee Director	No. of Board Meetings of the Company		*Number of Directorship held in other companies	**Number of committee positions held in other Companies (as a member or Chairperson)	Whether Attended the last AGM
		Held during the year	Attended during the year			
Daniel Lawrence Smytka, Chairman	Non-Executive	6	2	None	None	No
Rajeev Anand, Vice Chairman & Managing Director	Executive	6	6	None	None	Yes
Yashwant Singh Yadav, Director- HR & Corporate Affairs	Executive	6	6	None	None	Yes
R V Gupta, Director	Independent Non-Executive	6	5 ⁽ⁱ⁾	6	5 (including 1 as Chairman)	Yes
C Dasgupta, Director	Independent Non-Executive	6	4 ⁽ⁱⁱ⁾	None	None	Yes
Rajiv Lochan Jain, Director	Independent Non-Executive	6	6	2	2 (including 1 as Chairman)	Yes

* Excluding interest in Societies/Trust/Private Companies/Foreign Companies and Companies under section 25 of Companies Act, 1956

** Includes Audit Committee, Committee of Directors, Remuneration Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies

(i) These are physical attendance by Mr. R V Gupta at the Board Meetings. In addition, he participated through teleconference at the Board Meeting held on July 3, 2012.

(ii) These are physical attendance by Mr. C Dasgupta at the Board Meetings. In addition, he participated through teleconference at the Board Meeting held on May 11, 2012.

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

meetings. In terms of government approval letter no. 4/376/T-1/2012/D/5537 dated October 17, 2012 and letter no. 4/376/T-1/2012/D/6473 dated November 7, 2012 issued by Regional Director, Ministry of Corporate Affairs, Government of India, the company executed an engagement letter of M/s Performance Capital Partners, LLP ("PCP") for

availing consultancy services ("contract") and paid professional fees of Rs 10 lac, where Mr. Rajiv Lochan Jain, an independent director of the company was an executive chairman. Further, the said contract will be placed in the forthcoming annual general meeting of the shareholders for their post facto approval.

During the year 2012, six Board Meetings were held: February 27, 2012, March 26, 2012, May 11, 2012, July 3, 2012, August 8, 2012 and November 8, 2012.

4. Audit Committee

The constituted Audit Committee has the terms and roles as specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. As per Listing Agreement at least two-thirds of the members of Audit Committee shall be Independent Directors. The current Audit Committee of your Company consists of four Directors namely Messrs R V Gupta, C Dasgupta and Rajiv Lochan Jain, Independent Directors and Mr. Rajeev Anand, Vice Chairman & Managing Director.

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

During the year 2012, eight Audit Committee meetings were held: February 9, 2012, February 27, 2012, March 26, 2012, May 11, 2012, July 3, 2012, August 8, 2012, November 8, 2012 and December 18, 2012.

Attendance at Audit Committee Meetings:

Name of the Member	No. of Meetings attended
Mr. R V Gupta	7 ⁽ⁱ⁾
Mr. C Dasgupta	6 ⁽ⁱⁱ⁾
Mr. Rajiv Lochan Jain	7 ⁽ⁱⁱⁱ⁾
Mr. Rajeev Anand	8

- These are physical attendance by Mr. R V Gupta at the Audit Committee Meetings. In addition, he participated through teleconference at the Audit Committee Meeting held on July 3, 2012
- These are physical attendance by Mr. C Dasgupta at the Audit Committee Meetings. In addition, he participated through teleconference at the Audit Committee Meetings held on May 11, 2012 and August 8, 2012
- These are physical attendance by Mr. Rajiv Lochan Jain at the Audit Committee Meetings. In addition, he participated through teleconference at the Audit Committee Meeting held on February 9, 2012

5. Remuneration of Directors:

The remuneration policy for the whole time Director/ Managing Director of the Company is based on the broad principles of remuneration by GTRC to its executives, i.e a portion of remuneration is paid on fixed basis and the remaining portion of the remuneration is based on the results. The brief information is as under:

Names of the wholetime Directors

(Rs. in Lakhs)

S.No.	Details	Rajeev Anand Vice Chairman & Managing Director		Yashwant Singh Yadav Wholetime Director	
	Service Contract Valid upto	February 19, 2014*		October 31, 2015*	
	<u>Period</u>	From January 1, 2012 to April 30, 2012	From May 1, 2012 to December 31, 2012	From January 1, 2012 to April 30, 2012	From May 1, 2012 to December 31, 2012
1.	Monthly Salary	Rs. 4.25	Rs. 4.80	Rs. 3.00	Rs. 3.33
2.	Monthly Special Allowance	Rs. 3.60	Rs. 4.07	Rs. 2.70	Rs. 2.99
3.	Performance Bonus	As determined by the Board based on the net profit restricted to Rs. 65.55 in a year	As determined by the Board based on the net profit restricted to Rs. 188.70 in a year	As determined by the Board based on the net profit restricted to Rs. 33.75 in a year	As determined by the Board based on the net profit restricted to Rs. 76.95 in a year
4.	Actual Expenditure on gas, electricity, water and furnishings	Rs. 2.55		Rs. 2.10	

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

- Note: 1. No severance fee is payable to any Director.
2. Sitting fee was paid only to non-executive independent Directors.

Benefits: The entitlement to each of the wholetime Directors, inter-alia, include Personal Accident Insurance (premium not to exceed Rs. 0.05 lakhs per annum during January 1, 2012 to December 31, 2012), Club fee, Medical Reimbursement for self and family (subject to a ceiling of four months' basic salary for each completed year of service or twelve months' basic salary over a period of three completed years of service), Medical Insurance (as per the rules applicable for other senior

management staff of the Company), the Company's car and telephone at residence (personal long distance calls on telephone and use of car for private purpose shall be billed by the Company), House Rent Allowance/Leased Accommodation (restricted to 60% of the basic salary). Mr. Yashwant Singh Yadav entitled for Personal Driver Salary reimbursement not exceeding Rs.2.5 lakhs in a year and Mr. Rajeev Anand entitled for Personal Driver Salary

reimbursement of Rs. 2.5 lakhs in a year during January 01, 2012 to April 30, 2012 and Rs 3 lakhs in a year during May 01, 2012 to December 31, 2012.

Contribution to Provident Fund & Superannuation Fund (as per the applicable laws), recreation/holiday trip once in a year for self and family in accordance with the rules of the Company ("Recreation"), subject to a ceiling of Rs. 1.5 lakhs in a year for the period January 1, 2012 to April 30, 2012, however, in case of Mr. Anand, recreation was Rs. 2 lakhs in a year for the period May 1, 2012 to December 31, 2012 or Rs. 4 lakhs in a block of two years and in case of Mr. Yadav, recreation was Rs. 2 lakhs in a year for the period May 1, 2012 to December 31, 2012, Gratuity of one half month's salary for each completed year of service in the Company and Encashment of leave as at the end of the tenure, (as per the rules of the Company).

The remuneration paid is within the limits specified in Schedule-XIII of the Companies Act, 1956 and has due approval from the Board of Directors and Shareholders of the Company.

The Company has not formed any Remuneration Committee pursuant to Clause 49 of the Listing Agreement as the formation of the same was not mandatory.

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

A reference to remuneration paid to key managerial personnel under Note 30 of the notes to the financial statements of the Company for the year ended December 31, 2012 can also be made for Directorship remuneration details.

6. Shareholders'/Investors' Grievance Committee

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

During the year 2012, two Shareholders'/Investors' Grievance Committee Meetings were held: May 25, 2012 and November 8, 2012.

Attendance at Shareholders'/Investors' Grievance Committee Meetings:

Name of the Member	No. of Meetings attended
Mr. R V Gupta	2
Mr. C Dasgupta	2
Mr. Rajiv Lochan Jain	2
Mr. Yashwant Singh Yadav	2

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

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

During the year 2012, four reminders/complaints were received and all of which have duly been resolved.

7. Details of the Directors seeking appointment/re-appointment

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

MR. C DASGUPTA is retiring by rotation in the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment. His brief resume is given below:

Mr. C Dasgupta served as India's ambassador to China and to the European Union, among other posts, during his career in the Indian Foreign Service. Mr. Dasgupta is currently a member of the Prime Minister's Council on Climate Change, a Distinguished Fellow at TERI, and a member of the UN Committee on Economic, Social and Cultural Rights. He was awarded the Padma Bhushan by the President of India. He is not holding any shares of the Company.

MR. YASHWANT SINGH YADAV is retiring by rotation in the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment. His brief resume is given below:

Mr. Yashwant Singh Yadav, aged 54 years, is a Bachelor in Law and an MBA with specialization in Human Resources. He has more than 31 years of professional and diverse experience in the entire gamut of Human Resources Management with large multi-national and Indian organizations including Ballarpur Industries, Goodyear India, Escorts Ltd. and General Motors India at leadership levels. He is not holding any shares of the Company.

The items related to the re-appointment of Mr. Dasgupta and Mr. Yadav has been included in the notice for the ensuing Annual General Meeting.

8. General Body Meetings:

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

Meeting	Venue	Date	Time
51 st AGM	Magpie Tourism Complex Sector-16A, Faridabad-121002, Haryana	May 25, 2012	3.30 P.M.
50 th AGM	Magpie Tourism Complex Sector-16A, Faridabad-121002, Haryana	June 21, 2011	3.30 P.M.
49 th AGM	Magpie Tourism Complex Sector-16A, Faridabad-121002, Haryana	June 4, 2010	3.30 P.M.

Special Resolution passed at the last three Annual General Meetings.

Date of AGM	Description of Special Resolution
May 25, 2012	<ol style="list-style-type: none"> Revision in remuneration of Mr. Rajeev Anand, Wholetime Managing Director w.e.f. May 1, 2012. Revision in remuneration of Mr. Yashwant Singh Yadav, Wholetime Director w.e.f. May 1, 2012.
June 21, 2011	<ol style="list-style-type: none"> Appointment and payment of remuneration to Mr. Yashwant Singh Yadav as Wholetime Director of the Company w.e.f. November 1, 2010. Revision in remuneration of Mr. Yashwant Singh Yadav, Wholetime Director w.e.f. May 1, 2011. Appointment and payment of remuneration to Mr. Jean Philippe Lecerf as wholetime Finance Director of the Company for the period July – October, 2010. Revision in remuneration of Mr. Rajeev Anand, Wholetime Managing Director w.e.f. May 1, 2010. Revision in remuneration of Mr. Rajeev Anand, Wholetime Managing Director w.e.f. May 1, 2011.
June 4, 2010	<ol style="list-style-type: none"> Revision in remuneration of Mr. Rajeev Anand, Wholetime Managing Director w.e.f. July 1, 2009

None of the resolution(s) was put through Postal Ballot during the year 2012.

9. Disclosures

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

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

- GTRC and/or its subsidiaries outside India;
- Goodyear South Asia Tyres Private Limited (“GSATPL”), pursuant to the offtake agreement dated September 1, 2001 and thereby revised offtake agreement effective April 1, 2012 (executed on July 11, 2012) post receipt of Government approval(s) no.4/202/T-1/2012/D/2157, 4/203/T-1/2012/D/2158 and 4/204/T-1/2012/D/2159 dated July 2, 2012 obtained under section 297 of the Companies Act, 1956

The above were not considered to be in conflict with the interest of the Company at large. In addition to the aforesaid transactions, your Company had a Service Agreement effective January 1, 2011 to avail the support from GTRC in all the areas of its operations, to receive services of Information Technology, Procurement, Production, Supply Chain, Sales & Marketing, Finance, General & Administration and other special requests. Your Company also had a Trademark License Agreement effective October 1, 2006 with GTRC to use its trade name and trademarks and is paying a fee of 1% on domestic sales and 2% on export sales.

During the year 2012, Mr. Rajeev Anand, wholetime Managing Director of your Company was also on the Board of GSATPL.

During the year, the Company did not have any material association, relationship / transaction of material pecuniary nature with the director(s), their relative(s), their company / firm etc, which may affect independence of non executive director and have any potential conflict with the interest of the company at large.

The disclosure of transactions with the related parties per Accounting Standard 18 is appearing in Note 30 of the notes to financial statements with the Company for the year ended December 31, 2012.

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

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

None

10. Means of Communication

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

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

No presentations were made by the Company to the Analysts. A Management Discussion and Analysis Report which forms part of the Annual report is given by means of a separate annexure and is attached to the Directors’ Report.

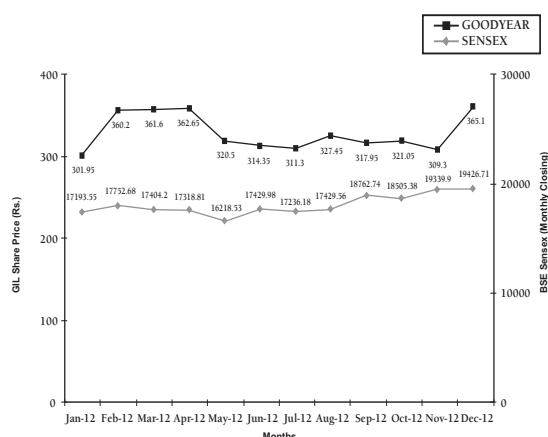
11. General Shareholders Information

(i)	AGM: Date Time Venue	Friday, June 7, 2013 at 3.30 P.M. Magpie Tourism Complex Sector 16A, Faridabad-121002, Haryana.
(ii)	Financial Year	January 01 to December 31
(iii)	Date of Book Closure	May 25, 2013 to June 7, 2013 (Both days inclusive)
(iv)	Dividend payment date	On or after June 8, 2013 but within the statutory time limit of 30 days.
(v)	Listing on Stock Exchanges	The BSE Limited (BSE), Phiroze Jeejeebhoy Tower Dalal Street, Mumbai-400 001. Listing Fees up to 2012 – 2013 duly paid.
(vi)	Stock Code	BSE - 500168

(vii) Market Price Data: High, Low on BSE Limited (BSE) during each month in the Financial Year-2012

Price per equity share of the face value of Rs.10/- each			Price per equity share of the face value of Rs.10/- each		
Month	High	Low	Month	High	Low
January	319.95	284.90	July	346.80	302.55
February	384.00	300.10	August	354.95	311.30
March	406.80	352.00	September	345.00	311.20
April	412.80	355.05	October	329.00	308.80
May	368.00	312.10	November	340.00	302.60
June	342.50	311.10	December	366.90	307.00

(viii) Performance of Goodyear India Limited (GIL) share prices in comparison to BSE sensx (Monthly Closing)



(ix) Registrar & Share Transfer Agent:

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

Email: info@skylinerta.com

Phone: +9111-26812682, 83

+9111- 64732681

(x) Share Transfer System

M/s Skyline Financial Services Private Limited, Registrar & Share Transfer Agent (“RTA”) of the Company looks after share transfer, transmission, transposition, dematerialization and re-materialization of shares, issue of duplicate share certificates, split and consolidation of shares etc on regular basis. The share transfer requests received at the RTA were earlier processed and delivered within 30 days from the date of lodgement if the documents are complete in all respects, however, in terms of Securities & Exchange Board of India (SEBI) circular no. CIR/MIRSD/8 /2012 dated July 05, 2012, effective October 1, 2012, share transfer requests received at the RTA normally gets processed and delivered within 15 days from the date of lodgment; if the documents are complete in all respects. Requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 15 days from receipt if the documents are in order.

(xi) Distribution of Shareholding as on December 31, 2012

No. of Shares held	Folios		Shares held	
	Numbers	Percentage	Numbers	Percentage
up to 500	22032	95.59	1588808	6.89
501 – 1000	575	2.49	422532	1.83
1001 - 5000	367	1.59	821367	3.56
5001 - 10000	39	0.17	298709	1.29
10001 and above	35	0.15	19935091	86.42
TOTAL	23048	100.00	23066507	100.00

• Shareholding Pattern as on December 31, 2012

Sl. No.	Description of Investors	No. of shares held	% of shareholding
1.	Promoters	17069215	74.00
2.	Financial Institutions, Insurance Companies, Bank and Mutual Fund etc.	1940061	8.41
3.	Foreign Institutional Investor	322625	1.40
4.	Private Corporate Bodies	566793	2.46
5.	NRIs/ OCBs	136847	0.59
6.	Indian Public, Trust & HUF	3030966	13.14
	TOTAL	23066507	100.00

(xii) Dematerialization of shares and liquidity:

As on December 31, 2012, 96.30% of the Company's total Share Capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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

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

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

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

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

(xvii) Goodyear India Limited - Unclaimed Suspense Account (“Unclaimed Suspense Account”)

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

S. No.	Particulars	Details
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the financial year 2012.	<ul style="list-style-type: none"> Aggregate number of Shareholders - 2,713 Number of outstanding Shares – 68,767 shares

2.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the financial year 2012.	25
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the financial year 2012.	19*
4.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the financial year 2012.	<ul style="list-style-type: none"> Aggregate number of shareholders -2,694 Number of outstanding shares – 68,453 shares

* The balance has been approved/ dealt with by the Company after completion of their respective documentation post December 31, 2012.

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

12. Non Mandatory Requirements

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

13. CEO/CFO Certificate

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

On behalf of the Board of Directors

New Delhi
February 27, 2013

Rajeev Anand
Vice Chairman
& Managing Director

Annexure-A

Corporate Governance Report
of Goodyear India Limited

Declaration regarding Affirmation of compliance with the Code of Conduct

Pursuant to the requirements of Clause 49(I)(D) of the Listing Agreement, I hereby confirm that the Company has received affirmations on compliance with the Code of conduct for the financial year ended December 31, 2012 from all the Board Members and Senior Management Personnel.

For Goodyear India Limited

New Delhi
February 27, 2013

Rajeev Anand
Vice Chairman
& Managing Director

Management Discussion & Analysis

1. Industry Structure & Developments

Your company continues to be the market leader in the farm category. Though the tractor industry in India has witnessed a decline in 2012, your company's farm OE business has registered a 2% growth.

Your company's farm replacement business has registered a healthy growth of 14%, which is much higher than that of the industry.

Passenger vehicles sales grew at 8.5% (*Source: Society of Indian Automobile Manufacturers*), which translated to moderate consumer tyre demand from the Original Equipment Manufacturer (OEM) customers, however, the OE business has registered a healthy growth and we continue to gain market share. Consumer replacement tyres also felt softening of demand due to rising pressure on consumers purchasing ability as a result of higher interest rates, fuel prices and food inflation.

2. Opportunities and Threats

The crop output from Kharif season (monsoon) has declined over the previous year, owing to a drought in midyear across certain parts of the country leading to lower farm income and thereby likely to impact the business in the initial three to four months of 2013.

The sowing area for current Rabi crop (winter) has been above normal levels, which foretells a better farm income, post harvest from April 2013.

With the farm OE industry on a decline, the replacement industry is facing high levels of competitive pressure. Hence, to grow our market shares in the replacement market, your Company is focusing on channel expansion and extraction.

In addition, to win over trade loyalty, your Company is launching a dealer relationship management programme for our farm channel partners.

Vajra Super, launched in 2010, has registered a robust growth. This product is targeted for the hard soil market in the west and south of India. Your Company plans to continue focusing on expanding this product in the targeted markets.

As a part of the future strategic growth driver, your Company is testing farm radial tyres in selected markets. It is also planning to strengthen its innovation portfolio, through the introduction of new products targeting niche segments in farming, mining and haulage applications.

Your company is positive about the growth of agriculture during 2013-17, as the government has its focus to enhance crop diversification, develop high yielding disease resistant seeds, improve water management practices and promote balanced use of fertilizers and pesticides.

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

Your Company's large customer base and robust quality product range, coupled with the introduction of innovative new products, should help mitigate the challenges posed.

In the passenger radial segment, the increasing sophistication of the vehicles being launched in India provides your Company with a significant opportunity to maximize Goodyear's global technology. New vehicle launches in 2012 by the majority of OEM's will help to further gain momentum in the consumer OE business.

Volatile raw material prices remain a concern. The competitive environment remains intense. Low cost imported products further add to the challenges. Your Company remains committed to bringing in the best technology, combined with strong branding and product differentiation to compete vigorously and balance these threats.

Finally, macroeconomic indicators are always an area of caution as most passenger vehicles are financed. High inflation and continued increases in interest rates and fuel prices could have a negative impact on sales of passenger vehicles. However, there are good signals to believe that Government policies may be moderated to sustain demand levels.

3. Segment-wise/ Product-wise performance

The Company manufactures automotive bias tyres viz. farm tyres and medium commercial truck tyres at its Ballabgarh plant and also trades in "Goodyear" branded tyres (including radial passenger and Off The Road (OTR) bias tyres) manufactured by Goodyear South Asia Tyres Private Limited (GSATPL) Aurangabad, pursuant to the offtake agreement dated September 1, 2001 and thereby revised offtake agreement effective April 1, 2012 (executed on July 11, 2012 post receipt of Government approval(s) no. 4/202/T-1/2012/D/2157, 4/203/T-1/2012/D/2158 and 4/204/T-1/2012/D/2159 dated July 2, 2012. The other products in which the Company markets and sells include tubes and flaps.

The sales performance during the year is as follows:

(Rs. in Lakhs)	
Tyres	152,907
Flaps	61
Tubes	8,366

Your Company feels proud to have been recognized as 'Self Certified Supplier' by one of the leading tractor manufacturers in India - TAFE (Tractors & Farm Equipment Limited). This award is based on the quality of products delivered and control measures being practiced in Ballabgarh plant.

In the OTR category, your Company has been awarded a 'Gold Level' in SQEP (Supplier Quality Excellence Programme) by India's leading earthmover brand, Caterpillar, as a recognition based on achieving specified levels of process capability for key, special characteristics, PPM (Parts Per Million), PPAP (Product Part Approval Process), on-time completion, delivery performance and Six Sigma deployment in your company.

Your Company feels proud to have been recognized by the Hyundai Motors Company for being the best supplier for the year in the tyre commodity. Your company's farm business has been certified Class A S&OP. Your Company's 'Assurance Fuel Max' was voted the product of the year.

4. Outlook

As per the Central Bank's (RBI) estimates, the growth in the Indian economy is expected to continue to be moderate.

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

As far as the industry is concerned, a moderate growth rates is expected in the consumer tyre segment; however, we expect some momentum in growth during later part of the year. Your Company will continue to seek new Original Equipment Manufacturers' (OEM) fitments and introduce award winning new products to its existing consumer tyre portfolio.

The overall outlook of Indian agricultural is positive with the projected annual growth rate during the 12th plan (2012-17) at 4% as against actual annual growth of 3.3% during the 11th plan (2007-12).

5. Risks and Concerns

High credit dependency, increased interest rates, poor draughts, lower farm income and high inflation have dampened consumer's sentiments and purchasing power in rural India.

Approximately 20% of the net sales of your Company was attributable to the sale of products procured from Goodyear South Asia Tyres Private Limited (GSATPL), pursuant to the offtake agreement dated September 1, 2001 and thereby revised offtake agreement effective April 1, 2012 (executed on July 11, 2012 post receipt of Government approval(s) no. 4/202/T-1/2012/D/2157, 4/203/T-1/2012/D/2158 and 4/204/T-1/2012/D/2159 dated July 2, 2012.

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

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

6. Internal control systems and their adequacy

Your Company has a proper and adequate system of internal control. Your Company has an Audit Committee headed by a non-executive independent director, inter-alia, to oversee your Company's financial reporting process, disclosure of financial information, reviewing the performance of statutory and internal auditors with management, adequacy of internal audit function and internal control systems, related party transactions, investigations relating to suspected fraud or failure of internal audit control, systems etc. as well as other areas requiring mandatory review per clause 49 of the Listing

Agreement. The powers of the Audit Committee, inter-alia, include seeking information from any employee, obtaining outside legal or other professional advice and investigating any activity of the company within the committee's term of reference. Your Company's Internal Audit department verifies the information concerning the reliability of the financial statements as well as the compliance with your Company policies so as to maintain accountability of all its assets and correctness of recorded transactions. The scope, coverage, control, weakness and other relevant issues and updates are shared by Internal Audit at appropriate management levels including Audit Committee for corrective action and the progress thereof is tracked.

7. Discussion on financial performance with respect to operational performance

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

(Rs. in Lakhs)

	2012	2011
Total Sales & other income	163,513	163,432
Less: Excise Duty	13,205	10,684
Net Sales & other income	150,308	152,748
Profit Before Interest, Depreciation & Tax	11,254	12,114

The financial performance of your Company has been further explained in the Directors' Report of your Company for the year 2012, appearing separately.

8. Human Resources

Industrial harmony was maintained during the year through cordial and productive employee relations. High priority was given to aspects related to the safety of the employees, training and development on functional and ethical areas. The total number of salaried and hourly paid associates, as of December 31, 2012, stood at 910.

Cautionary Statement

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

On behalf of the Board of Directors

New Delhi
February 27, 2013

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of GOODYEAR INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Goodyear India Limited, for the year ended December 31, 2012, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

Place: New Delhi
Date: February 27, 2013

Avijit Mukerji
Partner
Membership Number : 056155

AUDITORS' REPORT TO THE MEMBERS OF GOODYEAR INDIA LIMITED

1. We have audited the attached Balance Sheet of Goodyear India Limited (the "Company") as at December 31, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on December 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at December 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Avijit Mukerji
Partner

Place: New Delhi
Date: February 27, 2013

Membership Number : 056155

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Goodyear India Limited on the financial statements as of and for the year ended December 31, 2012

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory including stocks with third parties has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)(b),(c) and (d)/(f) and (g) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, employee provident fund and employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including investor education and protection fund, wealth tax, service tax, customs duty, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, and customs duty which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and excise duty as at December 31, 2012 which have not been deposited on account of a dispute, are as follows:

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Goodyear India Limited on the financial statements for the year ended December 31, 2012

Sr No.	Name of the statute	Nature of dues	Period to which the amount relates	Amount (Rs. in Lacs)	Forum where the dispute is pending
1	Central and State Sales Tax Acts	Sales Tax/ Value Added Tax	1979-1980 1985-1987 1995-2005 2006-2010 2012-2013	669	First level of Appellate Authority i.e. Assistant Commissioner/Deputy Commissioner/Joint Commissioner/ Commissioner/Commercial Taxes Appellate and Revisional Board
			1992-1993 2004-2005 2008-2009	25	Sales Tax Tribunal
			1978-1979 1987-1988	8	High Court
2	The Central Excise Act, 1944	Excise Duty	2006-2011	28	Commissioner (Appeals)
			1997-1998 2000-2001 2005-2011	539	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		Service Tax	2007-2010	26	Commissioner (Appeals)
			2004-2009	70	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
3	The Income Tax Act, 1961	Income Tax	Assessment Year 2007-2009	1,010	The Income Tax Appellate Tribunal. (Rs. 102.51 lakhs paid under protest subsequently in January/February 2013)

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

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

- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

Avijit Mukerji
Partner

Place: New Delhi
Date: February 27, 2013

Membership Number : 056155

Balance Sheet as at December 31, 2012

	Note	As at Dec 31, 2012 (Rs 'Lakhs)	As at Dec 31, 2011 (Rs 'Lakhs)
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	2,307	2,307
(b) Reserves and surplus	4	33,089	29,346
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (net)	5	1,113	1,103
(b) Long-term provisions	6	1,881	1,782
(3) Current Liabilities			
(a) Trade payables	7	25,543	25,343
(b) Other current liabilities	8	7,770	7,496
(c) Short-term provisions	9	2,372	2,504
TOTAL		74,075	69,881
II. ASSETS			
(1) Non Current Assets			
(a) Fixed assets			
(i) Tangible assets	10	19,758	18,981
(ii) Intangible assets		-	-
(iii) Capital work in progress		1,749	1,967
(b) Long-term loans and advances	11	1,880	1,529
(c) Other non-current assets	12	1	1
(2) Current Assets			
(a) Inventories	13	10,426	8,545
(b) Trade Receivables	14	15,437	13,079
(c) Cash and bank balances	15	23,834	24,909
(d) Short-term loans and advances	16	587	471
(e) Other current assets	17	403	399
TOTAL		74,075	69,881

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

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

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

Avijit Mukerji
Partner
Membership Number : 056155

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

Rajiv Lochan Jain
Director

Pankaj Gupta
Company Secretary

Yashwant Singh Yadav
Director

C Dasgupta
Director

Mark C Ravunni
Chief Financial Officer

Place : New Delhi
Date : February 27, 2013

Statement of Profit and Loss for the year ended December 31, 2012

	Note	Year Ended Dec 31, 2012 (Rs 'Lakhs)	Year Ended Dec 31, 2011 (Rs 'Lakhs)
I. Revenue from operations (gross)	21	161,334	162,027
II. Less : Excise duty on sales		13,205	10,684
III. Revenue from operations (net)		148,129	151,343
IV. Other Income	22	2,179	1,405
Total Revenue (III + IV)		150,308	152,748
V. Expenses :			
Cost of materials consumed	23	81,615	82,322
Purchases of Stock-in-trade	24	28,604	32,277
Changes in inventories of finished goods, work-in-process and stock-in-trade	25	19	(1,336)
Employee benefits expense	26	8,085	7,287
Finance costs	27	382	521
Depreciation and amortization expense (net)		2,409	1,969
Other expenses	28	20,731	20,084
Total Expenses		141,845	143,124
VI. Profit before tax		8,463	9,624
VII. Tax Expense :			
(a) Current Tax		2,821	3,079
(b) Deferred Tax		10	86
VIII. Profit / (Loss) for the year (VI - VII)		5,632	6,459
IX. Basic and diluted Earnings Per Equity Share	29	24.41	28.00
Nominal value per equity share (Rs.)		10	10

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

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

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

Avijit Mukerji
Partner
Membership Number : 056155

Place : New Delhi
Date : February 27, 2013

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

Rajiv Lochan Jain
Director

Pankaj Gupta
Company Secretary

Yashwant Singh Yadav
Director

C Dasgupta
Director

Mark C Ravunni
Chief Financial Officer

Cash Flow Statement for the year ended December 31, 2012

	For the year ended Dec 31, 2012 (Rs 'Lakhs)	For the year ended Dec 31, 2011 (Rs 'Lakhs)
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	8,463	9,624
Adjustments for non cash items		
Depreciation	2,409	1,969
Loss on sale of fixed assets (net)	35	103
Interest and other finance cost	382	521
Interest income	(1,258)	(625)
Liabilities / provisions no longer required written back	(112)	(121)
Provision for doubtful debts and advances	78	46
Provision for Gratuity	306	225
Provision for Leave Encashment	200	167
Unrealised foreign exchange gain	(37)	1,793
Operating profit before working capital changes	10,466	11,417
Adjustments for working capital :		
(Increase) / Decrease in Trade Receivables	(2,482)	(3,303)
(Increase) / Decrease in Loans and advances and other bank balances	(388)	(299)
(Increase) / Decrease in Inventories	(1,881)	(2,430)
Increase / (Decrease) in Trade and other payables	(228)	6,197
Cash generated from operations	5,487	11,582
Income Tax	(2,877)	(3,766)
Net cash flow from operating activities	2,610	7,816
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of tangible assets	(2,632)	(3,647)
Sale proceeds of tangible assets	21	13
Fixed Deposits with maturity more than 3 months	(16,310)	6,500
Interest received	1,148	603
Net Cash (used) in / generated from investing activities	(17,773)	3,469
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Interest and other finance charges	(415)	(451)
Dividends paid	(1,839)	(1,845)
Net Cash used in financing activities	(2,254)	(2,296)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(17,417)	8,989
Cash and cash equivalents at beginning of the year	22,765	13,181
Unrealised foreign exchange gain / (loss)	-	595
Cash and cash equivalents at end of the year	5,348	22,765

Notes:

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 on "Cash Flow Statement" notified by the Government of India under the Accounting Standard Rules, 2006.
- Figures in brackets indicate cash outflow.
- Previous year figures have been regrouped and recast, wherever necessary, to conform to the current year's classification.
- The notes referred to in the Balance Sheet and Statement of Profit & Loss form an integral part of the Cash Flow Statement.

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

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

Avijit Mukerji
Partner
Membership Number : 056155

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

Rajiv Lochan Jain
Director

Pankaj Gupta
Company Secretary

Yashwant Singh Yadav
Director

C Dasgupta
Director

Mark C Ravunni
Chief Financial Officer

Place : New Delhi
Date : February 27, 2013

Notes to the financial statements

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

(1) GENERAL INFORMATION

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

(2) SIGNIFICANT ACCOUNTING POLICIES

i) Accounting Convention and basis for preparation

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

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

ii) Fixed Assets

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

iii) Depreciation/ Amortisation

- The Company follows straight line method of depreciation in respect of all its fixed assets including assets taken on finance lease, as per Schedule XIV to the Companies Act, 1956, except (c) & (d).
- As per technical evaluation, Plant and Machinery is treated as Continuous Process Plant as defined in Schedule XIV to the Companies Act, 1956 and the depreciation has been provided accordingly.

- Depreciation has been provided in respect of certain category of Plant and Machinery (including machinery spares of irregular nature) as per technical assessment by the management based on straight line method over the useful life of 5-10 Years.
- The depreciation on assets revalued as at December 31, 1984, is provided on the basis of the residual life as per the technical estimation by the valuer.
- Intangible Assets: Softwares are amortised over a period of 6 years based on the estimated economic useful life of the asset.
- The depreciation on the assets capitalised during the year is charged from beginning of the month following the date of capitalisation.

iv) Inventories

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

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

Raw Materials	Weighted average
Stores and Spare parts	Weighted average
Work in Progress and Finished Goods	Materials and appropriate share of labour and overheads

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

v) Research and Development Expenditure

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

vi) Revenue Recognition

Sale of goods is recognised at the point of despatch of finished goods to customers, except in cases where the same is recognized subsequent to despatch in terms of customer contracts. Sales exclude sales tax and is net of rebates, trade discounts and sales returns.

vii) Other Income

Interest : Interest Income is recognized on a time proportion basis taking into account the amount outstanding.

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

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

viii) Employee Benefits

Defined Contribution Plan

Employee State Insurance and Employee Pension Scheme 1995 : Contribution towards these are made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Superannuation Fund : Contribution towards Superannuation fund is administered by a trust set up by the Company, which is recognised 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 Plan

Provident Fund: Contributions towards provident fund are made to trusts administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the trusts set up by the Company is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

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

Other employee benefits :

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits and accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability for other long term employee benefits is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The obligation towards short term benefits is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Termination benefits: Termination benefits in the nature of Voluntary retirement benefits are recognized in the Statement of Profit and Loss as and when incurred.

ix) Income Tax

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

x) Foreign Currency Translations

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

xi) Lease rental

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

xii) Borrowing Costs

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

xiii) Impairment of Assets

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

xiv) Provisions and Contingencies

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

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

	As at Dec 31, 2012 (Rs 'Lakhs)	As at Dec 31, 2011 (Rs 'Lakhs)
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(3) SHARE CAPITAL

Authorised

30,000,000 (30,000,000) equity shares of Rs. 10 each 3,000 3,000

Issued, subscribed and paid-up

23,066,507 (23,066,507) equity shares of Rs. 10 each (fully paid up) 2,307 2,307

(a) Reconciliation of number of shares outstanding :

	As at Dec 31, 2012		As at Dec 31, 2011	
	No. of Shares	Amount (Rs 'Lakhs)	No. of Shares	Amount (Rs 'Lakhs)
Balance at the beginning of the year	23,066,507	2,307	23,066,507	2,307
Balance at the end of the year	23,066,507	2,307	23,066,507	2,307

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

	As at Dec 31, 2012		As at Dec 31, 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
Goodyear Orient Company (Private) Limited, Singapore	17,069,215	74	17,069,215	74
SBI Magnum Sector Funds Umbrella - Emerging Businesses Fund	1,729,252	7.5	863,469	3.7

Notes :

- The Company has only Equity Shares having par value of Rs 10/- per share, rank pari passu in all respects including voting rights and entitlement to dividend. In terms of applicable laws, in the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the share holders.
- 17,069,215 (17,069,215 - Since, November 29, 2011*) equity shares are held by Goodyear Orient Company (Private) Limited, Singapore, the Holding Company.

* In previous year, until November 28, 2011, 17,069,215 equity shares were held by The Goodyear Tire & Rubber Company, Akron, Ohio, USA, the Holding Company.

	As at Dec 31, 2012 (Rs 'Lakhs)	As at Dec 31, 2011 (Rs 'Lakhs)
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(4) RESERVES AND SURPLUS

Securities Premium

Balance at the beginning of the year 6,314 6,314

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

General Reserve

Balance at the beginning of the year 3,800 3,000

Add : Transferred from surplus in Statement of Profit and Loss during the year 600 800

Balance at the end of the year 4,400 3,800

Revaluation Reserve

Balance at the beginning of the year 308 320

Less : Amount utilized for current year depreciation 12 12

Balance at the end of the year 296 308

	As at Dec 31, 2012 (Rs 'Lakhs)	As at Dec 31, 2011 (Rs 'Lakhs)
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	18,924	15,135
Add : Profit for the year	5,632	6,460
Less : Appropriations		
Transferred to General Reserve	600	800
Proposed Dividend on the equity shares	1,615	1,615
Dividend Distribution Tax on Proposed Dividend	262	256
Balance at the end of the year	<u>22,079</u>	<u>18,924</u>
Total	<u>33,089</u>	<u>29,346</u>
(5) Deferred Tax Liabilities (Net)		
Deferred tax liability		
Depreciation	1,826	1,794
Deferred tax assets		
a) Provision for employee benefits	540	501
b) Provision for doubtful debts / advances	83	100
c) Other provisions	90	90
Total Assets	<u>713</u>	<u>691</u>
Deferred Tax Liability (Net)	<u>1,113</u>	<u>1,103</u>
Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.		
(6) LONG TERM PROVISIONS		
Provision for Employee Benefits		
Gratuity	1,066	1,000
Leave encashment / compensated absence	261	227
Other provisions		
Provision for Customs / Excise litigations *	370	370
Provision for Sales tax litigations {Net of payments under protest Rs. 106 (Rs. 134)} *	61	81
Provision for lease equalisation	94	67
Provision for replacement loss *	29	37
	<u>1,881</u>	<u>1,782</u>
* Refer note 31 of notes to the financial statements.		
(7) TRADE PAYABLES		
Sundry Creditors *	<u>25,543</u>	<u>25,343</u>
	<u>25,543</u>	<u>25,343</u>
* Refer note '39' of notes to the financial statements.		
(8) OTHER CURRENT LIABILITIES		
Security Deposits (including accrued interest Rs. 96 (Rs. 79))	4,181	4,183
Statutory dues	1,431	1,481
Employee benefits payable	1,153	1,203
Unpaid dividend *	176	144
Creditors for capital items	633	329
Advances from customers	196	156
	<u>7,770</u>	<u>7,496</u>

* No amount is due as at Dec 31, 2012 for credit to Investors' Education and Protection Fund. Amount remaining due after adjustment to be claimed from the Company will be transferred on the respective due dates to the said Fund.

	As at Dec 31, 2012 (Rs 'Lakhs)	As at Dec 31, 2011 (Rs 'Lakhs)
(9) SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Gratuity	186	127
Leave encashment / Compensated absence	92	88
Interest on Provident Fund contributions	58	102
Other provisions		
Provisions for customs / excise *	42	24
Provisions for replacement loss *	117	286
Proposed dividend @ Rs. 7 (Rs. 7) per share.	1,615	1,615
Tax on dividend	262	262
	2,372	2,504

* Refer note 31 of notes to the financial statements.

(10) FIXED ASSETS

(Rs 'Lakhs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at Jan 1, 2012	Additions during the year	Deductions/ adjustments during the year	As at Dec 31, 2012	As at Jan 1, 2012	Additions during the year	Deductions/ adjustments during the year	As at Dec 31, 2012	As at Dec 31, 2012	As at Dec 31, 2011
Tangible Assets										
Freehold Land	173	-	-	173	-	-	-	-	173	173
Buildings	4,314	363	-	4,677	1,454	141	-	1,595	3,082	2,860
Plant & Machinery	30,825	2,774	656	32,943	15,354	2,147	639	16,862	16,081	15,471
Furniture & Fittings	145	38	12	171	90	17	6	101	70	55
Vehicles	97	-	42	55	44	7	15	36	19	53
Office Equipments	1,144	78	57	1,165	775	109	51	833	332	369
Total Tangible Assets	36,698	3,253	767	39,184	17,717	2,421	711	19,427	19,757	18,981
Intangible Assets										
Computer software	645	1	-	646	645	-	-	645	1	-
Total Intangible Assets	645	1	-	646	645	-	-	645	1	-
TOTAL	37,343	3,254	767	39,830	18,362	2,421	711	20,072	19,758	18,981
Previous Year	30,426	7,228	311	37,343	16,575	1,981	194	18,362		

Notes :

- Gross book value includes Rs. 1,443 lakh (Rs.1,462 lakh) on account of revaluation of certain fixed assets in 1984. Amount added to fixed assets and revaluation was credited to revaluation reserve.
- The depreciation charge for the current year represents gross Rs 2421 lakh (Rs. 1981 lakhs) less transfer from revaluation reserve Rs 12 lakh (Rs 12 lakh). Such transfer represents the amount equivalent to the additional charge necessitated on account of revaluation of certain fixed assets referred to in note (2) (ii) above, being the difference between the depreciation charged and the depreciation calculated in accordance with the rates followed by the Company on such items not revalued.

	As at Dec 31, 2012 (Rs 'Lakhs)	As at Dec 31, 2011 (Rs 'Lakhs)
(11) LONG TERM LOANS AND ADVANCES		
Unsecured, considered good :		
Capital Advances	22	122
Security Deposits	1,011	699
Advance income tax / payments under protest [net of provisions Rs.12,797 (Rs.9,976)]	218	162
Balance with government authorities	157	157
Payments under protest - Excise / Service tax matters	376	316
- Sales Tax matters {(net of provision Rs. 48 (Rs. 12))*}	96	73
	<u>1,880</u>	<u>1,529</u>
* Refer note 31 of notes to the financial statements.		
(12) OTHER NON CURRENT ASSETS		
Long term deposits with bank with maturity period more than 12 months *	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>
* Held as lien by Bank against Bank Guarantee.		
(13) INVENTORIES		
Raw materials {(includes intransit Rs. 1,438 (Rs 422))}	5,070	3,297
Work - in - Process	457	486
Finished goods {(includes intransit Rs. 860 (Rs. 614))}	2,062	2,200
Traded goods {(includes intransit Rs. 105 (Rs.110))}	1,463	1,315
Stores & Spares {(Includes intransit Rs. 7 (Rs. 5))}	1,374	1,247
	<u>10,426</u>	<u>8,545</u>
(14) TRADE RECEIVABLES		
Outstanding for a period exceeding 6 months from the date they are due for payment.		
Unsecured (considered doubtful)	256	255
Provision for Doubtful debts	(256)	(255)
Others :		
Secured, considered good	1,552	1,755
Unsecured, considered good *	13,885	11,324
	<u>15,437</u>	<u>13,079</u>
* Includes Rs.26 (Rs.1,476) from Goodyear South Asia Tyres Private Limited, having common directors.		
(15) CASH AND BANK BALANCES		
Cash and cash equivalents :		
Cash on Hand	2	2
Cheques on hand	335	533
Cheques in transit	-	9
Bank balances - Current Accounts	1,511	7,071
- Demand deposits (maturity less than 3 months)	3,500	15,150
Other Bank Balances :		
Fixed deposits with maturity more than 3 months but less than 12 months	18,310	2,000
Bank Balances for Unpaid Dividends	176	144
	<u>23,834</u>	<u>24,909</u>

	As at Dec 31, 2012 (Rs 'Lakhs)	As at Dec 31, 2011 (Rs 'Lakhs)
(16) SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
Advances to Vendors	24	10
Balance with government authorities	75	71
Security Deposits	34	128
Prepaid Expenses	144	104
Loans and advances to related parties *	271	132
Others #	39	26
	<u>587</u>	<u>471</u>

* Includes Rs. 86 (Rs. 42) due from Goodyear South Asia Tyres Private Limited, having common directors.

Others includes advances to employees Rs. 24 (Rs.15)

(17) OTHER CURRENT ASSETS		
Unsecured, considered good unless otherwise stated		
Accrued interest on fixed deposits	210	100
Recoverable from government authorities	196	351
Less : Provision for doubtful	(3)	(52)
	<u>403</u>	<u>399</u>

(18) CONTINGENT LIABILITIES		
i) Guarantee to Gurgaon Gramin Bank	126	115
ii) Other moneys for which company is contingently liable		
Price Differential pending settlement	474	474
iii) Claims against the Company disputed and not acknowledged as debts**		
A. Excise Duty and Service Tax matters		
a) Cases decided in the Company's favour by Appellate authorities and for which Department has filed further appeal.	484	484
b) Cases pending before Appellate authorities in respect of which the Company has filed appeals. Amounts deposited under protest Rs.376 (Rs. 316)	1,051	997
B. Income tax matters		
Cases pending before Appellate authorities / Dispute Resolution Panel in respect of which the Company has filed appeals. Amounts deposited under protest Rs. 62 (Rs.Nil)	1,295	1,073
C. Sales tax matters		
Cases pending before Appellate authorities in respect of which the Company has filed appeals. Amounts deposited under protest Rs.251 (Rs.220)	676	603
D. Haryana Urban Development Authority Demand Matter (HUDA)*	662	662
Demand for proportionate external development charges by HUDA.		
E. Other Matters.		
These include claims against the Company for recovery lodged by various parties. Amounts deposited under protest Rs. 443 (Rs.160)	909	790

* During the year 2003, a demand of Rs. 662 lakhs besides interest, was raised by the Haryana Urban Development Authority (HUDA) towards external development charges (EDC) which was challenged by the Company. During June 2009, the court of Hon'ble Additional Civil Judge (Senior Division) (First Court) passed an interim order whereby the Company was directed to pay interest @ 10% for delayed payment amounting to Rs. 5 lakhs and which was duly paid. In the year 2010 the entire demand had been set aside by the First Court. However, HUDA challenged the same before the Court of Hon'ble District & Session Judge, Faridabad. In December 2011 the said appeal was dismissed by Hon'ble District and Session Judge. HUDA has further gone into appeal before the Hon'ble High Court of Punjab and Haryana, to our knowledge the same has not yet been admitted.

F. Haryana Local Area Development Tax (HLADT)

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

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

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

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

(19) Capital and other commitments :

	As at Dec 31, 2012 (Rs 'Lakhs)	As at Dec 31, 2011 (Rs 'Lakhs)
a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	186	809
b) Estimated amount of other contracts remaining to be executed for supply of goods and services contracts	3,482	1,625

(20) The Company's business activity falls within a single primary business segment viz. 'Automotive tyres, tubes, flaps and related rubber products', hence no further disclosure is considered as required under Accounting Standard (AS-17) "Segment Reporting".

	For the year ended Dec 31, 2012 (Rs 'Lakhs)	For the year ended Dec 31, 2011 (Rs 'Lakhs)
(21) Revenue from operations		
Sale of finished goods		
Automotive Tyres	120,440	112,222
Flaps	59	77
Automotive Tubes	7,582	7,569
	<u>128,081</u>	<u>119,868</u>
Sale of traded goods		
Automotive Tyres	32,467	40,890
Flaps	2	9
Automotive Tubes	784	1,260
	<u>33,253</u>	<u>42,159</u>
Total sale of goods	<u>161,334</u>	<u>162,027</u>

	For the year ended Dec 31, 2012 (Rs 'Lakhs)	For the year ended Dec 31, 2011 (Rs 'Lakhs)
(22) OTHER INCOME		
Interest income	1,258	625
Net gain on foreign currency transaction and translation	3	127
Miscellaneous Income *	667	240
Commission received	-	16
Liabilities/provisions no longer required written back	112	121
Export Incentives	139	276
	<u>2,179</u>	<u>1,405</u>
* 1) Includes scrap sale of Rs. 166 (Rs. 222)		
2) Includes profit of Rs 32 (Rs. 12) against sale of raw material of Rs 756 (Rs. 2,438).		
3) Includes Rs. 345 (Rs. Nil) recovery of insurance claim.		
(23) COST OF MATERIALS CONSUMED		
Rubber	53,358	57,205
Fabrics	8,353	7,790
Carbon black	11,023	9,362
Pigments and chemicals	7,652	6,858
Beadwire	1,032	945
Others {net of scrap sales of Rs. 305 lakh (Rs 362 lakh)}	197	162
	<u>81,615</u>	<u>82,322</u>
(24) PURCHASES OF STOCK-IN-TRADE		
Automotive Tyres	27,905	31,137
Flaps	37	13
Automotive Tubes	662	1,127
	<u>28,604</u>	<u>32,277</u>
(25) CHANGES IN INVENTORY OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROCESS		
Inventory at the end of the year :		
Finished Goods	2,062	2,200
Stock-in-trade	1,463	1,315
Work-in-Process	457	486
Total (a)	<u>3,982</u>	<u>4,001</u>
Inventory at the beginning of the year :		
Finished Goods	2,200	1,570
Stock-in-trade	1,315	766
Work-in-Process	486	329
Total (b)	<u>4,001</u>	<u>2,665</u>
(Increase)/Decrease in inventory of finished goods, Stock-in-trade and Work-in-Process (b - a)	<u>19</u>	<u>(1,336)</u>
(26) EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	6,521	5,981
Contribution to provident and other funds	413	340
Workmen and staff welfare expenses	645	574
Gratuities	306	225
Leave encashment and compensated absence	200	167
	<u>8,085</u>	<u>7,287</u>

		For the year ended Dec 31, 2012 (Rs 'Lakhs)	For the year ended Dec 31, 2011 (Rs 'Lakhs)
(27)	FINANCE COSTS		
	Interest	342	470
	Others	40	51
		<u>382</u>	<u>521</u>
(28)	OTHER EXPENSES		
	Consumption of stores and supplies	195	154
	Power and fuel	3,535	3,255
	Increase / (decrease) in excise duty on finished goods	50	113
	Travelling	639	679
	Repairs and maintenance		
	- Buildings*	28	15
	- Machinery *	563	502
	- Others	4	11
	Rent	713	718
	Insurance	106	87
	Telecommunication	153	159
	Rates and taxes	274	373
	Legal and professional	332	217
	Auditors remuneration :		
	Audit fees for statutory audit	42	38
	Audit fees for Tax accounts	8	8
	Various certificates / reports	90	30
	Out of pocket expenses	9	5
	Carrying and forwarding agent expenses	338	300
	Freight, transport and delivery	2,763	2,912
	Provision for Replacement loss	-	160
	Advertising & sales promotion	918	1,318
	Trade mark fees	1,120	1,110
	Regional Service Charges	4,316	2,726
	Cash Discounts	2,060	2,405
	Conversion charges	885	969
	Loss on sale / deletion of fixed assets (net)	35	103
	Provision for doubtful debts and other current assets	78	46
	Bad debts and advance written off	126	123
	Less: Provision held for doubtful debts & advance	<u>(126)</u>	<u>(123)</u>
	Miscellaneous Expenses	1,477	1,671
		<u>20,731</u>	<u>20,084</u>
* Includes consumption of spares Rs. 231 Lakhs (Rs. 254 lakhs)			
(29)	Earnings per Share calculations:		
	Profit for the year (Rs.'lakhs)	5,632	6,459
	No. of equity shares of Rs. 10/- each	23,066,507	23,066,507
	Basic and diluted earnings per share (Rs.)	24.41	28.00

(30) Disclosures under Accounting Standard 18:

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

Ultimate holding company :

The Goodyear Tire & Rubber Co., Akron, Ohio, USA. (since November 29, 2011)

Holding company:

The Goodyear Tire & Rubber Co., Akron, Ohio, USA. (until November 28, 2011)

Goodyear Orient Company (Private) Ltd., Singapore (since November 29, 2011)

Fellow subsidiaries:

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

Key management personnel:

- i) Mr. Rajeev Anand
- ii) Mr. Yashwant Singh Yadav
- iii) Mr. Mark C Ravunni (Effective July 16, 2012)
- iv) Mr. Jean Philippe Lecerf (upto July 15, 2012)

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

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

{ Holding company until November 28, 2011
Ultimate holding company since November 29, 2011 }

	For the year ended Dec 31, 2012 (Rs 'Lakhs)	For the year ended Dec 31, 2011 (Rs 'Lakhs)
Dividend paid	-	1,195
Purchase of raw materials, finished goods & spare parts	2,300	751
Purchase of Capital items	208	295
Expenditure for Trademark fee	1,120	1,110
Expense reimbursed to holding company	32	2
Reimbursement of Expense by Holding Company	3	9
Recovery for Deputation of Employees	45	31
Expenditure for Regional Service charges	4,316	2,726
Payment for Deputation of Employees	214	200

Goodyear Orient Company (Private) Ltd., Singapore

(Holding Company since November 29, 2011)

Dividend paid	1,195	-
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	For the year ended Dec 31, 2012 (Rs 'Lakhs)	For the year ended Dec 31, 2011 (Rs 'Lakhs)
Fellow subsidiaries:		
Purchase of raw material, finished goods & spare parts etc.		
Goodyear South Asia Tyres Private Limited *	27,523	30,252
Goodyear Dalian Tire Company Limited	190	213
Goodyear (Thailand) Public Company Limited	10	280
PT Goodyear Indonesia TBK	243	1,013
Goodyear Dunlop Tires Operations SA	32	10
Goodyear Marketing & Sales SDN Bhd	35	147
Goodyear Earthmovers Pty Limited.	777	868
Others	11	7
* Net of Recovery for Replacement Loss Rs.615 (Rs. 356)		
Sale of finished goods		
Goodyear & Dunlop Tyres (Australia) Pty Limited.	1,871	2,403
Compania Goodyear Del Peru SA	63	10
Goodyear Middle East, FZE	224	392
Goodyear South Africa (Pty.) Limited	42	125
Goodyear Singapore Tyres	10	41
Goodyear International Corporation	28	65
Others	43	151
Purchase of Capital Items		
Goodyear International Corporation	57	449
Goodyear South Asia Tyres Private Limited	-	338
Others	-	2
Recovery for deputation of employees		
Goodyear Singapore Tyres	200	92
Goodyear Marketing & Sales SDN Bhd	15	20
Goodyear (Thailand) Public Company Limited	102	68
Goodyear Dalian Tire Company Limited	60	38
Goodyear SA R&D (Luxembourg)	43	-
Goodyear & Dunlop Tyres (Australia) Pty Limited.	20	-
Payment for Deputation of Employees		
Goodyear Dunlop Tires France	168	172
Goodyear Marketing & Sales SDN Bhd	51	-
Goodyear Dunlop Tires Operations SA	6	-
Commission received on supplies		
Goodyear Earthmovers Pty Limited.	-	16
Sale of Raw Material, spares parts etc. and other charges		
Goodyear South Asia Tyres Private Limited	717	2,474
Expenses recovered from related parties		
Goodyear Dalian Tire Company Limited	-	7
Goodyear Marketing & Sales SDN Bhd	1	5
Goodyear Singapore Tyres	35	20
Goodyear South Asia Tyres Private Limited *	244	160
Goodyear SA R&D (Luxembourg)	14	-
Others	5	6
* Net of reimbursement Rs.27 (Rs.19)		

	For the year ended Dec 31, 2012 (Rs 'Lakhs)	For the year ended Dec 31, 2011 (Rs 'Lakhs)
Reimbursement of expenses to related parties		
Goodyear (Thailand) Public Company Limited	5	6
Goodyear Singapore Tyres	-	17
P T Goodyear Indonesia TBK	10	8
Goodyear International Corporation	-	15
Others	7	5
Reimbursement of Product Warranty Claim to related parties		
Goodyear Singapore Tyres	16	-
Goodyear Dunlop Tires Germany	9	-
Goodyear & Dunlop Tyres (Australia) Pty Limited.	45	-
Sale of Capital Items		
Goodyear South Asia Tyres Private Limited	5	-
Job work charges received		
Goodyear South Asia Tyres Private Limited	114	-
Key management personnel :		
Remuneration paid to key management personnel		
Mr. Rajeev Anand	319	223
Mr. Yashwant Singh Yadav	163	127
Mr. Mark C Ravunni	137	-
Mr. Jean Philippe Lecerf	352	346
iii) Balances outstanding at the year end		

	As at Dec 31, 2012 (Rs 'Lakhs)	As at Dec 31, 2011 (Rs 'Lakhs)
<u>Ultimate Holding company:</u>		
Trade Payables	1,940	1,432
Other Receivable	16	18
<u>Fellow Subsidiaries:</u>		
Trade Payable		
Goodyear South Asia Tyres Private Limited	2,734	4,707
Goodyear Dunlop Tires Operations SA	39	1
Goodyear Earthmover Pty Limited.	143	282
PT. Goodyear Indonesia Tbk	33	115
Goodyear Dunlop Tires France	391	-
Others	142	305
Trade Receivable		
Goodyear Middle East, FZE	65	82
Goodyear & Dunlop Tyres (Australia) Pty Limited.	358	611
Goodyear South Africa (Pty.) Limited	-	84
Goodyear South Asia Tyres Private Limited	26	1,476
Goodyear Singapore Tyres	-	44
Goodyear International Corporation	29	-
Others	-	96
Other Receivable		
Goodyear Marketing & Sales SDN Bhd	-	2
Goodyear South Asia Tyres Private Limited	86	42
PT. Goodyear Indonesia Tbk	3	1
Goodyear Singapore Tyres	91	34
Goodyear (Thailand) Public Company Limited	29	30
Others	47	5

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

(Rs 'Lakhs)

	Description	Balance as on Jan 1, 2012	Additions during the year	Utilized/ Reversed during the year	Balance as on Dec 31, 2012	Current	Non Current
(i)	Product Replacement Loss (a)	323 (163)	- (160)*	177 [#] -	146 (323)	117 (286)	29 (37)
(i)	Others (b)						
	Custom/Excise/Additional Excise Duty	394 (380)	42 (24)	24 (10)	412 (394)	42 (24)	370 (370)
(ii)	Sales tax/ Entry tax litigation matters	227 (231)	- (8)	12 (12)	215 (227)	- -	215** (227)**
	Total (b)	621 (611)	42 (32)	36 (22)	627 (621)	42 (24)	585 (597)
	Total (a) + (b)	944 (774)	42 (192)	213 (22)	773 (944)	159 (310)	614 (634)

* Net of utilisation / reversals during the year.

Net of additions during the year.

**Disclosed as under in Note 6 (Long Term Provisions) and Note 11 (Long Term Advances) respectively :

Description	Long Term Provisions		Long Term Advances		Total	
	Dec 31, 2012 (Rs' lakhs)	Dec 31, 2011 (Rs' lakhs)	Dec 31, 2012 (Rs' lakhs)	Dec 31, 2011 (Rs' lakhs)	Dec 31, 2012 (Rs' lakhs)	Dec 31, 2011 (Rs' lakhs)
Gross provision	167	215	48	12	215	227
Payments under protest	(106)	(134)	(144)	(85)	(250)	(219)
Net Provision/(Advance tax)	61	81	(96)	(73)	(35)	8

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

(32) Leases

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

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

Particulars	Dec 31, 2012 (Rs 'Lakhs)	Dec 31, 2011 (Rs 'Lakhs)
Not later than one year	287	285
Later than one year but not later than five years	1,190	1,204
Later than 5 years	240	535
	For the year ended Dec 31, 2012 (Rs 'Lakhs)	For the year ended Dec 31, 2011 (Rs 'Lakhs)

(33) CIF value of imports

Raw Materials	20,282	13,518
Components and Spare parts	21	21
Capital Goods	356	784

(34) Expenditure in foreign currency

Import of finished goods	1,286	2,529
Commission on exports	13	8
Travel	41	20
Trademark usage charges	1,120	1,110
Regional Service Charges	4,316	2,726
Payment for Deputation of Employees	439	372
Others	230	165

	For the year ended Dec 31, 2012 (Rs 'Lakhs)	For the year ended Dec 31, 2011 (Rs 'Lakhs)
(35) Amount remitted during the year in foreign currency on account of dividend:		
(i) Number of non-resident shareholders	1	1
(ii) Number of shares held by non- resident shareholder on which dividend was due	17,069,215	17,069,215
(iii) Amount remitted	1,195	1,195
(iv) Year to which dividend related	2011	2010
(36) Earnings in foreign exchange		
FOB value of goods exported	3,877	4,682
Commission received	-	16
Recovery for deputation of employees	485	249
Reimbursement of Expenses by related parties	58	46
(37) Consumption of raw materials, stores, spare parts and components:		

	For the year ended Dec 31, 2012 (Rs 'Lakhs)	%	For the year ended Dec 31, 2011 (Rs 'Lakhs)	%
Raw Material				
Imported	21,865	26.8	14,999	18.2
Indigenous	59,750	73.2	67,323	81.8
Total	<u>81,615</u>		<u>82,322</u>	
Stores & spare parts				
Imported	12	2.8	11	2.6
Indigenous	414	97.2	397	97.4
Total	<u>426</u>		<u>408</u>	

(38) The management is of the opinion that its international transactions with associated enterprises have been undertaken at arms' length basis at duly negotiated prices on usual commercial terms. The Company has submitted the Accountant's Report in form 3CEB upto the financial year ended on March 31, 2012 as required under section 92E of the Income Tax Act, 1961. In respect of the proposed transfer pricing adjustments suggested by the Assessing Officers in the Assessments already completed, the matters are pending before the Appellate Authorities / Dispute Resolution Panel. Based on expert opinion the management is of the view that in all likelihood there will be no material liability.

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

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

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

A. Defined Contribution Plans

- Superannuation Fund
- Employer's Contribution to Employee state insurance (State Plan)
- Employer's contribution to Employee's Pension Scheme 1995. * (State plan)

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

	For the year ended Dec 31, 2012 (Rs 'Lakhs)	For the year ended Dec 31, 2011 (Rs 'Lakhs)
Employer's Contribution to Superannuation Fund *	56	53
Employer's contribution to Employees State Insurance (State plan)	12	15
Employer's cont. to Employees Pension Scheme 1995. * (State Plan)	83	68

* Included in 'contribution to provident and other funds' under employee benefit expenses (Refer note 26)

B. Defined Benefit Plans

- Gratuity
- Provident Fund

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

	Gratuity		HO Provident Fund Trust		Factory Provident Fund Trust	
	For the year ended		For the year ended		For the year ended	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Expected Statutory interest rate on the fund	N.A.	N.A.	8.50%	8.50%	8.50%	8.50%
Discount Rate (per annum)	8.40%	8.50%	8.50%	8.50%	8.50%	8.50%
Rate of increase in compensation level	5.50%	5.25%	N.A.	N.A.	N.A.	N.A.
Expected Shortfall in interest earnings of Fund	N.A.	N.A.	0.05%	0.08%	0.05%	0.05%

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

	Gratuity		HO Provident Fund Trust		Factory Provident Fund Trust	
	For the year ended		For the year ended		For the year ended	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Present value obligation as at beginning of year	1,127	1,020	1,417	1,209	3,644	3,479
Interest cost	94	87	120	103	310	296
Current service cost	81	81	149	123	133	105
Contribution by employees	NA	NA	146	129	278	236
Benefits Paid	(181)	(117)	(205)	(212)	(653)	(474)
Actuarial (gain) / loss on Obligations	131	58	(29)	32	(34)	(8)
Settlements / Transfer in	-	-	55	34	0	11
Present value obligation as at end of year	1,252	1,127	1,654	1,417	3,677	3,644

(Rs 'Lakhs)

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

	HO Provident Fund Trust		Factory Provident Fund Trust	
	As at		As at	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Balance at the beginning of the year	1,315	1,152	3,644	3,469
Expected Return on Plan Asset	113	98	310	295
Employer Contribution	149	123	133	105
Plan Participants / Employee Contribution	146	129	278	236
Benefit Payments	(205)	(212)	(653)	(474)
Asset Gain /(Loss)	23	(9)	(16)	3
Amalgamations	-	-	-	-
Settlements / Transfer In	55	34	-	11
Balance at the end of the year	1,596	1,315	3,696	3,644
Actual Return on Plan Assets	119	102	296	297

Amount of the obligation recognised in the Balance Sheet :

(Rs 'Lakhs)

	Gratuity		HO Provident Fund Trust		Factory Provident Fund Trust	
	As at		As at		As at	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Present value obligation at the end of the period	1,252	1,127	1,654	1,417	3,677	3,644
Fair Value of Plan Assets at end of period	-	-	1,596	1,315	3,696	3,644
Liability recognised in the Balance Sheet						
- Current	186	127	58	102	-	-
- Non Current	1,066	1,000	-	-	-	-

Amounts recognised in current year and previous four years.

(Rs 'Lakhs)

Gratuity	As at Dec 31, 2012	As at Dec 31, 2011	As at Dec 31, 2010	As at Dec 31, 2009	As at Dec 31, 2008
Present value of obligation as at year end	1,252	1,127	1,020	960	945
Fair value of plan assets at the year end	-	-	-	-	-
Surplus / (Deficit)	(1,252)	(1,127)	(1,020)	(960)	(945)
Experience Adjustment on plan liabilities (loss) / gain	(70)	(77)	(30)	(23)	(27)

(Rs 'Lakhs)

Provident Fund *	HO Provident Fund Trust		Factory Provident Fund Trust	
	As at	As at	As at	As at
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Present value of obligation as at year end	1,654	1,417	3,677	3,644
Fair value of plan assets at the year end	1,596	1,315	3,696	3,644
Surplus / (Deficit)	(58)	(102)	19	-

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

Major category of plan assets as percentage of total plan assets

Sl No.	Type of Securities	HO Provident Fund Trust		Factory Provident Fund Trust	
		As at	As at	As at	As at
		Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
a)	Government of India Securities	21%	19%	8%	8%
b)	State Government securities	18%	17%	12%	10%
c)	High Quality Corporate Bonds	29%	28%	26%	24%
d)	Equity Shares of listed companies	7%	6%	0%	0%
e)	Property	0%	0%	0%	0%
f)	Special Deposit Scheme	20%	24%	54%	58%
g)	Funds Managed by Insurer	5%	6%	0%	0%
	Total	0%	100%	100%	100%

Expenses Recognised in Statement of Profit and Loss :

(Rs 'Lakhs)

	Gratuity**		HO Provident Fund		Factory Provident Fund	
	For the year ended		For the year ended		For the year ended	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Current service cost	81	81	149	123	133	105
Interest cost	94	87	120	103	310	296
Expected Return on Plan Assets	NA	NA	(113)	(98)	(310)	(295)
Net Actuarial (gain) / loss recognised during the year	131	58	(35)	27	(20)	10
Total expense recognised in Profit and Loss Account	306	225	122	155	113	116

** Gratuity under employee benefit expenses (note 26)

Best estimate of contribution during next year for Gratuity is Rs. 239 lakhs (Rs.152 lakhs).

- (41) Stock and book debts are subject to a maximum charge of Rs.3,500 lakhs (Rs. 3,500 lakhs) for all credit facilities / guarantees sanctioned by BNP Paribas Bank.
- (42) In the Board Meeting held on Feb. 21, 2011, the Board considered and approved the sale of a part of land located in Ballabgarh, subject to obtaining of necessary approvals for such sale. In the absence of said approvals, pursuant to a circular resolution passed by the Board of Directors on June 21, 2012, the Board considered and terminated the process of sale. During October, 2012 the Company has appropriately dealt with and replied to a notice received for a full refund of deposit along with interest and damages. There has not been any development thereafter.
- (43) The financial statements for the year ended December 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended December 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been regrouped and reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements. Figures in brackets, wherever given are in respect of previous year unless stated otherwise.

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

Avijit Mukerji
Partner
Membership Number : 056155

Place : New Delhi
Date : February 27, 2013

Rajeev Anand
Vice Chairman &
Managing Director

R V Gupta
Director

Rajiv Lochan Jain
Director

Pankaj Gupta
Company Secretary

Yashwant Singh Yadav
Director

C Dasgupta
Director

Mark C Ravunni
Chief Financial Officer

Notes





REGISTERED OFFICE: Goodyear India Limited. Mathura Road, Ballabgarh, (Dist. Faridabad) - 121004, Haryana. Tel No.: 0129 - 6611000, Fax: 0129 - 2305309/10

CORPORATE OFFICE: Goodyear India Limited. 1st Floor, ABW Elegance Tower, Plot No. 8, Commercial Centre Jasola, New Delhi - 110025. Tel.: 011 - 47472727, Fax: 011 - 47472715

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