



GOODYEAR INDIA WAS FELICITATED  
WITH THE "BUSINESS PARTNER OF  
THE YEAR AWARD" ON 21<sup>ST</sup> SEP'17 BY  
MAHINDRA GROUP COMPANY-SWARAJ



GOLDEN PEACOCK AWARD FOR EXCELLENCE  
IN CORPORATE GOVERNANCE IN 2017

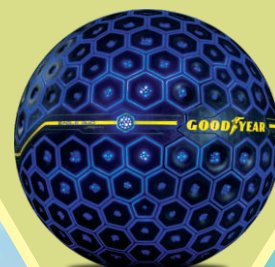


GOODYEAR RECEIVES FICCI  
ROAD SAFETY AWARD 2017 FOR  
SAFER ROADS, SAFER YOU



**GOODYEAR**

GOODYEAR UNVEILED ITS  
LATEST CONCEPT TYRE,  
EAGLE 360 URBAN,  
AT GENEVA INTERNATIONAL  
MOTOR SHOW, 2017.



**ANNUAL  
REPORT  
2017-18**

**GOODYEAR**

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





# 120 YEARS<sup>\*</sup> OF INNOVATION

**First Eagle 360 Urban  
concept tyres** powered by  
Artificial Intelligence unveiled in  
Geneva Motor Show

**2017**

**Innovative use of  
Soybean oil-based  
rubber compound in tyres**

**2017**

**First to win 368 F1  
Grand Prix Races**

**1998**

**First radial tyres**  
approved by FAA for  
commercial aircraft

**1983**

**First moon tyres**  
on a modular equipment  
transporter by Goodyear

**1971**



**\*The Goodyear Tire & Rubber Company, USA,  
completes 120 years of innovation in 2018.**

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



# ANNUAL REPORT 2017-18

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# Message from the Managing Director

This Financial Year was a disruptive year driven by continuing impact of demonetization and implementation of Goods & Services Tax (GST). These initiatives are expected to have long term positive benefits, however in short term these posed significant business challenges. Along with these changes, there was a steep price increase in key raw materials of our industry like natural and synthetic rubber. I am happy to inform you that we have sailed through these challenges very well. We not only implemented GST from the very first day, but have also utilized this opportunity to streamline our logistics and other operational requirements. Company's financial performance is indicative of results of our actions, as we could improve earnings per share inspite of high raw material price increase. It has also been satisfying to witness a substantial growth in Market Capitalization growing from INR 1949 crores for Financial Year ending in March, 2017 to INR 2565 crores for Financial Year ending in March, 2018.

Despite headwinds faced due to demonetization and GST, Farm tyre industry delivered a moderate growth driven by strong growth of Original Equipment Manufacturers (OEMs). Government budgetary support in 2017, increase in Minimum Support Price (MSP) and favorable financing options along with normal monsoons helped the OEMs to continue the growth momentum while supporting the replacement business to recover post GST upheaval. Similarly, it was a challenging year for Consumer replacement business as well. Despite these transitory headwinds, your Company is optimistic about the positive long-term trends that are influencing our industry.

I am pleased to share with you that your Company has continued multi-pronged actions in farm and commercial businesses to deliver a robust bottom line, while intensifying efforts in the passenger vehicle market. Some of these initiatives are:

- Significant efforts are being made to revitalize our product portfolio. Introduction of new products helped gain greater strengths in the market for Farm business. Our focus on high value segments promises to maintain and enhance the value of the Goodyear brand.
- Expanding and strengthening distribution footprint and by increasing presence in exclusive Goodyear stores to enhance customer experience and convenience.
- Brand building has been an area of focus especially in Digital area, with significant efforts to enhance consumer experience and engagement.

Our manufacturing teams also have consistently improved plant operational efficiencies. During the year, National Green Tribunal (NGT) imposed the shutdown of all manufacturing units around Delhi NCR due to pollution related issues. However, we switched over to a lower emission fuel to quickly overcome the disruption. Goodyear's Ballabgarh plant demonstrated operational excellence in handling various disruptions and further improved on efficiencies to give higher production with lower cost of manufacturing operations.

Our performance was recognized by business partners and industry associations. I am pleased to share that in this year, your Company received following awards:

- Goodyear was honoured with the prestigious "Golden Peacock Award for Excellence in Corporate Governance" in 2017 in the rubber sector for the second consecutive year. This award is an evidence of the Company's commitment and zeal in running the organization with the best corporate governance practices.
- We were also felicitated with the "Business Partner of the Year" Award by Mahindra Group Company, Swaraj, a leading tractor manufacturer in India, in Financial Year 2017-18. This was the highest-level award given by Mahindra Swaraj in all categories, where Goodyear was selected from a supplier base of more than 350+ suppliers.



- Safety is a value at Goodyear and Goodyear promotes safe mobility to make communities safer and stronger. Goodyear India is proud to have won the “FICCI Road Safety Award 2017” for the category 'Road Safety in Community' as part of its ongoing CSR (Corporate Social Responsibility) initiative 'Safer Roads, Safer You'.

We continue to be optimistic about a strong performance in Financial Year 2018-19 for both Farm as well as Passenger Car tyre businesses. In line with the positive macro environment, strong focus by the government on rural economy, we expect farm tyre industry to deliver strong growth in Financial Year 2018-19. This will help us sustain our strong OE performance while rejuvenating our replacement business which is slated to get back on growth momentum. In the Consumer business, our strategy is to win in the most profitable segments of the market. We continue to focus on growth in distribution network including Goodyear branded retail stores and innovating to meet the needs of customers which will be among the most important drivers of our growth in the years ahead.

In conclusion, we will continue to focus on growth and profits and build on the values of innovation and sustainability. Our plans are supported by investments in assets and capability in the years to come. We are well placed to grow and deliver great products and build value in the market, with the consumers and our valued shareholders in 2018 and beyond.

I would like to thank you, our shareholders, for your continued support, trust and confidence.

Yours sincerely,

**Rajeev Anand**  
Chairman & Managing Director  
Goodyear India Limited



# Board of Directors

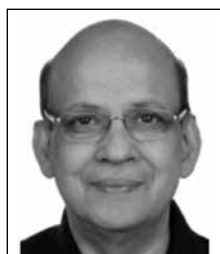


## **RAJEEV ANAND** **Chairman & Managing Director**

Mr. Rajeev Anand is the Chairman & Managing Director of Goodyear India Limited. He has held numerous senior leadership roles in India and ASEAN over the past 36 years at Goodyear; most recently as the Vice Chairman & Managing Director, Goodyear India Limited.

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

Rajeev is instinctively good with people and is able to read their motivations and aspirations well. His humility and curiosity to learn about new areas of business and to understand people and their motivations have contributed to his growth as a leader. Under his leadership, Goodyear India has attained sustained level of performance and overall business growth.



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

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

He was the Chief Executive of the Specialty Chemicals, Rubber Chemicals and Explosives businesses of ICI India Limited (now Akzo Nobel India Limited) before being appointed as the Chief Operating Officer.

He joined the Board in 1997 and served as Chief Executive Officer and Managing Director of ICI India Limited from 2003. He successfully led the portfolio reshaping of ICI India Ltd. from a diversified chemical Company to a focused and fastest growing player in the paints and coatings business. He was also the Chairman of both ICI's Research Company in India and the joint-venture company of ICI with Orica, Australia.

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



## **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 and a member of the UN Committee on Economic, Social and Cultural Rights. He was awarded the Padma Bhushan by the President of India.



## **SUDHA RAVI**

### **Director**

Ms. Sudha Ravi is presently with the Ajay Piramal Group company, Piramal Capital & Housing Finance Ltd., the merged entity of Piramal Finance Ltd. with Piramal Housing Finance Ltd. Since October 2014, Ms Ravi is additionally in-charge of India Venture Advisors P Ltd – a healthcare and life sciences focused private equity fund sponsored by the Piramal Group.

Prior to joining Piramal Group in 2011, Ms. Ravi was with State Bank of India for over 30 years, having joined the Bank as a direct recruit Probationary Officer in 1978. In her extensive service in SBI, she has held various important portfolios and has had the opportunity of working in Metro, Urban and Rural areas across the length and breadth of the country. Working in varied functional areas at the Bank, including International, Corporate, Retail and Rural banking has given Ms. Ravi a wide-ranging perspective on the financial sector and business strategy. Ms. Ravi has held key positions including as General Manager, Enterprise Risk Management facilitating alignment of risk with strategy at the Bank-wide level; Chief Representative, Washington DC, USA. Ms. Ravi has received recognition(s)/plaques presented by the Indian Associations in USA for outstanding contribution in the sphere of banking for the community in DC.

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



## **NICOLE AMANDA NUTTALL**

### **Director**

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

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

Ms. Nuttall was appointed by the Board of Directors as an Additional Director of the Company with effect from the date of allotment of DIN i.e. June 23, 2018.



## **MITESH MITTAL**

### **Finance Director**

Mr. Mitesh Mittal is a Bachelor of Commerce from SSRC, Delhi University, and Licentiate Company Secretary from ICSI, qualified Chartered Accountant from ICAI, Certified Public Accountant and MBA from Rensselaer Polytechnic Institute, USA. In 20 years of his experience at MNC(s) in Asia and US, Mr. Mitesh has gained significant Finance expertise. This includes leading financial departments, financial planning/analysis, controllership, operations finance, audit and consulting.

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## **PANKAJ GUPTA**

Head- Legal and Company Secretary, India & Legal Counsel (OE & OTR) Asia Pacific

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## **STATUTORY AUDITORS**

Deloitte Haskins & Sells LLP

Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018)

## **COST AUDITORS**

M/s Vijender Sharma & Co., Cost Accountants

## **SECRETARIAL AUDITORS**

M/s VKC & Associates, Company Secretaries



# BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 57<sup>th</sup> Annual Report of the Company along with the Company's audited financial statements for the Financial Year (FY) ended March 31, 2018.

## 1. FINANCIAL SUMMARY

A brief summary of the audited financials of the Company for the FY ended March 31, 2018 is given below. The figures of the current FY and previous FY have been prepared in accordance with the Indian Accounting Standards ('Ind AS').

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	170,597	162,710
Other Income	3,665	3,291
<b>Total Income</b>	<b>174,262</b>	<b>166,001</b>
Less: Expenditure:		
Cost of material consumed	69,986	57,361
Depreciation	3,615	3,374
Excise Duty	4,128	11,526
Other expenses	76,605	74,179
<b>Total Expenditure</b>	<b>154,334</b>	<b>146,440</b>
<b>Profit Before Tax</b>	<b>19,928</b>	<b>19,561</b>
Less: Income Tax Expense:		
Current Tax	6,740	7,033
Deferred Tax	192	(209)
<b>Profit before other comprehensive income</b>	<b>12,996</b>	<b>12,737</b>
Other comprehensive income for the year, net of tax	(15)	(109)
<b>Total comprehensive income for the year</b>	<b>12,981</b>	<b>12,628</b>

## 2. FINANCIAL HIGHLIGHTS

During the FY 2017-18, the total income was Rs.174,262 lakhs as compared to Rs.166,001 lakhs in the previous FY 2016-17.

During the FY 2017-18, the revenue from operations was Rs. 170,597 lakhs as compared to Rs.162,710 lakhs in the previous FY 2016-17, registering an increase of 4.85%.

Profit before tax (PBT) during the FY 2017-18 was Rs. 19,928 lakhs as compared to Rs.19,561 lakhs in the previous FY 2016-17 showing an increase of 1.88%.

The total comprehensive income of the Company for the FY 2017-18 stood at Rs. 12,981 lakhs as compared to Rs.12,628 lakhs in the previous FY 2016-17, showing an increase of 2.80%.

During the FY 2017-18, the capital expenditure incurred amounted to Rs. 5,269 lakhs as compared to Rs. 4,174 lakhs in the previous FY 2016-17. The interest and other finance cost during the FY 2017-18 was Rs. 289 lakhs as compared to Rs.336 lakhs in the previous FY 2016-17.

## 3. DIVIDEND

Your Directors have recommended for your approval a final dividend of Rs.13 per equity share for the FY 2017-18 as against final dividend of Rs. 12.50/- per equity shares, in the previous FY 2016-17.

The final dividend, if approved at the ensuing Annual General Meeting ("AGM") of the Company, shall be paid to the eligible members within the stipulated time-period.

The final dividend, if approved at the ensuing AGM, will absorb a sum of Rs. 2,999 lakhs and tax on dividend will be Rs. 616 lakhs.

## 4. TRANSFER TO GENERAL RESERVE

During the FY 2017-18, the Company has not transferred any amount towards General Reserve.

## 5. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

a. The members of the Company are informed that the dividends that remain unpaid / unclaimed for a period of 7 (seven) years from the date of transfer to the Unpaid / Unclaimed dividend account are required to be transferred to the Investor Education & Protection Fund (IEPF) Authority established by the Central Government.

Accordingly, during the FY under review, the Company has transferred Unpaid/ Unclaimed dividend amounting to Rs. 2,981,377 lying with the Company for a period of seven years pertaining to the FY ended on December 31, 2009.

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

Accordingly, during the FY under review, the Company has transferred the following Unclaimed shares to IEPF Authority:

(i) 262,247 equity shares, pertaining to the FY ended on December 31, 2008, in respect of which dividend have not been claimed by the members for seven consecutive years.

(ii) 13,747 equity shares, pertaining to the FY ended on December 31, 2009, in respect of which dividend have not been claimed by the members for seven consecutive years.

## 6. OPERATIONS

Despite facing disruption from demonetisation and GST, the tyre industry was able to deliver a moderate growth in the FY 2017-18. Strong traction with Original Equipment





Manufacturers (OEMs) helped nullify the slow-down in the replacement business. Government budgetary support in 2017, increase in Minimum Support Price (MSP) and favorable financing options helped the OE business to continue on the growth momentum while supporting the replacement business to recover post GST upheaval.

In 2017, the business continued to focus on Innovation Excellence and launched 3 new products in rear farm tyre segment while extending the range in the front farm tyre 3 RIB. The business introduced the rear farm tyres in different applications catering to the needs of our consumers. The Company introduced Goodrock in the industrial application, after intensive testing and Vajra Super for harvesting operations. The Company also introduced Sampurna + for the value segment of the Farm & Haulage application. In front farm tyre segment, we extended our FT 195 3 RIB range by adding sizes to serve the demand of our consumers

The Company manufactures automotive bias tyres viz. farm tyres and commercial truck tyres at its Ballabgarh plant and also trades in “Goodyear” branded tyres including radial passenger tyres (consumer) manufactured by Goodyear South Asia Tyres Private Limited (‘GSATPL’), Aurangabad. The other products which the Company markets and sells include tubes and flaps.

Sales performance during the FY 2017-18 is as follows:

	(Rs. in Lakhs)
Tyres	1,60,888
Flaps	122
Tubes	9,164

FY 2017-18 was quite challenging for our consumer replacement business as the overall industry growth was impacted by regulatory and policy changes. However, the economic forecast is improving, which is expected to drive overall industry growth. Also, the passenger car sales have been strong over the last couple of years which augurs well for our consumer replacement business in the future.

## 7. AWARDS AND RECOGNITIONS

During the FY 2017-18, the Company is proud to announce that it has received the following prestigious awards:

- “Golden Peacock Award” for ‘Excellence in Corporate Governance’ in the rubber sector for the year 2017. This is the second consecutive year that the Company has earned the award. The award is an evidence of the Company’s commitment and zeal in running the organization with the best corporate governance practices.
- “FICCI Road Safety Award 2017” for the category “Road Safety in Community” for the Safer Roads Safer You, a CSR initiative.
- “Business Partner of the Year” from Mahindra Group Company – Swaraj.

## 8. FINANCIAL STATEMENTS (Full & Abridged)

In compliance with the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR), 2015], the Company shall circulate:

- Soft copies of the full Annual Report containing Balance Sheet, Statement of Profit & Loss and the Boards’ Report to all those shareholder(s) who have registered their email address(es) for the purpose.
- A hard copy of the Abridged Annual Report containing the salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 (“the Act”) to the shareholder(s) who have not registered their email address(es); and
- Hard copies of the full Annual Report to the shareholders, who request for the same.

The Board of Directors has decided to circulate the abridged Annual Report containing salient features of the Balance Sheet and Statement of Profit and Loss to the shareholders for the FY 2017-18.

A full version of the Annual Report including the complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto prepared as per the requirements set out in Schedule III to the Companies Act, 2013 and Indian Accounting Standards (Ind AS) is available on the Company’s website at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section) and will also be shared with shareholder(s) upon request.

## 9. DIRECTORS’ RESPONSIBILITY STATEMENT

In terms of Section 134 of the Companies Act, 2013, the directors make the following statements that:

- in the preparation of the annual accounts for the FY 2017-18, the applicable accounting standards have been followed and that there are no material departures;
- appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit and loss of the Company for that period;
- proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts for the FY 2017-18 have been prepared on a going concern basis;
- the directors have laid down adequate internal financial controls which were followed by the Company effectively. The internal control system including internal financial controls of the Company is monitored by an independent Internal Audit Team, which encompasses examination/periodic reviews to ascertain the adequacy of internal



controls and compliance to the Company's policies. Weaknesses noted along with agreed upon action plans are shared with the Audit Committee, which ensures the orderly and efficient conduct of the business and effectiveness of the system of internal control. Internal Auditors, Audit Committee members and the 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;

- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 10. FUTURE OUTLOOK

The tractor industry continued to show strong growth in 2017 on the back of another year of normal monsoon. This was supported by a strong focus of the Government on agriculture as reflected in the current budget together with an increasing trend towards mechanization (Source: Crisil & ICRA). Hence, the mid to long-term outlook remains robust for the tractor industry.

The Financial Year 2018-19 outlook seems positive with the expectation of Rabi crop harvest to be at record levels as per the second advance estimate by Ministry of Agriculture together with a favourable monsoon outlook given by SKYMET & Indian Metrological Department (IMD)(Source: Ministry of Agriculture; SKYMET; IMD). The tractor industry is expected to achieve growth of 8 -10% (Source: CRISIL).

The farm tyre replacement industry which was impacted by liquidity crunch post demonetization has shown signs of recovery and is expected to deliver robust growth in the future (as per ICRA/CRISIL).

The passenger tyre industry is likely to register modest growth in the year 2018-19. Strengthening product portfolio, driving distribution expansion and brand building will be the key priorities in 2018-19.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Company recognizes the importance of having a diverse Board in view of the current volatile business environment. The Company thus aims for an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management.

The following chart represents the change in Directors/KMPs during the FY 2017-18 in chronological order:

Name of the Director/KMP	Date of Appointment	Date of Cessation
Mr. James Constantine Venizelos – Director <sup>1</sup>	-	August 9, 2017
Mr. Oliver Carsten Gloe – Alternate Director <sup>2</sup>	August 10, 2017	September 18, 2017

Mr. Oliver Carsten Gloe – Additional Director	September 19, 2017	-
Mr. Christopher Raymond Delaney – Director	-	September, 18 2017
Mr. Leopoldo Estefano Maggiolo Gonzalez – Whole Time Director	-	October 31, 2017
Mr. Leopoldo Estefano Maggiolo Gonzalez – CFO (KMP)	-	October 31, 2017
Mr. Mitesh Mittal – Additional & Whole Time Director <sup>3</sup>	November 13, 2017	-
Mr. Mitesh Mittal – CFO (KMP) <sup>3</sup>	November 13, 2017	-
Mr. Ravi Vira Gupta <sup>4</sup> – Independent Director	-	March 11, 2018
Mr. Rajiv Lochan Jain <sup>5</sup> – Independent Director	March 12, 2018	-

### Note:

1. Mr. James Constantine Venizelos (DIN: 07184802) had vacated the office of Alternate Director to Mr. Christopher Raymond Delaney (DIN: 07348894) since, Mr. Delaney returned to India on August 9, 2017.
2. Mr. Oliver Carsten Gloe (DIN: 07250426) vacated the office of Alternate Director to Mr. Christopher Raymond Delaney (DIN: 07348894) since Mr. Delaney resigned from the post of director of the Company. On recommendation of the Nomination and Remuneration Committee (NRC), the Board appointed Mr. Oliver Carsten Gloe as an Additional Director w.e.f. September 19, 2017. He has resigned from the directorship of the Company w.e.f. close of business hours of May 25, 2018.
3. On recommendation of NRC and Audit Committee, Mr. Mitesh Mittal (DIN: 05231968) has been appointed as Chief Financial Officer (CFO) and Whole Time Director, subject to approval of the members at the ensuing AGM w.e.f. November 13, 2017, for a period of 5 years.
4. Mr. Ravi Vira Gupta (DIN: 00017410) served as an Independent Director on the Board of the Company from March 12, 2015 to March 11, 2018, for a period of 3 years.
5. On recommendation of NRC, the Board has appointed Mr. Rajiv Lochan Jain (DIN: 00161022) as an Independent Director on the Board of the Company w.e.f. March 12, 2018, for a period of 5 years, subject to the approval of the members at ensuing AGM.

Mr. Rajeev Anand, Vice Chairman and Managing Director of the Company, has been re-designated as Chairman and Managing Director effective September 19, 2017.

Mr. Rajeev Anand, Chairman and Managing Director, is retiring by rotation at the ensuing AGM of the Company and being eligible, offers himself for re-appointment.

Ms. Nicole Amanda Nuttall has been appointed as an Additional Director on the Board, in the Board meeting held on May 25, 2018, effective from the date of allotment of Director Identification Number (DIN).



None of the Directors are disqualified from being appointed as, or holding office of Directors as stipulated in Section 164 of the Companies Act, 2013.

During the FY 2017-18, 5 (five) Board Meetings were held on May 26, 2017, August 09, 2017, September 18, 2017, November 13, 2017 and February 14, 2018 respectively. Details regarding the appointment and re-appointment of directors, attendance of the directors in the Board Meetings held during the FY 2017-18 are disclosed in the Corporate Governance Report forming a part of this Board's Report.

## **12. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

As per Section 149(7) of the Companies Act, 2013, the Company has received a declaration of independence from all the Independent Directors as of March 31, 2018.

In the opinion of the Board, Independent Directors fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (LODR), 2015 and are independent of the management.

## **13. SEPARATE MEETING OF INDEPENDENT DIRECTORS**

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR), 2015, a separate meeting of the Independent Directors of the Company was held on November 13, 2017 to discuss the agenda items as prescribed under the applicable laws. The meeting was attended by all Independent Directors of the Company.

## **14. INSIDER TRADING REGULATION**

The Company has adopted a 'Code of Practices and Procedures for a Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulation, Monitoring and Prevention of Insider Trading, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations, 2015'). The said Code is applicable to all Directors, KMPs, other Designated Persons and other persons as identified in the Code, who may have access to unpublished price sensitive information of the Company.

The Board of Directors at its meeting dated February 14, 2018, has updated and revised the existing Code, and it is available on the Company's website at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section).

## **15. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the FY 2017-18 in terms of Chapter V of the Companies Act, 2013. As of March 31, 2018, an amount of 'NIL' matured deposits remained unclaimed with the Company.

## **16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not granted any loan, guarantees or made investments within the meaning of Section 186 of the Companies Act, 2013 during the FY 2017-18.

## **17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All Related Party transactions entered into by the Company were in the ordinary course of business and on arms' length basis. The particulars of contracts or arrangements with related parties referred in Section 188(1) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in the prescribed Form AOC - 2 is annexed as 'Annexure A' to this Report.

## **18. ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 read with rules made thereunder, extract of Annual Return of the Company in the prescribed Form - MGT 9 is annexed as 'Annexure B' to this Report.

## **19. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

## **20. INTERNAL FINANCIAL CONTROLS**

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

## **21. RISK MANAGEMENT POLICY**

The Company has embedded across all its functions a risk assessment and minimization procedure that is designed to ensure timely identification, reporting and mitigation of risk, if any, impacting the objectives and core values of the Company. Additionally, the Company has initiated ERM (Enterprise Risk Management) to minimize the adverse impact of risk by not only dwelling into risk management but also ensuring applicability of the global policies, understanding the current operating environment and developing the risk mitigation plans in relation to impact of the dynamic business scenario.

The Risk Management framework of the Company comprises of two essential elements: Risk Management Process and Structure to govern and monitor.







These risks and corresponding mitigation plans are monitored periodically, rated and presented to the Board of Directors and Audit Committee, for their review and inputs.

## 22. AUDITORS

### (i) Statutory Auditors and their Report

In accordance with the provisions of the Companies Act, 2013 and Rules made thereunder Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018), having its office at 7<sup>th</sup> Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase – II, Gurugram – 122 002, Haryana, India were appointed as Statutory Auditors to hold office from the conclusion of the 56<sup>th</sup> Annual General Meeting (AGM) held on August 09, 2017, until the conclusion of the 61<sup>st</sup> AGM to be held in the year 2022.

The Auditors Report on the financial statement for the period under review, which forms part of the Annual Report of the Company, are self – explanatory in nature.

There are no qualifications, reservations or adverse remarks and disclaimers made by Deloitte Haskins & Sells LLP, the Statutory Auditors, in their Audit Report for the FY 2017-18. Further, there was no fraudulent activity reported by the auditors of the Company for the FY 2017-18.

The Company maintains its books of accounts in electronic mode and the Company is maintaining a back-up of the same on a server located in India.

### (ii) Cost Auditors and their Report

M/s Vijender Sharma & Co., Cost Accountants, having its office at 11, 3rd Floor, Hargovind Enclave, Vikas Marg, New Delhi – 110092, India were appointed as Cost Auditors for conducting the Cost Audit for the FY 2017-18. The Cost Audit Report for the FY 2016-17 was filed on September 7, 2017.

Pursuant to the Section 148 of the Companies Act, 2013 read with applicable rules made thereunder and on recommendation of Audit Committee of the Company, M/s Vijender Sharma & Co., Cost Accountants, were re-appointed by the Board of Directors as Cost Auditors for conducting the cost audit of

the Company for the FY 2018-19, subject to ratification of remuneration by the Members. The Company had received a letter from them to the effect that their re-appointment would be within the limits prescribed under section 141(3) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 141 of the Companies Act, 2013.

### (iii) Secretarial Auditors and their Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board has appointed M/s. VKC & Associates, Company Secretaries (UCN- P2017UP060600), having its office at D-38, LGF (L/S) South Extension, Part-II, New Delhi-110049, India, as Secretarial Auditor to carry out the Secretarial Audit of the Company for the FY 2017-18. The Secretarial Audit Report is annexed as 'Annexure C' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 23. ANNUAL PERFORMANCE EVALUATION

In compliance with the provisions of the Companies Act, 2013 and SEBI (LODR), 2015, a formal annual performance evaluation of the Board, its Committees and individual directors, including the Independent Directors was carried out during the FY 2017-18.

The Performance evaluation was carried out by the Nomination and Remuneration Committee based on the "Annual Evaluation Framework" prepared by the Committee.

Further, the Independent Directors, at their exclusive meeting held during the year, reviewed the performance of the Board, its Chairman, and non-executive directors as stipulated under the SEBI (LODR), 2015.

The details of annual performance evaluation are mentioned in the Corporate Governance Report forming a part of this Report.

## 24. CORPORATE GOVERNANCE REPORT INCLUDING MANAGEMENT AND DISCUSSION ANALYSIS REPORT

The Company upholds its commitments towards the highest standard of Corporate Governance practices. The Company has put in place efficient and effective systems to ensure proper compliance with regulatory provisions. As per the applicable provisions of the SEBI (LODR), 2015, a detailed Corporate Governance Report together with the Auditors' Certificate on the compliance of conditions of Corporate Governance and a Management Discussion & Analysis Report forms part of the Annual Report and is annexed as 'Annexure D' to this Report.

The Corporate Governance Report forming a part of this Report also covers the following:

### (i) Board Meetings

Particulars of Board Meetings held during the FY 2017-18, including composition and category of Directors are mentioned under the head 'Board of Directors'.

(ii) **Audit Committee**

Particulars of role, composition and meetings of Audit Committee of the Company during the year are mentioned under the head 'Audit Committee'.

(iii) **Other Board Committees**

Particulars of committees of the Board, other than Audit Committee, including Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee are detailed under their respective separate headings.

(iv) **Nomination and Remuneration Policy**

Particulars of policy on Nomination and Remuneration of Director, Key Managerial Personnel and Senior Management are mentioned under the head- 'Nomination and Remuneration Committee (NRC)'. The Nomination and Remuneration Policy is also available on [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section).

(v) **Vigil Mechanism (including Whistle Blower Mechanism/Policy)**

In terms of the SEBI (LODR), 2015, the Company has formulated its **Vigil Mechanism** (including Whistle Blower Mechanism/Policy) to deal with concerns/complaints of directors and associates, if any. The Policy is available on the Company's website at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section).

## 25. HUMAN RESOURCES

### Industrial Relations

Industrial harmony was maintained during the year through cordial and productive employee relations. A formal tripartite settlement was signed before the Deputy Labour Commissioner, Faridabad, Haryana on September 02, 2017. The Collective Bargaining Agreement (CBA) is effective from May 01, 2017 and valid till April 30, 2020. This new settlement will help the Ballabgarh factory to improve productivity and operational efficiencies, which will offset the cost of the CBA. High priority was given by the management to training and development related to ethics and compliance, discipline, safety of the employees and environmental awareness. The total number of salaried and hourly paid associates as on March 31, 2018 stood at 908.

Particulars of Employees (Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

Information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding remuneration and other details is annexed as 'Annexure E' to this Report.

## 26. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is actively involved in contributing to society by working to create positive outcomes for people, communities

and the world around us by way of various CSR projects. The CSR efforts of the Company are driven by the on-going commitment to safety, wellness and environmental protection. The Company constantly strives to be a socially, ethically and environmentally responsible Company. The Company's CSR projects for FY 2017-18 were focused on the areas of health & sanitation, road safety & skill building, and education. The Company undertakes a comprehensive partner selection and due diligence process to ensure that the on boarded implementation partners have the required experience & expertise to be able to implement the projects successfully. Further, the Company periodically monitors progress on defined key performance indicators for each of the projects. The Company has successfully implemented Corporate Social Responsibility ("CSR") initiatives such as 'Safer Roads Safer You' – a driver training programme for fleet operators in collaboration with the Institute of Road Traffic Education (IRTE). In collaboration with the International Association for Human Values (IAHV), the Company has also implemented the 'Healthy India Program' – a health and sanitation program, with a long-term goal of creating Open Defecation Free (ODF) in Maharashtra. In addition to the above, the Company also supported an ongoing project called 'Children of Vulnerable Families' by the India Vision Foundation (IVF) under which it supported the education of female children of prison inmates.

The Company has a structured CSR Policy, formulated under the provisions of the Companies Act, 2013. The Company also has in place a CSR Committee duly constituted in accordance with the requirements of Section 135 of the Companies Act, 2013 read with rules made thereunder, as amended, to formulate and monitor the CSR policy of the Company.

The Company is proud to announce that it has been awarded, the "FICCI Road Safety Award 2017" for the category "Road Safety in Community" for Safer Roads Safer You.

The Annual Report on CSR activities for the Financial Year 2017-18 is annexed as 'Annexure F' to this Report pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

Particulars related to the conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as 'Annexure G' to this Report.

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

The Company has in place a policy on Prevention of Sexual Harassment in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As per the said Policy, an Internal Complaint



Committee (ICC) is in place to redress complaints received regarding sexual harassment. During the FY 2017-18, following is the summary of complaints received and disposed of:

No. of complaints received: NIL

No. of complaints disposed of: NIL

## 29. OTHER INFORMATION

### (i) Sweat Equity Shares, Employee Stock Option

The Company has not issued any Sweat Equity Shares and has not provided any Stock Option Scheme to the employees during the period under review.

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

No significant and material orders have been passed during the FY 2017-18 by the regulators or courts or tribunals affecting the going concern status and Company's operations in future.

### (iii) Material Changes & Commitments

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

The Board of Directors of the Company, at its meeting held on May 25, 2018, has approved a loan for an amount not exceeding Rs. 260 Crores ('Loan') to Goodyear South Asia Tyres Private Limited ('GSATPL'), a fellow subsidiary, for GSATPL's business purposes. The Loan is subject to approval of the members of the Company at the ensuing AGM in terms of Section 185 of Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015. The Loan, if approved by the members of the Company, will reflect in the Financial Statements of the Company for the FY 2018-19.

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

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

### (v) Compliance with Secretarial Standards

The Company complies with the provisions of Secretarial Standard - 1 (Secretarial Standard on meetings of Board of Directors) and Secretarial Standard - 2 (Secretarial Standard on General Meetings).

## 30. ACKNOWLEDGEMENT

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

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

On behalf of the Board of Directors

May 25, 2018  
New Delhi

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

**Rajiv Lochan Jain**  
(Director)  
DIN: 00161022





**FORM NO. AOC -2**

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

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

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

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

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

S. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1	Goodyear South Asia Tyres Private Limited ("GSATPL")  Mr. Rajeev Anand (Chairman & Managing Director of the Company) is Director in GSATPL  Mr. Oliver Carsten Gloe & (Director of the Company) is Director in GSATPL.	The nature of transactions covered under the said Contract are as follows:  • Availing and providing of services inter-se between the Company and GSATPL  • Purchase and sale inter-se between the Company and GSATPL of different kinds of tyres, tubes and flaps, raw materials, spare parts, components, store items, moulds etc.	Ongoing	<ul style="list-style-type: none"> <li>The pricing of purchase, sale and provision of goods or services will be based on the Arms' Length Price for such transactions</li> <li>The pricing methodology is subject to be reviewed by the Audit Committee and/ or Board of Directors of the Company and GSATPL, based on independent study reports as may be available from time to time.</li> </ul> <p>Value of transactions from April 1, 2017 to March 31, 2018- Rs. 37,428 lakhs</p>	Approved by the Board on July 30, 2014	No Advance Payment

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

<sup>6</sup>Mr. Oliver Carsten Gloe has resigned from the directorship of the Company with effect from close of business hours of May 25, 2018.

On behalf of the Board of Directors

May 25, 2018  
New Delhi

Rajeev Anand  
(Chairman &  
Managing Director)  
DIN: 02519876

Rajiv Lochan Jain  
(Director)  
DIN: 00161022



**FORM No. MGT-9**

Extract of Annual Return as on Financial Year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

I	CIN	L25111HR1961PLC008578
II	Registration Date	March 28, 1961*
III	Name of the Company	Goodyear India Limited
IV	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
V	Address of the Registered office & contact details	Goodyear India Limited, Mathura Road, Ballabgarh, (Dist. Faridabad), Haryana-121 004 & Tel No.: +91-129-6611000 Email: <a href="mailto:goodyearindia_investorcell@goodyear.com">goodyearindia_investorcell@goodyear.com</a>
VI	Whether listed Company	Yes
VII	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited, D-153/A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi-110 020 & Tel No.: +91-11-26812682 Email: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a>

\*Registered and Incorporated as a Private Company on the October 10, 1922, and converted into a Public Company with a Fresh Certificate of Incorporation on March 28, 1961.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated: -

Sl. No.	Name & Description of Main Products/Services	NIC Code of the Product /Service (2008)	% age to Total Turnover of the Company
1	Manufacturing of tyres, tubes and flaps	22111	69.76%
2	Trading of tyres tubes and flaps	46909	30.24 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	%age of Shares held	Applicable Section
1	Goodyear Orient Company (Private) Limited	-	Holding	74%	2(46)



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise shareholding

Category of Shareholders	No. of Shares Held at the beginning of the Financial Year (April 1, 2017)				No. of Shares Held at the End of the Financial Year (March 31, 2018)				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
1. Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2. Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	17069215	0	17069215	74	17069215	0	17069215	74	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>17069215</b>	<b>0</b>	<b>17069215</b>	<b>74</b>	<b>17069215</b>	<b>0</b>	<b>17069215</b>	<b>74</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>17069215</b>	<b>0</b>	<b>17069215</b>	<b>74</b>	<b>17069215</b>	<b>0</b>	<b>17069215</b>	<b>74</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
1. Institutions									
a) Mutual Funds	1638435	100	1638535	7.10353	1425409	100	1425509	6.18000	-0.92354
b) Banks/FI	8033	8016	16049	0.06958	7952	7667	15619	0.06771	-0.00187
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	3936	3936	0.01706	0	3936	3936	0.01706	0.00000
g) FIIs	34446	200	34646	0.1502	0	200	200	0.00087	-0.14933
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0		
i) Others (specify)	0	0	0	0	0	0	0		
Foreign Portfolio Investors	0	0	0	0	544950	0	544950	2.36252	2.36252
<b>SUB TOTAL (B)(1):</b>	<b>1680914</b>	<b>12252</b>	<b>1693166</b>	<b>7.34037</b>	<b>1978311</b>	<b>11903</b>	<b>1990214</b>	<b>8.62816</b>	<b>1.28778</b>
2. Non Institutions									
a) Bodies corporates									
i) Indian	644930	9163	654093	2.83568	438572	6337	444909	1.92881	-0.90687
ii) Overseas	410035	0	410035	1.77762	547341	0	547341	2.37288	0.59526
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	2056620	683035	2739655	11.8772	1879269	416524	2295793	9.95293	-1.92427
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	201031	0	201031	0.87153	215004	0	215004	0.93210	0.06057
c) Others (specify)									
i) Trusts	7315	0	7315	0.03171	867	0	867	0.00376	-0.02795
ii) Non-Resident Indians	154235	10130	164365	0.71257	133829	5020	138849	0.60195	-0.11062
iii) Clearing Members	21833	0	21833	0.09465	8783	0	8783	0.03808	-0.05657
iv) Hindu Undivided Families	105799	0	105799	0.45867	79538	0	79538	0.34482	-0.11385
v) IEPF	0	0	0	0	275994	0	275994	1.19651	1.19651
<b>SUB TOTAL (B)(2):</b>	<b>3601798</b>	<b>702328</b>	<b>4304126</b>	<b>18.6596</b>	<b>3579197</b>	<b>427881</b>	<b>4007078</b>	<b>17.37185</b>	<b>-1.28778</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>5282712</b>	<b>714580</b>	<b>5997292</b>	<b>26</b>	<b>5557508</b>	<b>439784</b>	<b>5997292</b>	<b>26</b>	<b>0</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>22351927</b>	<b>714580</b>	<b>23066507</b>	<b>100</b>	<b>22626723</b>	<b>439784</b>	<b>23066507</b>	<b>100</b>	<b>0</b>



(ii) Shareholding of Promoters

S.No.	Shareholders Name	Shareholding at the Beginning of the Financial Year (April 1, 2017)			Shareholding at the End of the Financial Year (March 31, 2018)			% Change in Shareholding During the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged Encumbered to Total Shares	
1	Goodyear Orient Company (Private) Limited	17069215	74.00000	0	17069215	74.00000	0	0.00000
	<b>Total</b>	<b>17069215</b>	<b>74.00000</b>	<b>0</b>	<b>17069215</b>	<b>74.00000</b>	<b>0</b>	<b>0.00000</b>

(iii) Change in the Promoter's Shareholding

S.No.	Shareholder's Name	Shareholding at the Beginning of the Financial Year (April 1, 2017)		Cumulative Shareholding During the Financial Year (March 31, 2018)	
		No. of Shares	% of Total Shares of the Company	No of shares	% of Total Shares of the Company
1	Goodyear Orient Company (Private) Limited				
	At the beginning of the Financial Year	17069215	74.0000	17069215	74.00000
	Date wise increase/decrease in Promoters Shareholding during the Financial year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	No Change			
	At the end of the Financial Year	17069215	74.00000	17069215	74.00000

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S.No.	Name of Shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding Holding during the Period Between 01/04/2017 and 31/03/2018	
		No. of Shares At the Beginning of Year (01/04/2017) and End of the Financial Year (31/03/2018)	% age of the total shares of the Company				No. of Shares	% of the total shares of the Company
1	KIMI BUSINESS INVESTMENTS ADVISORS LLP®	42347	0.18	14-04-17	-1337	Sale	41010	0.18
				28-04-17	-17827	Sale	23183	0.10
		23183						
2	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE FUND®	166991	0.72	07-04-17	20809	Purchase	187800	0.81
				14-04-17	20100	Purchase	207900	0.90
				21-04-17	11400	Purchase	219300	0.95
				28-04-17	21100	Purchase	240400	1.04
				02-08-17	-240400	Sale	0	0.00
		0						
3	PINEBRIDGE INDIA EQUITY FUND®	26000	0.11	19-05-17	2280	Purchase	28280	0.12
				26-05-17	6000	Purchase	34280	0.15
				15-12-17	-34280	Sale	0	0.00
		0						



(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) contd....

Sr. No.	Name of Shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding Holding during the Period Between 01/04/2016 and 31/03/2017	
		No. of Shares At the Beginning of Year (01/04/2016) and End of the Financial Year (31/03/2017)	% age of the total shares of the Company				No. of Shares	% of the total shares of the Company
4	GYMKHANA PARTNERS L.P.*	62460	0.27	09-02-18	1860	Purchase	64320	0.28
		64320						
5	PINEBRIDGE INVESTMENTS GF MAURITIUS LIMITED*	144659	0.63					
		144659						
6	NOMURA SINGAPORE LIMITED®	34446	0.15	07-04-17	-9000	Sale	25446	0.11
				11-08-17	-4000	Sale	21446	0.09
				12-01-18	-37	Sale	21409	0.09
		21409						
7	GOLDMAN SACHS INDIA LIMITED*	140808	0.61	14-07-17	163142	Purchase	303950	1.32
				11-08-17	241000	Purchase	544950	2.36
		544950						
8	DHARAM CHAND BAHETI®	28055	0.12	22-12-17	-2000	Sale	26055	0.11
				02-02-18	-5000	Sale	21055	0.09
		21055						
9	GHANSHYAM KALWANI*	64799	0.28	02-06-17	-3071	Sale	61728	0.27
				13-10-17	-500	Sale	61228	0.27
				24-11-17	-80	Sale	61148	0.27
				15-12-17	-100	Sale	61048	0.26
				05-01-18	-4138	Sale	56910	0.25
		56910						
10	IDBIMF - DIVERSIFIED EQUITY FUND OPERATIVE A/C®	47977	0.21	24-11-17	-47977	Sale	0	0.00
		0						
11	GLOBE CAPITAL MARKET LTD*	135900	0.59	07-04-17	-11213	Sale	124687	0.54
				14-04-17	-6613	Sale	118074	0.51
		118074						
12	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES I®	34397	0.15	14-04-17	-9079	Sale	25318	0.11
				22-12-17	-25318	Sale	0	0.00
13	VINCENT TRADING PRIVATE LIMITED®	30809	0.13	07-04-17	-1135	Sale	29674	0.13
				14-04-17	-1500	Sale	28174	0.12
				21-04-17	1724	Purchase	29898	0.13
				28-04-17	-3174	Sale	26724	0.12
				05-05-17	-1000	Sale	25724	0.11
				02-06-17	-22224	Sale	3500	0.02
				11-08-17	-3500	Sale	0	0.00



(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) contd....

Sr. No.	Name of Shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding Holding during the Period Between 01/04/2016 and 31/03/2017	
		No. of Shares At the Beginning of Year (01/04/2016) and End of the Financial Year (31/03/2017)	% age of the total shares of the Company				No. of Shares	% of the total shares of the Company
14	SBI MAGNUM BALANCED FUND	700000	3.03	07-04-17	-100000	Sale	600000	2.60
		600000						
15	SBI EMERGING BUSINESSES FUND*	626817	2.72	14-07-17	-186817	Sale	440000	1.91
		440000						
16	HDFC SMALL CAP FUND#	0	0.00	22-12-17	127177	Purchase	127177	0.55
				29-12-17	6000	Purchase	133177	0.58
				05-01-18	31093	Purchase	164270	0.71
				12-01-18	74307	Purchase	238577	1.03
				19-01-18	18800	Purchase	257377	1.12
				09-02-18	300	Purchase	257677	1.12
				16-02-18	4800	Purchase	262477	1.14
				23-02-18	22200	Purchase	284677	1.23
				02-03-18	6500	Purchase	291177	1.26
				16-03-18	4600	Purchase	295777	1.28
				23-03-18	2000	Purchase	297777	1.29
				31-03-18	700	Purchase	298477	1.29
		298477						
17	PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE INDIA EQUITY FUND@	0	0.00	14-04-17	142080	Purchase	142080	0.62
				21-04-17	11928	Purchase	154008	0.67
				26-05-17	5268	Purchase	159276	0.69
				06-10-17	8857	Purchase	168133	0.73
				13-10-17	4478	Purchase	172611	0.75
		172611						
18	SWEDBANK ROBUR GLOBAL EMERGING MARKETS#	0	0.00	16-02-18	6886	Purchase	6886	0.03
				23-02-18	45033	Purchase	51919	0.23
				02-03-18	10816	Purchase	62735	0.27
				09-03-18	20357	Purchase	83092	0.36
				16-03-18	19561	Purchase	102653	0.45
				23-03-18	10042	Purchase	112695	0.49
				31-03-18	4478	Purchase	117173	0.51
		117173						

Note: The shareholding is consolidated based on the Permanent Account Number (PAN) of the shareholders.

\* Top 10 shareholders on both April 1, 2017 and March 31, 2018

# Top 10 shareholder on March 31, 2018

@ Top 10 shareholders on April 1, 2017





(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Shareholder's Name	Shareholding at the Beginning of the Financial Year (April 1, 2017)		Cumulative Shareholding During the Financial Year (March 31, 2018)	
		No. of Shares	% of total Shares of the Company	No of shares	% of total Shares of the Company
1	Mr. Mitesh Mittal – Finance Director*				
	At the Beginning of the Year (April 1, 2017)	500	0.00	500	0.00
	Transaction (Purchase/ Sale) from April 1, 2016 up to March 31, 2017	-	-	-	-
	At the end of the year (March 31, 2018)	500	0.00	500	0.00

\* Mitesh Mittal was appointed as Whole Time Director (designated as Finance Director and CFO) of the Company effective November 13, 2017

No other Directors/Key Managerial Personnel (KMP) hold any shares during FY 2017-18

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year (April 1, 2017)	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the Financial Year				
Additions				
Reduction				
Net Change				
Indebtedness at the end of the Financial Year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of the MD/WT/Manager			Total Amount
		Rajeev Anand (Managing Director)	Mitesh Mittal (Whole Time Director, appointed w.e.f. November 13, 2017)	Leopoldo Estefano Maggiolo Gonzalez (Whole time Director, resigned w.e.f. October 31, 2017)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	454.06	58.36	205.76	718.18
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	31.24	6.56	52.51	90.31
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	
2	Stock option	0	0	0	
3	Sweat Equity	0	0	0	
4	Commission as % of profit	0	0	0	
5	Others, (PF, MSPE, Insurance and Provision for Gratuity and Leave Encashment)	51.98	3.01	162.23	217.22
	Total (A)	537.28	67.93	420.50	1025.71
	Ceiling as per the Act (10% of Net Profit)	2100.98 Lakhs			

### B. Remuneration to Other Directors:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of the Director						Total Amount
		Christopher Raymond Delaney(resigned w.e.f. September 18, 2017)	Oliver Carsten Gloe (resigned w.e.f. May 25, 2018)	R V Gupta (retired w.e.f. March 11, 2018)	Chandra-shekhar Dasgupta	Sudha Ravi	Rajiv Lochan Jain (appointed w.e.f. March 12, 2018)	
1	Independent Directors							
	Fee for attending Board/Committee meeting	0	0	7.5	5	7.5	0	20
	Commission	0	0	0	0	0		0
	Others	0	0	0	0	0		0
	Total (1)	0	0	7.5	5	7.5		20
2	Other Non Executive Directors	0	0	0	0	0		0
	Fee for attending Board/Committee meeting.	0	0	0	0	0		0
	Commission	0	0	0	0	0		0
	Others	0	0	0	0	0		0
	Total (2)	0	0	0	0	0		0
	Total (B) = (1+2)	0	0	7.5	5	7.5		20
	Total Managerial Remuneration (A+B)	1045.71						
	Overall Ceiling as per the Act (10% Net Profit of A and 1% Net Profit of B)	2311.08 Lakhs						



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount	
		CEO	Company Secretary	Chief Financial Officer		
		Pankaj Gupta	Leopoldo Estefano Maggiolo Gonzalez (resigned w.e.f. October 31, 2017)	Mitesh Mittal (appointed w.e.f. November 13, 2017)		
1	Gross salary	Not Applicable				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		97.16	205.76	58.36	361.28
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		9.54	52.51	6.56	68.61
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		0	0		0
2	Stock option		0	0		0
3	Sweat Equity		0	0		0
4	Commission as % of profit		0	0		0
5	Others, Employers Pay (PF and TDS)		4.67	162.23	3.01	169.91
	Total (A)		111.37	420.50	67.93	599.80

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT, 2013

None

On behalf of the Board of Directors

May 25, 2018  
New Delhi

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

**Rajiv Lochan Jain**  
(Director)  
DIN: 00161022



## FORM NO. MR-3

### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2017-18**

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of: -

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable**
- (e) The Securities and exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008; - **Not Applicable**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; - **Not Applicable**
- (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998; - **Not Applicable**
- (vi) The Company has identified following laws applicable specifically to the Company:
  - 1. The Industrial (Development and Regulation) Act, 1951;
  - 2. The Rubber Act, 1947;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

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





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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

**For VKC & ASSOCIATES**  
(Company Secretaries)

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

**Date:** May 25, 2018  
**Place:** New Delhi

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**'Annexure - A'**

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For VKC & ASSOCIATES**  
(Company Secretaries)

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

**Date:** May 25, 2018  
**Place:** New Delhi



## REPORT ON CORPORATE GOVERNANCE

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

Good corporate governance requires organizations to conduct their operations in a legal, ethical and transparent manner. Most of what constitutes good corporate governance is voluntary. Therefore, the voluntary adoption of good practices by organizations is the *sine qua non* of corporate governance. To develop sustainable corporate governance the dedication must come from the very top and permeate throughout the organization. The Company believes in the same and has implemented various Corporate Governance initiatives including but not limited to Zero-Tolerance Policy to Bribery & Corruption, Business Conduct Manual, Global Contract Solution and Compliance Manager Tool.

#### Zero-Tolerance Policy to Bribery & Corruption

The Company takes a zero-tolerance approach to bribery and corruption in all its business dealings and relationships. Accordingly, the Company conducts due diligence of its stakeholders, including but not limited to the Company's consultants, counsels, agents, dealers and channel partners. This assists the Company in making informed decisions by augmenting the quality and quantity of information available. As part of the Zero-Tolerance Policy towards inducements of any kind, the Company's associates and stakeholders are encouraged to "Speak Up" and report any unethical activity through Vigil Mechanism.

#### Business Conduct Manual

The Business Conduct Manual has created a working environment based on mutual respect and openness. It includes policies against discrimination, harassment, violence

in the workplace and also includes policies for workplace health and safety, protecting associates' privacy and protection of confidential and proprietary information.

#### Global Contract Solution

Global Contract Solution ("GCS") is the Company's repository for all its contracts. It has helped the Company to improve the quality and efficiency of the contracting lifecycle and additionally, has assisted in ensuring that best practices are implemented for contracting globally.

#### Compliance Manager Tool

With the regulatory landscape of the country continuously evolving, the Company has engaged a compliance tracker tool that will help the Company monitor all applicable statutory compliance on a real-time basis. The tool will support the process owners and reviewers in ensuring compliance and provide necessary updates. Further, all important documents will be uploaded along with the compliance status, which can then be retrieved from the tool at any time.

### 2. BOARD OF DIRECTORS

- (i) As on March 31, 2018, the Board of the Company comprised of 6 (six) directors of which 2 (two) are Executive and 4 (four) are Non-Executive.
- (ii) During the FY 2017-18, the Board met 5 (Five) times on May 26, 2017, August 9, 2017, September 18, 2017, November 13, 2017 and February 14, 2018. The details of attendance, appointment, cessation and category of Directors are provided below:

Name and Designation	Category	Attended during the Financial Year (2017-18)	Attendance at the last AGM (held on August 9, 2017)	*Number of other Boards in which he/she is a Director or Chairperson	**Number of other Board Committee(s) in which he / she is a Member or Chairperson
Rajeev Anand, Chairman and Managing Director	Executive	5 of 5	No	None	None
Chandrashekhar Dasgupta, Director	Independent Non-Executive	3 of 5	No	None	None
Sudha Ravi Director	Independent Non-Executive	5 of 5	Yes	1	2
<b>APPOINTMENT OF DIRECTOR</b>					
Oliver Carsten Gloe, Alternate Director to Christopher Raymond Delaney (w.e.f. August 10, 2017)	Non-Executive	None	No	None	None
Oliver Carsten Gloe, Additional Director (w.e.f. September 19, 2017) <sup>as</sup>	Non-Executive	1 of 2	No	None	None
Mitesh Mittal, Whole time Director and Chief Financial Officer (w.e.f. November 13, 2017)	Executive	2 of 2	NA	None	None
Rajiv Lochan Jain (appointed w.e.f. March 12, 2018)	Independent Non-Executive	No Board Meeting was held post appointment	NA	1	3



CEASED TO BE DIRECTOR					
James Constantine Venizelos Alternate Director to Christopher Raymond Delaney (Resigned w.e.f. August 9, 2017)	Non-Executive	None	No	NA	NA
Christopher Raymond Delaney Chairman and Director (Resigned w.e.f. September 18, 2017)	Non-Executive	1 of 3	Yes	NA	NA
Oliver Carsten Gloe, Alternate Director to Mr Christopher Raymond Delaney (Resigned w.e.f. September 18, 2017)	Non-Executive	None	No	NA	NA
Leopoldo Estefano Maggiolo Gonzalez, Whole time Director (Resigned w.e.f. October 31, 2017)	Executive	3 of 3	Yes	NA	NA
Ravi Vira Gupta, Director (retired w.e.f. March 11, 2018)	Independent Non-Executive	5 of 5	Yes	NA	NA

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

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

⊕ Mr. Oliver Carsten Gloe resigned as an Additional Director on the Board of the Company w.e.f. May 25, 2018 and Ms. Nicole Amanda Nuttall has been appointed as an Additional Director, effective from the date of allotment of DIN

(iii) In terms of Clause VII of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on November 13, 2017 to discuss the agenda item as prescribed under applicable laws. The meeting was attended by all the Independent Directors i.e. Mr. R V Gupta, Mr. Chandrashekhar Dasgupta and Ms. Sudha Ravi.

Terms and Conditions of appointment of Independent Director(s) are available on the Company's website at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section).

(iv) In compliance with Regulation 46(2)(i) of SEBI (LODR) 2015, details of Familiarization Programme as organized by the Company in terms of Regulation 25 (7) of SEBI (LODR), 2015 are available on the Company's website at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section).

### 3. AUDIT COMMITTEE

The duly constituted Audit Committee of the Company has the terms and roles as specified in Regulation 18 read with Part C of Schedule II of SEBI (LODR), 2015 and Section 177 of the Companies Act, 2013. The Audit Committee has been entrusted with the following responsibilities:

- Oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation to the Board of appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval for payment to statutory auditors for any services rendered by the statutory auditors,
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;

- Reviewing matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
- Reviewing changes, if any, in accounting policies and practices and reasons for the same;
- Reviewing major accounting entries involving estimates based on the exercise of judgement by management;
- Reviewing compliances with listing and other legal requirements relating to financial statements;
- Reviewing disclosure of any related party transactions;
- Reviewing qualifications in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in the matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;



- (xvii) Evaluation of internal financial controls and risk management systems;
- (xviii) Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems;
- (xix) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, reporting structure coverage and frequency of internal audit;
- (xx) Discussion with internal auditors of any significant findings and follow-ups thereon;
- (xxi) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xxii) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xxiii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xxiv) Reviewing the functioning of Whistle Blower Mechanism;
- (xxv) Approval of appointment of CFO after assessing the qualifications, experiences and background etc. of the candidate;
- (xxvi) Reviewing of management discussion and analysis of financial condition and results of operations;
- (xxvii) Reviewing statement of significant related party transactions submitted by the management;
- (xxviii) Reviewing Management Letters/ Letters of internal control weaknesses issued by the statutory auditors;
- (xxix) Review of Internal Audit Reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- (xxx) Review of statement of deviations, if any:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7)
- (xxxi) In addition to the above, the Audit Committee will carry out all such other functions as specified by the Board of Directors from time to time.

The Audit Committee of the Company comprised of four Directors namely Mr. R V Gupta, Mr. Chandrashekhar Dasgupta, Ms. Sudha Ravi and Mr. Rajeev Anand with Independent Directors forming the majority. During the FY 2017-18, Mr. R V Gupta completed his tenure as director in the Company effective March 11, 2018 and Mr. Rajiv Lochan Jain was appointed as Independent Director effective March 12, 2018. Consequent to the aforesaid changes in the composition of Directors of the Company, the current Audit Committee comprises of the following Directors:

1. Mr. Rajiv Lochan Jain, Chairman;
2. Mr. Chandrashekhar Dasgupta as Member;
3. Ms. Sudha Ravi as Member; and
4. Mr. Rajeev Anand as Member

The Members of the Audit Committee possess adequate financial/accounting expertise/exposure. During the FY 2017-18, Mr. R V Gupta, an Independent Non-Executive Director was the Chairman of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

During the FY 2017-18, 4 (Four) Audit Committee meetings were held on May 26, 2017, August 9, 2017, November 13, 2017 and February 14, 2018, respectively.

The composition and attendance at the meetings of Audit Committee is provided below:

Attendance at Audit Committee Meetings:

Name of the Member	No. of Meetings Attended
Mr. Rajiv Lochan Jain	No meeting held after his appointment
Mr. Chandrashekhar Dasgupta	3 of 4
Ms. Sudha Ravi	4 of 4
Mr. Rajeev Anand	4 of 4
<b>Ceased to be a member</b>	
Mr. R V Gupta	4 of 4

In addition to the members of the Audit Committee, these meetings were attended by Chief Financial Officer, Internal Auditor, Cost Auditor and Statutory Auditor of the Company, whenever necessary, and those executives of the Company who were considered necessary for providing input to the Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on August 9, 2017.

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

As per Section 178 of the Companies Act, 2013 and rules made thereunder and Regulation 19 of the SEBI (LODR), 2015, the Company has a duly constituted Nomination and Remuneration Committee ("NRC"). The terms of reference of the NRC inter alia, includes the following:



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

The NRC of the Company comprised of three Directors namely Ms. Sudha Ravi, Mr. R V Gupta (Independent Directors) and Mr. Christopher Raymond Delaney (Non- Executive Director). During the FY 2017-18, Mr. Christopher Raymond Delaney resigned from the directorship of the Company effective September 18, 2017 and Mr. Oliver Carsten Gloe was appointed as Additional Director effective September 19, 2017. Mr. R. V. Gupta completed his tenure as Director in the Company effective March 11, 2018 and Mr. Rajiv Lochan Jain was appointed as Independent Director effective March 12, 2018. Consequent to the aforesaid change in the composition of Directors of the Company, the current NRC comprises of the following Directors:

1. Ms. Sudha Ravi as Chairperson;
2. Mr. Rajiv Lochan Jain as Member; and
3. Mr. Oliver Carsten Gloe as Member

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

During the Financial Year 2017-18, 4 (four) NRC meetings were held on May 26, 2017 and September 18, 2017, November 13, 2017 and February 14, 2018 respectively.

The composition and attendance at the meetings of NRC is provided below:

Attendance at NRC Meetings:

Name of the Member	No. of Meetings Attended
Ms. Sudha Ravi	4 of 4
Mr. Oliver Carsten Gloe*	1 of 2
Mr. Rajiv Lochan Jain	No meeting held after his appointment
<b>Ceased to be a member</b>	
Mr. Christopher Raymond Delaney	None
Mr. R V Gupta	4 of 4

\* Mr. Oliver Carsten Gloe has resigned as an Additional Director w.e.f. close of business hours of May 25, 2018 and Ms. Nicole Amanda Nuttall has been appointed as an Additional Director on the Board, in the Board meeting held on May 25, 2018, effective from the date of allotment of DIN.

As per Regulation 19(3) of SEBI (LODR), 2015, the Chairperson of the NRC may be present at the Annual General Meeting (AGM) to answer shareholders' queries. Ms. Sudha Ravi, Chairperson of the NRC has attended the Annual General Meeting of the Company held on August 9, 2017, to answer the queries of the shareholders.

Nomination and Remuneration Policy

In accordance with the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of SEBI (LODR), 2015, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company ("NRC Policy"). The NRC Policy consists of criteria for appointment of board members and succession planning process. Some of the indicators for appointment of Directors, Key Managerial Personnel and Senior Management includes criteria for determining qualifications (educational, expertise etc.), positive attributes (personal qualities & characteristics, reputation etc.) and independence of a Director as well as a policy on Board Diversity.

The NRC Policy also outlines the remuneration policy for the Executive Directors, Key Managerial Personnel and Senior Management of the Company is based on the broad principles of remuneration i.e. a portion of remuneration is paid on a fixed basis and the remaining portion is variable linked with the financial performance of the Company.

The NRC Policy has been amended by the Board at its meeting held on February 14, 2018 in order to align the Policy with the amendments brought in by the Companies (Amendment) Act, 2017. The amended version of the NRC Policy is available on the website of the Company at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section).



### Annual Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR), 2015, the Board in consultation with the NRC, has carried out the formal annual performance evaluation of the Board, its committees and individual directors, including Independent Directors for the FY 2017-18. The evaluation has been carried out through a questionnaire, formulated by NRC, covering various evaluation criteria. Some of the criteria based on which evaluation is carried out in the framework are as follows:

S No	Particulars	Criteria
1	For Board and Committee(s)	Understanding of roles and responsibilities, and performance of duties, composition and structure, appropriateness of meetings, contribution, effective communication with stakeholders, conflict of interest, responsibility towards stakeholders etc.
2	For the Individual Directors (including Independent Directors)	Qualifications, leadership quality, Personal qualities, characteristics, substantial business/ professional experience, experience and stature, ability and willingness to devote time etc.

Feedback was sought from each Director in the said questionnaire based on framework and thereafter, a summary of such performance evaluation, compiled by the Company Secretary, was reviewed and noted by the Board. The Board was satisfied with the evaluation results.

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

In compliance with Section 178 of the Companies Act, 2013 and the rules made thereunder and Regulation 20 of SEBI (LODR), 2015, the Company has duly constituted a Stakeholders' Relationship Committee (SRC). The SRC Constitution Charter elaborates in detail the constitution, manner of meetings and roles and responsibilities of SRC.

The SRC of the Company comprised of four directors namely Mr. Chandrashekhar Dasgupta, Mr. R V Gupta, Ms. Sudha Ravi, (Independent Directors) and Mr. Leopoldo Estefano Maggiolo Gonzalez (Executive Director). During the FY 2017-18, Mr. Leopoldo Estefano Maggiolo Gonzalez resigned from the directorship of the Company effective October 31, 2017 and Mr. Mitesh Mittal was appointed as Whole Time Director and CFO of the Company effective November 13, 2017. Mr. R V Gupta completed his tenure as director of the Company effective March 11, 2018 and Mr. Rajiv Lochan Jain was appointed as Independent Director effective March 12, 2018. Consequent to the aforesaid change in the composition of Directors of the Company, the current SRC comprises of the following Directors:

1. Mr. Chandrashekhar Dasgupta as Chairman;
2. Mr. Rajiv Lochan Jain as Member;
3. Ms. Sudha Ravi as Member; and
4. Mr. Mitesh Mittal as Member

During the Financial Year 2017-18, 1 (One) meeting of the SRC was held on August 9, 2017. The composition and attendance at the meetings of SRC is provided below.

#### Attendance at SRC Meetings:

Name of the Member	No. of Meetings Attended
Mr. Chandrashekhar Dasgupta	0 of 1
Ms. Sudha Ravi	1 of 1
Mr. Mitesh Mittal	No meeting held after his appointment
Mr. Rajiv Lochan Jain	
Ceased to be a member	
Mr. Leopoldo Estefano Maggiolo Gonzalez	1 of 1
Mr. R V Gupta	1 of 1

Mr. Chandrashekhar Dasgupta is the Chairman of SRC Committee. The Company Secretary acts as the Secretary of the SRC Committee. Mr. Pankaj Gupta, Company Secretary, is the Compliance Officer of the Company.

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

#### **Complaint Redressal Status**

During the FY 2017-18, six complaints were received from the shareholders. As on March 31, 2018 all the complaints have been redressed to the satisfaction of the shareholders except one which was disposed of on April 09, 2018.

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

The Company has a duly constituted Corporate Social Responsibility ("CSR") Committee as per the requirement of Section 135 of the Companies Act 2013.

The CSR Committee comprised of three directors namely Mr. Rajeev Anand, Chairman & Managing Director, Mr. Leopoldo Estefano Maggiolo Gonzalez, Director (Executive Directors) and Mr. Chandrashekhar Dasgupta, an Independent Director. During the FY 2017-18, Mr. Leopoldo Estefano Maggiolo Gonzalez resigned from the directorship of the Company effective October 31, 2017 and Mr. Mitesh Mittal was appointed as Whole Time Director and CFO of the Company effective November 13, 2017. Consequent to the aforesaid change in the composition of Directors of the Company, the current CSR Committee comprises of the following Directors:

1. Mr. Rajeev Anand as Chairman,
2. Mr. Chandrashekhar Dasgupta as Member; and
3. Mr. Mitesh Mittal as Member

Mr. Rajeev Anand is the Chairman of the Committee. The Company Secretary of the Company acts as the Secretary of the CSR Committee.

During the Financial Year 2017-18, three meetings of CSR Committee were held on May 26, 2017, September 15, 2017 and February 14, 2018. The composition and attendance at the meetings of the Committee is provided below



Attendance at CSR Committee Meeting(s):

Name of the Member	No. of Meetings Attended
Mr. Rajeev Anand	3 of 3
Mr. Chandrashekhar Dasgupta	3 of 3
Mr. Mitesh Mittal	1 of 1
<b>Ceased to be a member</b>	
Mr. Leopoldo Estefano Maggiolo Gonzalez	2 of 2

The CSR Policy lays down CSR activities undertaken by the Company, the duration of the activities and amount invested in each activity. The CSR activities undertaken by the Company are in line with the CSR Policy of the Company and are

pursuant to Section 135 and Schedule VII of the Companies Act, 2013. The Board of Directors, on recommendation by the CSR Committee, vide Circular Resolution dated March 15, 2018 has amended the 'Annexure I to GIL CSR Policy'. The amended Annexure to CSR Policy as amended vide Circulation Resolution dated March 14, 2018, detailing the summary of CSR activities along with relevant details is accessible at [https://www.goodyear.co.in/wp-content/uploads/Goodyear-India-Limited\\_-Amendment-to-Annexure-I-to-CSR\\_14.03.2018.pdf](https://www.goodyear.co.in/wp-content/uploads/Goodyear-India-Limited_-Amendment-to-Annexure-I-to-CSR_14.03.2018.pdf)

## 7. REMUNERATION TO DIRECTORS

### (i) Executive Directors

The details of remuneration paid to all the Directors are mentioned hereunder:

(Rs. in Lakhs)

S. No.	Particulars	Rajeev Anand Chairman & Managing Director	Leopoldo Estefano Maggiolo Gonzalez (resigned w.e.f. October 31, 2017)	Mitesh Mittal, Whole Time Director (appointed w.e.f November 13, 2017)#
	Service Contract Valid Up to (Terminable by giving 90 days' notice from either side)	February 19, 2019	Resigned w.e.f. October 31, 2017	February 8, 2020
	<b>Period</b>	April 1, 2017 to March 31, 2018	April 1, 2017 to October 31, 2017	November 13, 2017 to March 31, 2018
1.	Salary and Perquisites	238.82	258.27	52.54
2.	Others Payment including Performance Bonus^	298.47	162.22	15.40

# Subject to the approval of the members in the ensuing Annual General Meeting

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

The remuneration paid during the Financial Year 2017-18, is within the limits specified in Schedule V of the Companies Act, 2013 (as amended) and has due approval from the Board of Directors of the Company. A reference, to remuneration paid to the Directors and key managerial personnel under Note No. 27 of the notes to the financial statements of the Company for the year ended March 31, 2018 can also be made for the remuneration details.

### (ii) Non-Executive Directors

The Independent Non-Executive Directors are paid a sitting fee of Rs. 50,000/- per meeting (Board/Committee) (excluding Good and Service Tax) for attending the Board/Committees

meetings as well as the travelling/conveyance expenses and reimbursement of expenses, if any, incurred for participating/attending the Company's meetings.

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

As per Section 149(7) of the Companies Act, 2013, the Company has received declaration of independence from all the Independent Directors as on March 31, 2018.

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



## 8. GENERAL BODY MEETINGS

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

Meeting	Venue	Day and Date	Time
56th AGM	Vibe Hotel, the Lalit, 12/7, Mathura Road, (Just After Toll Plaza) Faridabad, Haryana 121 003, India	Wednesday, August 9, 2017	11:30 A.M.
55th AGM	Vibe by the Lalit, 12/7 Mathura Road, Faridabad – 121003, Delhi NCR, Haryana, India	Wednesday, August 31, 2016	11:30 A.M.
54th AGM	Magpie Tourism Complex, Sector-16A, Faridabad-121002, Haryana	Friday, June 26, 2015	11:30 A.M.

- (b) Special Resolution passed at the last three Annual General Meetings:

Date of AGM	Description of Special Resolution(s)
August 9, 2017	<p>(i) To approve the appointment of Mr. Leopoldo Estefano Maggiolo Gonzalez [DIN: 07318939] as a Whole Time Director of the Company and his overall yearly remuneration limit effective February 9, 2017</p> <p>(ii) To approve the revised remuneration and overall yearly remuneration limit of Mr. Rajeev Anand [DIN: 02519876], Vice Chairman &amp; Managing Director of the Company, effective May 1, 2017</p>
August 31, 2016	<p>(i) To appoint Mr.Yashwant Singh Yadav (DIN: 03288600) as a Whole Time Director of the Company and approve the remuneration effective November 01, 2015</p> <p>(ii) To approve the revised remuneration of Mr. Yashwant Singh Yadav (DIN: 03288600) effective May 01, 2016</p> <p>(iii) To approve the revised remuneration of Mr. Rajeev Anand (DIN: 02519876) effective May 01, 2016.</p>
June 26, 2015	(i) To approve the Off-Take Agreement (“Contract”) with M/s Goodyear South Asia Tyres Private Limited, and the transactions undertaken thereunder on and from October 1, 2014 onwards.

## 9. MEANS OF COMMUNICATION

In compliance with the provisions of the SEBI(LODR), 2015, the unaudited as well as audited financial results are disclosed to the stock exchanges immediately after being approved by the Board at its meeting. The quarterly, half yearly and annual results of the Company are published in one English daily newspaper (The Financial Express) and one Hindi newspaper (Jansatta).

The Company has an operational website and the Company’s shareholding pattern, financial results, Code of Conduct, AGM Notice, Annual Reports, details of unclaimed dividends under the head - Investor Education Protection Fund (“IEPF”), Corporate Governance Reports, Corporate Social Responsibility Policy, Details of familiarization programme for Independent Directors, Vigil Mechanism (including Whistle Blower Mechanism / Policy), Terms and Conditions for appointment of an Independent Director, Policy on Dealing with Related Party Transactions, Investor Contact details and other information as required under applicable provisions of the Companies Act, 2013 read with rules made thereunder and SEBI (LODR), 2015 are displayed on the Company’s website at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section).

The Company has provided an email address “[goodyearindia\\_investorcell@goodyear.com](mailto:goodyearindia_investorcell@goodyear.com)” on its website, whereby the investors can directly contact the Company. No presentations were made by the Company to the analysts or to the institutional investors.

## 10. GENERAL SHAREHOLDERS INFORMATION

(a)	(i)	AGM: Date, Time and Venue	August 8, 2018 at 11:00 A.M. Vibe by the Lalit, 12/7 Mathura Road, Faridabad – 121003, Delhi NCR, Haryana, India
	(ii)	Financial Year	April 01, 2017 to March 31, 2018
	(iii)	Date of Book Closure	August 02, 2018 to August 08, 2018 (both days inclusive)
	(iv)	Dividend Payment Date	On or after August 8, 2018 but within the statutory time limit of 30 days from the date of AGM.
	(v)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejee bhoy Tower Dalal Street, Mumbai-400 001. It is hereby confirmed that listing fees up to FY 2018-19 has been paid.
	(vi)	Stock Code	BSE- 500168 ISIN - INE533A01012

- (b) Market Price Data\*: High, Low on BSE during each month in the last FY 2017-18

	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 (in Rs.)	LOW (in Rs.)	MONTH	HIGH (in Rs.)	LOW (in Rs.)
APRIL	944.65	841.95	OCTOBER	830.00	744.00
MAY	920.00	766.00	NOVEMBER	894.00	784.00
JUNE	902.90	811.00	DECEMBER	1105.00	835.00
JULY	935.00	867.00	JANUARY	1258.45	1021.00
AUGUST	924.90	801.00	FEBRUARY	1207.90	920.10
SEPTEMBER	880.00	800.60	MARCH	1199.90	1086.25

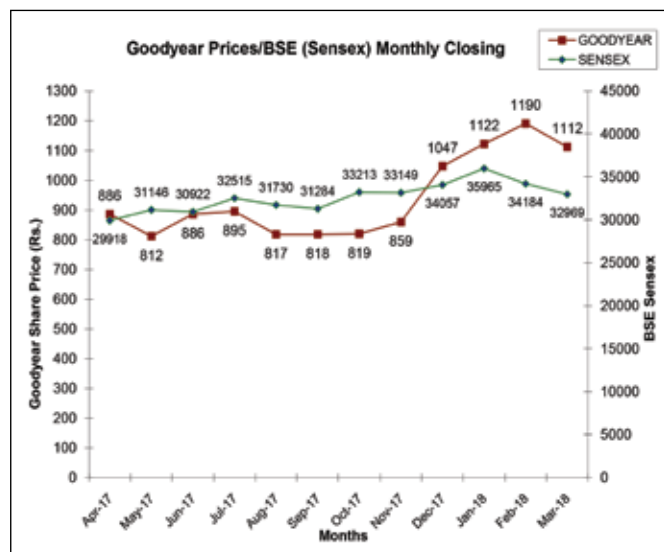
\* Source – BSE





(c) Performance of Goodyear India Limited (“GIL”) share prices in comparison to BSE sensex\*

(Monthly Closing)



\*Source - BSE

(d) Registrar & Share Transfer Agent:

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

Email: [admin@skylinerta.com](mailto:admin@skylinerta.com)

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

(e) Share Transfer System

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

(f) Distribution of Shareholding as on March 31, 2018

No. of Shares held	Folios		Shares held	
	Numbers	Percentage	Numbers	Percentage
up to 500	26,034	96.58	14,80,896	6.42
501 - 1000	544	2.02	4,05,170	1.76
1001 - 5000	319	1.18	6,47,347	2.81
5001 - 10000	24	0.09	1,70,648	0.74
10001 and above	35	0.13	2,03,62,446	88.27
<b>TOTAL</b>	<b>26,956</b>	<b>100.00</b>	<b>2,30,66,507</b>	<b>100.00</b>

• Shareholding Pattern as on March 31, 2018

S. No.	Description of Investors	Number of Shares	Percentage
<b>PROMOTERS</b>			
1.	Promoters Holdings (Indian and Foreign)	17069215	74.00
<b>PUBLIC</b>			
2.	Financial Institutions, Insurance Companies Bank and Mutual Fund etc.	1990014	8.63
3.	Foreign Institutional Investor	200	0.00
4.	Private Corporate Bodies	992250	4.30
5.	NRIs	138849	0.60
6.	Indian Public, Trust, HUF & clearing members	2875979	12.47
<b>TOTAL</b>		<b>23066507</b>	<b>100.00</b>

(g) Dematerialization of shares and liquidity:

As on March 31, 2018, total 23066507 equity shares of face value of Rs. 10 each are listed at BSE. As on March 31, 2018, 98.09% of the Company’s total Share Capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

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

The Company has not issued any GDRs/ADRs / Warrants or any convertible instruments during FY 2017-18.

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

None

(j) Plant location Mathura Road, Ballabgarh, (Dist. Faridabad) – 121 004. Haryana

(k) Corporate Office/ Address of Correspondence 1<sup>st</sup> Floor, ABW Elegance Tower, Plot No. 8, Commercial Centre Jasola, New Delhi – 110025, India.

Investors’ Correspondence: Skyline Financial Services Private Limited, D -153/A, 1st floor, Okhla industrial Area Phase -1, New Delhi -110 020, India Tel No.: +91-11-26812682

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

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

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

In compliance with the provisions of Section 124 of the Companies Act, 2013 read with the rules made thereunder, the Company has uploaded the information regarding unpaid/ unclaimed amounts lying with the companies at MCA’s portal. The information is available on the Company’s website ([www.goodyear.co.in](http://www.goodyear.co.in)) as well as on the IEPF website ([www.iepf.gov.in](http://www.iepf.gov.in)).

The members of the Company are also informed that the dividends that remain unpaid/unclaimed for a period of 7



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

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

Financial Year	Date of Declaration of dividend	Date of Transfer/ Due Date of transfer of dividend to IEPF	Date of Transfer/ Due Date of transfer of shares to IEPF
2009	June 04, 2010	July 29, 2017	November 28, 2017*
2010	June 21, 2011	July 27, 2018	July 27, 2018
2011	May 25, 2012	June 27, 2019	June 27, 2019

\*Corporate action was executed by the Company on November 28, 2017 and the Depository has executed the same by December 02, 2017

As per the requirement of Rule 6 of the IEPF Rules 2016, the Company has sent information to all the Members who had not claimed/encashed dividends in the last seven years intimating, amongst other things, the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those Members do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF Authority.

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

Members who have not encashed their dividend warrant(s) are requested in their own interest to write to the Company/ Registrar and Share Transfer Agent immediately claiming the Dividend(s) declared by the Company pertaining to the FY ended December, 2010 to FY ended March 2017. Kindly note that the once the amount/ shares is transferred to the IEPF, no claims shall lie against the Company.

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

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

S No.	Particulars	Number of Members	Number of shares
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the FY 2017-18 (i.e. April 01, 2017)	2651	67267
2.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the FY 2017-18	11	303
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the FY 2017-18	11	303
4.	Number of shares transferred to Investor Education & Protection Fund (IEPF) Authority established by the Central Government during the FY 2017-18	1658	40975
5.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the FY 2017-18	982	25989

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

## 11. DISCLOSURES

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

In compliance with applicable laws, the Company has formulated a policy on materiality and dealing with related party transactions and details of the revised policy are available on the website of the Company at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section).

The Company, in its normal course of business, undertakes sale/ purchase/service transactions with Goodyear South Asia Tyres Private Limited ("GSATPL"), pursuant to an offtake agreement. The current offtake agreement is in force effective July 1, 2014, in terms of approval of the Audit Committee & Board of Directors dated July 30, 2014 and Minority Shareholders dated June 26, 2015.

During the Financial Year 2017-18, Mr. Rajeev Anand, Chairman and Managing Director and Mr. Oliver Carsten Gloe, Additional Director of the Company were also on the Board of GSATPL.

The above-related party transactions undertaken during the FY did not conflict with the interests of the Company at large.



The disclosure of transactions with the related parties per IND AS 24 is appearing in Note No. 27 of the notes to financial statements with the Company for the FY ended March 31, 2018.

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

None

- (c) **Details of establishment of Vigil Mechanism, Whistle Blower Policy, and affirmation that no personnel have been denied access to the Audit Committee:**

The Business Conduct Manual of GTRC applicable for global operations including the Company, a copy of which is accessible to associates of the Company, inter-alia provides that associates can anonymously report violations by calling on the toll-free number mentioned therein. In compliance with applicable provisions of the Companies Act, 2013, rules made thereunder and applicable provisions of SEBI (LODR), 2015, the Board of Directors of the Company had approved the Vigil Mechanism (including Whistle Blower Mechanism / Policy). It is also available on the website at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section). No personnel have been denied access to the Audit Committee.

- (d) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements as specified in Part E of Schedule II of LODR Regulations 2015:**

The Company has duly complied with all the mandatory requirements under Chapter IV of the SEBI (LODR), 2015. The Company has not adopted the non-mandatory (discretionary) requirements as mentioned in Part E of Schedule II of the SEBI (LODR), 2015 except that the Company has financial statement with unmodified audit opinion and the Internal Auditor reports directly to the Audit Committee.

- (e) **Web link where policy for determining ‘material’ subsidiaries and policy for dealing related party transactions.**

Since the Company has no subsidiary, policy for determining material subsidiary is not applicable and this fact is disclosed on the website of the Company at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations Section).

Policy for dealing Related Party Transactions can be accessed at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations Section).

- (f) **Disclosure of compliance with Corporate Governance Requirements**

The Company has duly complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations 2015.

- (g) **Inter-se relationship between Directors of the Company**  
None

- (h) **Disclosure of Accounting Treatment**

The financial statements of year under review have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Effective April 1, 2016, the Company has for the first time adopted IND AS with a transition date of January 1, 2015.

## 12. OTHER INFORMATION

- (a) **Details of the Directors seeking Appointment/Re-appointment:**

- (i) **Mr. Rajeev Anand (DIN: 02519876)**  
Mr. Rajeev Anand, Chairman and Managing Director of the Company is retiring by rotation in the forthcoming AGM of the Company and is proposed to be re-appointed.
- (ii) **Ms. Nicole Amanda Nuttall**  
Ms. Nicole Amanda Nuttall was appointed as an Additional Director of the Company, in the Board meeting, effective from the date of allotment of DIN and is proposed to be appointed as a Director.
- (iii) **Mr. Mitesh Mittal (DIN: 05231968)**  
Mr. Mitesh Mittal who was appointed as an Additional and Finance Director of the Company w.e.f. November 13, 2017 is proposed to be appointed as a Director.
- (iv) **Mr. Rajiv Lochan Jain (DIN:00161022)**  
Mr. Rajiv Lochan Jain was appointed as an Additional and independent director of the Company w.e.f. March 12, 2018 and is proposed to be appointed as a Director.

The details are as under:

Particulars	Mr. Rajeev Anand	Mr. Rajiv Lochan Jain	Mr. Mitesh Mittal	Ms. Nicole Amanda Nuttall
Date of Birth	23/05/1960	01/01/1951	10/01/1978	14/10/1979
Date of first Appointment	20/02/2009	12/03/2018	13/11/2017	Date of Allotment of DIN*
Qualification	3 years in Mechanical Engineering	B. Tech. (Hons.) degree in Chemical Engineering from IIT, Kharagpur and did MBA from Peter T. Paul College of Business and Economics at the University of New Hampshire, USA	Bachelor of Commerce from SRCC, Delhi University, Company Secretary from ICSI, qualified Chartered Accountant from ICAI, Certified Public Accountant (CPA) and MBA from Rensselaer Polytechnic Institute, USA	Bachelor of Commerce from the University of Queensland. Bachelor of Laws and Graduate Diploma in Legal Practice from Queensland University of Technology. Admitted as a Solicitor of the Supreme Court of Queensland



Particulars	Mr. Rajeev Anand	Mr. Rajiv Lochan Jain	Mr. Mitesh Mittal	Ms. Nicole Amanda Nuttall
Expertise in specific functional area	Mr. Rajeev Anand has been associated with the Company for over 36 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 the Company's Chief Operating Officer.	Mr. Rajiv Lochan Jain was the Chief Executive of the Specialty Chemicals, Rubber Chemicals and Explosives businesses of ICI India Limited (now Akzo Nobel India Limited) prior to being appointed as the Chief Operating Officer. Mr. Jain joined the Board in 1997 and served as the Chief Executive Officer and Managing Director of ICI India Limited from 2003. Mr. Jain successfully led the portfolio reshaping of ICI India Ltd. from a diversified chemical Company to a focused and the fastest growing player in the paints and coatings business. Mr. Jain was also the Chairman of ICI's Research Company in India and the joint-venture company of ICI with Orica, Australia. Mr. Jain advises global and local companies on their entry and growth strategies for India and serves as an Independent Director on the Boards of Gujarat Alkalies and Chemicals Ltd. and Fresenius Kabi Oncology Ltd. Mr. Jain has recently been appointed to the Board of Governors of GSFC University.	Mr. Mitesh Mittal has 20 years of his experience at MNC(s) in Asia and the U.S., Mr. Mittal has gained significant Finance expertise. This includes leading finance departments, financial planning/analysis, controllership, operations finance, audit and consulting	Ms. Nicole Amanda Nuttall is presently working as an Associate General Counsel of Goodyear Tire Management Company (Shanghai) Ltd. She has previously worked as a Director-Compliance and Ethics, Asia Pacific region. She has also been associated with Goodyear and Dunlop Tyres (Australia) Pty Ltd as legal counsel for a period of almost 6 years. Her area of expertise is Legal and Compliance.  She has worked with organizations such as GM Holden Ltd, Home Wilkinson Lowry, The Royal Automobile Club of Queensland Limited, Lyons Solicitor and Ellison Moschella & Co. in the past in their legal department.
Directorships held in Other Listed Companies in India	None	1	None	None
Chairman/ Member of Committee of the Board of other Listed Companies in which they are Director	None	2	None	None
Shareholding in Goodyear India Limited	None	None	(500 equity shares)	None
Inter-se Relationship between Directors	None	None	None	None

\* Appointed as an Additional Director on the Board, in the Board Meeting held on May 25, 2018, to be effective from date of allotment of DIN

**(b) Management Discussion and Analysis Report**

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

**(c) CEO/CFO Certificate**

In terms of the requirement of the Regulation 17(8) of the SEBI (LODR), 2015, the certificate from CEO/CFO had been obtained.

**(d) Code of Conduct**

In terms of the requirement of Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations 2015 ["SEBI (LODR), 2015"] & Section 149(8) read with Schedule IV of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company, in line with the Corporate Philosophy, laid down the Code

of Conduct ("Code") for all Board Members and Senior Management of the Company. As required, a declaration duly signed by the Chairman & Managing Director regarding affirmation of compliance with the Code of Conduct is attached as "Appendix-A".

**(e) Certificate from Statutory Auditor regarding compliance of conditions of corporate governance**

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

On behalf of the Board of Directors

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

May 25, 2018  
New Delhi

**Rajiv Lochan Jain**  
(Director)  
DIN: 00161022



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

I hereby, confirm that the Company has received affirmations in compliance with the Code of conduct for the FY 2017-18 from all the Board Members and Senior Management Personnel pursuant to the requirements of Regulation 26(3) of Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations 2015.

For Goodyear India Limited

Date: May 25, 2018  
Place: New Delhi

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

## **Independent Auditor's Certificate on Corporate Governance**

1. This certificate is issued in accordance with the terms of our engagement letter dated August 9, 2017.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Goodyear India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### **Managements' Responsibility**

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

### **Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the

Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

New Delhi  
May 25, 2018

Vijay Agarwal  
Partner  
Membership No. 094468



# Management Discussion & Analysis Report

## 1. Industry Structure & Developments

The country saw a mixed reaction in the rural sector with another normal monsoon in 2017, favorable financing options and government budgetary support while getting impacted adversely due to demonetization and GST.

Tractor sales showed a robust double-digit growth and closed the year with record sales. This was mainly due to favorable financing options and low penetration levels, driving an increase in mechanization in the farm industry. This had a positive impact on the farm tires Original Equipment Manufacturers (OEM) business. Replacement industry demand on the other hand faced headwinds due to Demonetization and GST in 2017. As a significant player in this category, the Company continued to work with its customers collaboratively to sustain our business growth in OE while sustaining share of market in Replacement business. The Company's farm business focused on delivering sales and marketing excellence together with innovation and operational excellence to win in the market. This helped the Company to sustain its leadership in this category.

Last year was quite challenging for the consumer replacement business. Industry growth was impacted by regulatory and policy changes. However, the outlook for the economy is positive and is expected to drive industry growth.

## 2. Strength, Weakness, Opportunities and Threats

The Company is a leading player in the India farm tyre market. Its major strength is that Goodyear is a strong global brand in a category dominated by local players. The Company has a high share of business with its OE customers helping the Company to leverage in the replacement market. The Company works with its OEM customers on Raw Material Index (RMI) based pricing, driving trust and transparency. Unlike other players, the Company has limited presence in commercial segment restricting its ability to leverage the same for Farm business.

The strong budgetary thrust together with positive monsoon forecast by IMD/SKYMET auger well for the agricultural economy. There are some near term headwinds due to the unseasonal rains and spike in raw material which the Company is working on to mitigate.

The Company will continue to focus on sustaining leadership in the Farm OE business through working collaboratively and sustaining excellence in key account management. In the Farm replacement business, the Company continues to focus on channel expansion, engagement and activations through sales and marketing excellence. Innovation excellence in niche segments will be key to the Company's business growth in both the OE and Replacement businesses. These strategic actions are backed by the Company's Connected Business Model approach with strong focus on the Company's OE customers, having the right products, enhancing brand awareness through engagement and through aligned distribution in the Company's Replacement channel.

In the consumer tyre business, the industry is witnessing a shift in demand towards the luxury and SUV segment which is expected to open up opportunities for the business to grow volumes and improve profitability. The economy is expected to grow at a robust pace, providing a favorable outlook for the future.

The Company's products with best-in class quality are engineered to enhance driving experiences. Innovation, performance and safety are core to the Company and this is reflected in the Company's product quality.

The competitive intensity has been high and continues to intensify with increased investments in the consumer business to garner a higher share of business. The Company faced headwinds due to demonetization and GST last year. However, this was a temporary phase and the economy has since recovered. The Company will continue to work to overcome challenges and capitalize on opportunities to grow the overall business.

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

The Company manufactures automotive bias tyres viz. farm tyres and commercial truck tyres at its Ballabgarh plant and also trades in "Goodyear" branded tyres [including radial passenger tyres] manufactured by Goodyear South Asia Tyres Private Limited (GSATPL), Aurangabad. The other products in which the Company markets and sells include tubes and flaps.

The sales performance during the year is as follows:

(Rs. in Lakhs)

Tyres	1,60,888
Flaps	122
Tubes	9,164

## 4. Outlook

The Company is expecting a strong rebound in the rural economy supported by favourable monsoon and focus from government. Strong agriculture output coupled with higher MSP (Minimum Support Price as per the new market assurance scheme rolled out in Budget 2018) will boost farm incomes and increase rural spending. This should lead to a better performance from the Farm business aided by higher tractor sales by the Farm OEMs and strong demand from the Replacement market. In addition, higher mechanization will further support growth in this category.

The passenger tyre industry is likely to register a modest growth in the year 2018-19. Strengthening the Company's product portfolio, driving distribution expansion and brand building will be the key priorities going forward. The current favorable macroeconomic indicators are also expected to drive overall industry growth.





## 5. Risks and Concerns

Lower water storage levels in key reservoirs may have an impact on Kharif crop sowing. In the consumer replacement business, increased competitive intensity poses a continuous challenge on growing shares.

The rising raw material prices, also pose a challenge. The Company's business is focused on delivering maximum shareholder value by optimizing business margins and this may result in some volume loss, due to the high level of competitiveness in the tyre industry.

This year's budget focuses highly on the Farm sector. The quality of implementation and realisation of benefits will determine the success of the same.

## 6. Internal Control Systems and Adequacy

The Company has a proper and adequate system of internal control including internal financial controls. The Company has an Audit Committee headed by a Non-Executive Independent Director, inter-alia, to oversee the Company's financial reporting process, disclosure of financial information, and reviewing the performance of statutory and internal auditors with management. The internal control system, including internal financial controls of the Company, is monitored by an independent internal audit team, which encompasses examination/periodic reviews to ascertain adequacy of internal controls and compliance to the Company's policies. Weaknesses noted along with agreed upon action plans are shared with the Audit Committee, which is designed to ensure orderly and efficient conduct of the business and effectiveness of the system of internal control. The audit function also looks into preventive controls, investigations, as well as other areas requiring mandatory review as per applicable laws. The powers of the Audit Committee, inter-alia, include seeking information from any employee, obtaining outside legal or other professional advice, and investigating any activity of the Company within the Committee's term of reference. The internal audit department shares regular updates regarding the work that is done, coverage, weaknesses noted and other relevant issues with appropriate management levels including Audit Committee. Observations/ weaknesses noted from time to time are suitably acted upon and followed up at different levels of management. The internal control is supplemented by an extensive program of audits and periodic review by the management.

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

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

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Total Income	1,74,262	166,001
Profit Before Tax	19,928	19,561

The financial performance of the Company has been further explained in the Board's Report of the Company for the Financial Year 2017-18 appearing separately.

## 8. Human Resources

Industrial harmony was maintained during the year through cordial and productive employee relations. A formal tripartite settlement was signed before the Deputy Labour Commissioner, Faridabad, Haryana on September 02, 2017. The Collective Bargaining Agreement (CBA) is effective May 1, 2017 and valid till April 30, 2020. This new settlement will help the Ballabgarh factory to improve productivity and operational efficiencies, which will offset the cost of the CBA. High priority was given by the management to training and development related to ethics and compliance, discipline, safety of the employees and environmental awareness. The total number of salaried and hourly paid associates, as of March 31, 2018 stood at 908.

## 9. Cautionary Statement

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

On behalf of the Board of Directors

May 25, 2018  
New Delhi

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

**Rajiv Lochan Jain**  
(Director)  
DIN: 00161022



Particulars of Employees pursuant to the Section 197 (12) of Companies Act and Rule 5(1), 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A- Statement of Particulars of Employees pursuant to the Section 197 (12) of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

S. No	Executive Director(s)	Ratio to Remuneration
1.	Mr. Rajeev Anand	44.7:1
2.	Mr. Mitesh Mittal	22.4:1
3.	Mr. Leopoldo Estefano Maggiolo Gonzalez	60.1:1

Notes:

(i) Independent Director(s) are not paid any remuneration other than sitting fee of Rs. 50,000/- per meeting (Board/Committee) (service tax extra) and reimbursement of expenses including travelling/conveyance expenses. Non-Executive Director (Mr. Oliver Carsten Gloe) has not been paid any remuneration or sitting fee.

(ii) Ratio to remuneration (of Mr. Rajeev Anand and Mr. Mitesh Mittal) has been calculated on the basis of annual cost to Company and (of Mr. Leopoldo Estefano Maggiolo Gonzalez) has been calculated on the basis of actual payment, including Performance Bonus @100% excluding Insurance Premium, Leave Encashment, non - qualified stock appreciation rights plan / restricted stock unit, Long Term Incentive Plan (LTIP), Company Car.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S. No	Name	Designation	% increase in remuneration in the financial year 2017-18
1	Mr. Rajeev Anand	Chairman & Managing Director	14.87%
2	Mr. Mitesh Mittal <sup>1</sup>	Finance Director	-
3	Mr. Leopoldo Estefano Maggiolo Gonzalez <sup>2</sup> – CFO	Finance Director	-40.50%
4	Mr. Pankaj Gupta	Head – Legal & Company Secretary, India and Legal Counsel (OTR & OE), Asia Pacific	0.15%

1. Mr. Mitesh Mittal appointed as Chief Financial Officer of the Company effective November 13, 2017 and further appointed as Whole Time Director (designated as Finance Director), effective November 13, 2017 (part of the year).

2. Mr. Leopoldo Estefano Maggiolo Gonzalez, resigned from the position of CFO and Finance Director with effect from October 31, 2017.

Note: Independent Directors are not paid any remuneration other than sitting fee of Rs. 50,000/- per meeting (Board/Committee) (service tax paid extra) and reimbursements of expenses including travelling/conveyance expenses. Non-Executive Director (Mr. Oliver Carsten Gloe) has not been paid any remuneration or sitting fee.

(iii) The percentage increase in the median remuneration of employees in the Financial Year:

The percentage increase in the median remuneration of employees is 11.13%.

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

(iv) The number of permanent employees on the rolls of Company: 908

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

The average annual increase made in the salary of employees other than the managerial personnel in the financial year was 5.93% and increase in managerial personnel was -11.56%.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company:

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

B- Statement of Particulars of Employees pursuant to the Section 197 (12) of Companies Act and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(a) Details of the employees employed throughout the Financial Year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees per year;

Name, Designation, Qualification, Experience (in Yrs.), Remuneration (in Rs.), Date of Appointment, Age (in Yrs.), Particulars of last employment

1. Rajeev Anand<sup>1</sup>, Chairman & Managing Director, Diploma Mech. Engg., 36 53728812, 01.01.1982, 58, Nil; 2. Hundal Sarabjit Singh, Manufacturing Director - Ballabgarh, M.S.,

Chemistry (University of Bombay), Advanced Course in Management (IIM, Ahmedabad), AMP (ISB, Hyderabad), 32, 13625218, 15.11.2010, 57, VP-Manufacturing, CEAT Ltd 3. P. K. Walia, Vice President -Consumer PBU, MBA, The University of Chicago - Booth School of Business, 33, 18504443 01.08.1984, 56, Nil; 4. Randeep Singh Kanwar\*, OE & Mkt Development Director - Commercial PBU AP, B.Tech, PGDM (Symbiosis Institute of Management Studies), 20, 14025342, 14.11.2011, 44, Country Head India, Assa Abloy India Ltd; 5.Sandeep Mahajan, Vice President - Farm, Commercial & OTR PBU, BE (Mechanical), PGDM (Indian Institute of Management, Bangalore), 28, 15931529, 20.06.2012, 53, General Manager - Rural, Brand Shop & Channel Management, LG Electronics India Pvt. Ltd.; 6. Soumava Laha\*, Senior Director Supply Chain - Asia Pacific, Bachelor of Engineering (Mechanical), PGDIM (Operations and Finance), Diploma in Business Finance (ICFAI, Hyderabad), 27, 23225516, 10.10.2007, 50, Assistant General Manager-Sourcing and Plant Operations, Valvoline Cummins Ltd.; 7. Vipul Sethi, Associate Director - Sales Replacement (Consumer PBU), B.Sc., PGDBM (Bhopal University), 32, 12980915, 05.06.2013, 54, General Manager, West and South, Castrol India Ltd.; 8. Harbhajan Singh,\*Director Planning Supply Chain - Consumer PBU, MBA from NITIE Mumbai, India, Bachelor of Engineering Mechanical from Haryana India., 14, 16061259,07.08.2008, 39, Manager Supply Chain, Castrol India limited,. 9.Raju Madhukarrao Bawankar, Director - Supply Chain, BE (Mechanical Engineering), Shivaji University, Maharashtra, 25,10370619, 20.08.2015, 47, Head-Supply Chain, Caterpillar India, 10. Pankaj Gupta, Head - Legal & Company Secretary, India and Legal Counsel (OTR & OE), Asia Pacific, B. Com. (Hons.), FCS, LL.B, 21, 11137634, 21.04.2010, 45, Sr. Manager (Legal) and Company Secretary, Aricent Technologies (Holdings) Ltd.

- (b) Details of the employees employed for a part of the Financial Year and was in receipt of the remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakhs and fifty thousand rupees per month;

Name, Designation, Qualification, Experience (in Yrs.), Remuneration (in Rs.), Date of Appointment, Age (in Yrs.), Particulars of last employment

1. Mitesh Mittal,^ Finance Director, B.Com(H), CS, CA, MBA, CPA , 21,10945408@, 05.10.2017, 40 , Director - Finance & IT-OTIS Elevator Company (India) Limited; 2. Deleep Zachariah, HR Director India, BA(Law), LLB, MBA, 15, 9207860, 21.09.2017, 41, Director - Global HR Transformation, United Technologies Corporation India Private Limited; 3. Sin Wee Yeoh, Manufacturing Director India, B.Sc.(Hons) (Staffordshire University), UK, 26, 66974462, 01.07.2017,46, Regional Operation Director, Goodyear Shanghai; 4. K Banerjee\*, PMO Director, AP, B. Tech (Mechanical Engineering), Mysore University, Karnataka, 37,6838678, 04.10.1993, 60, Captive Power Plant Manager, ICI India Ltd; 5. Yashwant Singh Yadav,

Director - Human Resources & Corporate Affairs, LLB, MBA (University of Rajasthan), 37, 8147054, 12.11.2009, 59, Vice President - Human Resources, General Motors India Pvt Ltd; 6. Leopoldo Estefano Maggiolo Gonzalez & Finance Director, Accounting Public Accounting (Diego Portales - University), Master Business Administration (Adolfo Ibanez - University), 22, 42049659, 13.08.2015, 43, Finance Director Andean Cluster (Chile-Colombia-Peru), Goodyear de Chile SAIC; 7. Sanjeev Arora, Associate Director - Financial Planning & Analysis, Chartered Accountant, 17, 978507, 21.11.2008, 41, Business Controller, Nokia India Pvt Ltd.

Notes to Para B (a) and (b):

1. The names of Employees mentioned in Para (a) also indicate the top 10 (ten) employees in terms of remuneration drawn as per the requirement(s) of Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
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;
4. None of the employees named above is a relative of any Director;
5. Designation of the employees indicates the nature of duties.
6. None of the above-mentioned employees hold shares of the Company as on March 31, 2018 except Mr. Mitesh Mittal- Finance Director of the Company holding 500 shares.

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

^ Board Member as on March 31, 2018

& Ceased to be Finance Director with effect from October 31, 2017

@ The remuneration paid includes amount paid in the capacity of being an employee (w.e.f. October 5, 2017) and Finance Director (w.e.f. November 13, 2017)

- (c) If employed throughout the Financial Year or part thereof and was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

NIL

Notes:

- Remuneration generally means and includes salary, bonus, Company's contribution to Provident Fund, Leave Travel, HRA, expenditure incurred on providing Housing, Medical and other facilities.

On behalf of the Board of Directors

May 25, 2018  
New Delhi

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

**Rajiv Lochan Jain**  
(Director)  
DIN: 00161022



## Annual Report on Corporate Social Responsibility ("CSR") Activities

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

The CSR Policy of the Company outlines multiple areas covered under Schedule VII of Companies Act, 2013 read with rules made thereunder, as amended with an objective to increasingly contribute to activities that are beneficial to society and community at large, chart out a mechanism for undertaking CSR Activities, engage with the Company's key stakeholders in matters related to CSR Activities and align / sync the activities undertaken by the Company with the applicable laws. The CSR Policy of the Company can be accessed on the Company's website at [www.goodyear.co.in/wp-content/uploads/CSR\\_Policy\\_2014.pdf](http://www.goodyear.co.in/wp-content/uploads/CSR_Policy_2014.pdf)

During the FY 2017-18, the CSR Committee has approved the following projects, which were undertaken by the Company:

- a. **Goodyear-IRTE driver training programme for fleet operators:** This project was aimed at providing training to 5400 drivers of taxi cabs in Delhi NCR, Mumbai and Bengaluru. As of March 31, 2018, the Company provided training to 5719 drivers by conducting 289 workshops. In order to promote an enabling environment for the project objectives, sensitization and awareness building workshops were also conducted for transport officers of the Transport Departments and Traffic Police in Pune, Vijaywada, Chandigarh, Jaipur and Kolkata. A total of 372 officers attended these workshops.
- b. **Education of female children of prison inmates under "Children of Vulnerable Families" with India Vision Foundation:** The project works for the holistic well-being of children of prison inmates called "Children of Vulnerable Families". The Company, along with IVE, supported the education of 13 girl children of prison inmates studying in Infant Jesus School, Children's Village, Sanjoepuram, Faridabad.
- c. **Development of open defecation free villages in Maharashtra through sanitation and hygiene related interventions:** This project was aimed at initiating a community led, sustainable transformation process in two panchayats- Ghanegaon (Aurangabad district) and Urad (Amravati district) of Maharashtra with a long-term

objective of creating open defecation free villages. The Company supported the construction of 260 toilets under the project.

2. **The Composition of the CSR committee:**

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

S. No.	CSR Committee Member	Designation/ Category	Role in the CSR Committee
1	Rajeev Anand	Chairman & Managing Director	Chairman of the Committee
2	Leopoldo Estefano Maggiolo Gonzalez (ceased w.e.f. October 31, 2017)	WTD and CFO	Member of Committee
3	Chandrashekhar Dasgupta	Independent Non-Executive Director	Member of Committee
4	Mitesh Mittal (appointed w.e.f. November 13, 2017)	Finance Director	Member of Committee

3. **Average Net Profit of the Company for last three Financial Years:** Rs. 18,086.28 lakhs
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Rs. 361.73 lakhs
5. **Details of CSR Spend during the Financial Year:**
  - (a) **Total amount to be spent for the Financial Year (2017-18):** The Company was required to spend Rs. 361.73 lakhs in Financial Year 2017-18 on CSR activities. As per the CSR Policy of the Company an unspent amount of Rs. 67.60 lakhs from the CSR spend requirement of Financial Year 2016-17 was carried forward to the CSR budget of Financial Year 2017-18.
  - (b) **Amount unspent, if any =** NIL
  - (c) **Manner in which the amount was spent during the Financial Year 2017-18 is detailed below:**

(Amount in Rs.)

S. No.	CSR Project	Sector (as per Schedule VII)	Local area or other	State and District	Amount outlay (budget) (Rs)	Amount spent: (1) Direct (2) Overheads	Cumulative expenditure up to the reporting Period	Direct or through implementing agency
1	Driver training programme for fleet operators	"Promoting education, including special education & employment enhancing vocational skills among children, women, elderly and the differently abled and livelihood enhancement projects"	Other	Delhi NCR, Maharashtra, and Karnataka	2,93,79,723	(1) Direct expenses: 2,82,59,000 (2) Overheads: 11,28,195	2,93,87,195	Institute of Road Traffic Education (IRTE)
2	Education of girl children of prison inmates.	"Promoting education, including special education & employment enhancing vocational skills among children, women, elderly and the differently abled and livelihood enhancement projects"	Other	Delhi NCR	8,76,984	(1) Direct expenses: 8,48,714 (2) Overheads: 28,458	8,77,172	India Vision Foundation (IVF)
3	Development of open defecation free villages in Maharashtra through sanitation and hygiene related interventions	"Eradicating hunger, poverty, malnutrition, promoting preventive health-care and sanitation and making available safe drinking water"	Other	Maharashtra - Aurangabad and Amravati districts	1,14,56,007	(1) Direct expenses: 1,10,15,000 (2) Overheads: 4,43,947	1,14,58,947	International Association for Human Values (IAHV)
4	Administrative expenses (@ 5% of CSR budget)				12,20,436	12,20,436	12,20,000	
	Total				4,29,33,150	4,29,33,150	4,29,43,314	

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

Not Applicable. During the year, the Company's spending on CSR has been more than two percent of the average net profit of the last three financial years.

**7. Responsibility Statement of the CSR Committee:**

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

On behalf of the Board of Directors

May 25, 2018  
New Delhi

**Rajeev Anand**  
(Chairman & Managing Director  
and Chairman CSR Committee)  
DIN: 02519876

**Rajiv Lochan Jain**  
(Director)  
DIN: 00161022



## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

**A) CONSERVATION OF ENERGY:**

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

- 1) Optimization of Factory Water pump
- 2) 10 x10 Hot Feet Extruder (HFE) Cooling conveyor interlock with Chiller
- 3) Lob oil consumption reduction in Mixing
- 4) Power transformer elimination (Sub-station 4&Wartsila Auxiliary)
- 5) Optimization of Air Washer Utilization
- 6) Efficiency improvement in compressed air system by modifying air lines
- 7) Optimize Wartsila Auxiliary Units
- 8) Solvent Consumption reduction
- 9) Voltage reduction
- 10) Dedicated compressor for Post cure Inflation (PCI)
- 11) Reduction of Heat loss due to redundant steam pipe line
- 12) Proposal for Energy Efficient Motor in Banbury 3&4

**Steam & Nitrogen:**

- 1) Plant steam consumption reduction kgs team/kg of production
- 2) Boiler efficiency improved to save fuel and usages of Bio Mass in place of coal
- 3) Curing output improvement
- 4) Improving insulation to reduce heat losses in curing

**(ii) Steps taken by the company for utilizing alternate sources of energy:**

Installation of 500 KWp Solar Power panels at the Company's manufacturing plant at Ballabgarh, (Distt. Faridabad), Haryana.

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

(Rs. in Lakhs)

Nature of Investment	Capital investments on energy conservation equipment's
Compressor for PCI	41
Solar Power	315
Boiler Efficiency Improvement	23
Total	370

**B) TECHNOLOGY ABSORPTION:**

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

**a) New Product Introduction**

The Company partners with Goodyear Tire & Rubber Company's Innovation centers in Akron, USA and Luxembourg, EU in research and development activities to introduce new products and improve its existing product line to meet the customers' expectations and requirements.

**b) Process Improvement**

The Company's manufacturing unit undertakes focused engagement of its associates in planned activities on process improvements to reduce process variation and waste

**c) Systems improvement**

The Company periodically receives ISO 9001 for Quality Management System and ISO 14001 for Environmental Management System and was most recently recertified from 2018. Further the Company's systems and procedures are based on Goodyear global Quality management system.

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

- Specific areas in which Research and Development ("R&D") activities were carried out by the Company in partnership with its innovation centers under the:
  - a. New products development for local and export market particularly in OE fitments for tractors exported by tractor manufacturers.
  - b. Emphasis on continual improvement in manufacturing process and product quality aided and guided by Asia Pacific and Global Quality teamsto cater to customer satisfaction. Reduction in organic solvent usage, processes waste and energy usage.
  - c. Embraced Plant Optimization (PO) methodology to improve plant reliability and efficiency. This aided with technology support resulted in continuous stable process, improvement in productivity at optimum manufacturing cost.
  - d. Development/ introduction of new and changed compound formulations and changes in construction have enabled to meet customer expectation and product performance

- e. Equipped with farm tyre testing facility for new product industrialization and new product launches with minimum lead time, as well as for product benchmarking.
- Benefits derived as a result of above R&D/efforts:
  - a. The R&D activities helped the Company to add new products to its portfolio, increase size ranges and meet customer requirement. These activities also enabled the Company to reduce process waste, lower energy consumption, increase productivity and release new products, thereby achieving higher "Customer Acceptance and Satisfaction. The results of such R&D activities are not used by any other Goodyear affiliates for its operations.

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

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

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

Following are the details of expenditure incurred on Research and Development during the FY 2017-18:

(Rs. in Lakhs)

Capital	NIL
Recurring	15
Total	15
Total R&D Expenditure as a Percentage of total turnover	0.009%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakhs)

Year	Earned		Used			
	Export (FOB)	Others	Import (CIF)			
			Capital Goods	Stores & Spares	Raw Material	Others
2017-18 (Year ended March 31, 2018)	2,914	1,260	458	60	7,105	11,905

On behalf of the Board of Directors

Rajeev Anand  
(Chairman &  
Managing Director)  
DIN: 02519876

Rajiv Lochan Jain  
(Director)  
DIN: 00161022

May 25, 2018  
New Delhi





# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF GOODYEAR INDIA LIMITED

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Goodyear India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter Paragraph

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

The report of the predecessor auditor dated May 26, 2017 for the year ended March 31, 2017, have an emphasis of matter paragraph with respect to above matter.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

Place: New Delhi  
Date: May 25, 2018

Vijay Agarwal  
Partner  
(Membership No.094468)



## Report on Internal Financial Controls Over Financial Reporting

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

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

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

We have audited the internal financial controls over financial reporting of Goodyear India Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### Auditor’s Responsibility

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

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

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

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

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

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

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

Place: New Delhi  
Date: May 25, 2018

**Vijay Agarwal**  
Partner  
(Membership No.094468)



## Annexure B to the Independent Auditors' Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of freehold land and building that have been taken on finance lease.
- (ii) As explained to us, all inventories, other than for goods in transit, were physically verified during the year by the Management at reasonable intervals. The discrepancies noticed on physical verification during the year were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the Companies (Auditor's Report) Order, 2016 ("CARO 2016") is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues
  - (a) The Company has been regular in depositing undisputed statutory dues, including Employees' State Insurance, Sales tax, Goods and Service tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it and generally been regular in depositing Service tax, Income tax, Value Added Tax and Provident fund with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Goods and Service Tax, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
  - (c) There are no dues of custom duty which have not been deposited on account of any dispute. The Particulars of dues of Income-tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount disputed (Rs. in lakhs)	Amount disputed (net of payment under protest) (Rs. in lakhs)
Income Tax Act, 1961	Income tax	Supreme Court of India	1970-1975	32	Nil
		The Income tax Appellate Tribunal	2004 to 2006 2012 to 2013	300	200
		High Court	2006-2009	40	Nil
Central and State Tax Acts	Sales Tax/ Value Added Tax	First level of appellate authority	1997-1998 2001-2005 2007-2010 2014-2016	252	237
		High Court	2002-2003	1	1
		Sales Tax Tribunal	2003-2004	22	19
The Central Excise Act, 1944 and Finance Act, 1994	Excise Duty / Service tax	Supreme Court of India	1997-98	205	102
		The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2004-14	1,193	797
		Commissioner Appeal	2005-2015	144	144

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

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount disputed (Rs. in lakhs)
Income Tax Act, 1961	Income tax	High Court	2006 – 2009	519
Central and State Tax Acts	Sales Tax/ Value Added Tax	Sales Tax Tribunal	2008-2010	10
The Central Excise Act, 1944 and Finance Act, 1994	Excise Duty / Service tax	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	1997- 1998	484

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 Order is not applicable to the Company.

(xi) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

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

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

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

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

parties entered during the year and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence, reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.

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

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi) of CARO 2016 Order is not applicable to the Company.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

Place: New Delhi  
Date: May 25, 2018

Vijay Agarwal  
Partner  
(Membership No.094468)



# GOODYEAR INDIA LIMITED

## Balance Sheet as at March 31, 2018

(All amount in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
(1) Non-Current Assets			
(a) Property, plant and equipment	3	24,615	22,667
(b) Capital work in progress		2,619	3,134
(c) Intangible assets	4	6	8
(d) Financial assets			
(i) Other financial assets	5(a)	627	648
(e) Other non-current assets	6(a)	1,165	1,161
(f) Current tax assets (net)	6(b)	1,730	826
<b>Total non-current assets</b>		<b>30,762</b>	<b>28,444</b>
(2) Current Assets			
(a) Inventories	7	16,824	16,903
(b) Financial assets			
(i) Trade receivables	5(b)	20,829	15,723
(ii) Cash and cash equivalents	5(c)	31,872	19,576
(iii) Bank balances other than (ii) above	5(d)	25,792	25,767
(iv) Other financial assets	5(a)	1,421	1,230
(c) Other current assets	8	2,257	1,314
<b>Total current assets</b>		<b>98,995</b>	<b>80,513</b>
<b>Total assets</b>		<b>129,757</b>	<b>108,957</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	9(a)	2,307	2,307
(b) Other equity	9(b)	77,912	68,401
<b>Total equity</b>		<b>80,219</b>	<b>70,708</b>
<b>Liabilities</b>			
(1) Non-Current Liabilities			
(a) Provisions	11	1,999	2,066
(b) Deferred tax liabilities (net)	12	919	735
(c) Other non-current liabilities	13	76	99
<b>Total non-current liabilities</b>		<b>2,994</b>	<b>2,900</b>
(2) Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	10(b)	37,828	26,404
(ii) Other financial liabilities	10(a)	5,630	5,164
(b) Provisions	11	935	922
(c) Other current liabilities	14	2,151	2,859
<b>Total current liabilities</b>		<b>46,544</b>	<b>35,349</b>
<b>Total liabilities</b>		<b>49,538</b>	<b>38,249</b>
<b>Total equity and liabilities</b>		<b>129,757</b>	<b>108,957</b>

See accompanying notes to the financial statements.

In terms of our report attached.

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

Vijay Agarwal  
Partner  
Membership Number: 094468

Place: New Delhi  
Date: May 25, 2018

For and on behalf of the Board

Rajeev Anand  
Chairman & Managing Director  
DIN: 02519876

Sudha Ravi  
Director  
DIN: 06764496

Rajiv Lochan Jain  
Director  
DIN: 00161022

Pankaj Gupta  
Company Secretary

Mitesh Mittal  
Finance Director  
DIN: 05231968

C. Dasgupta  
Director  
DIN: 00381799

Oliver Carsten Gloe  
Director  
DIN: 07250426



# GOODYEAR INDIA LIMITED

## Statement of Profit and Loss for the year ended March 31, 2018

(All amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	15	170,597	162,710
Other Income	16	3,665	3,291
<b>Total Income</b>		<b>174,262</b>	<b>166,001</b>
<b>Expenses</b>			
Cost of materials consumed	17(a)	69,986	57,361
Purchases of stock-in-trade		38,542	39,933
Changes in inventories of work-in-progress, stock-in-trade and finished goods	17(b)	(678)	(2,153)
Excise duty	15	4,128	11,526
Employee benefits expense	18	12,697	12,126
Finance costs	19	289	336
Depreciation and amortisation expense	20	3,615	3,374
Other expenses	21	25,755	23,937
<b>Total expenses</b>		<b>154,334</b>	<b>146,440</b>
<b>Profit before tax</b>		<b>19,928</b>	<b>19,561</b>
<b>Income tax expense</b>	22		
- Current tax		6,740	7,033
- Deferred tax		192	(209)
<b>Total tax expense</b>		<b>6,932</b>	<b>6,824</b>
<b>Profit for the year</b>		<b>12,996</b>	<b>12,737</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans		(23)	(167)
Income tax related to above item		8	58
		(15)	(109)
<b>Other comprehensive income/ (loss) for the year, net of tax</b>		<b>(15)</b>	<b>(109)</b>
<b>Total comprehensive income for the year</b>		<b>12,981</b>	<b>12,628</b>
<b>Earnings per equity share :</b>	32		
Basic earnings per Equity Share (Rs.)		56.34	55.22
Diluted earnings per Equity Share (Rs.)		56.34	55.22
Nominal value per Equity Share (Rs.)		10	10

See accompanying notes to the financial statements.

In terms of our report attached.

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

Vijay Agarwal  
Partner  
Membership Number: 094468

Place: New Delhi  
Date: May 25, 2018

For and on behalf of the Board

Rajeev Anand  
Chairman & Managing Director  
DIN: 02519876

Sudha Ravi  
Director  
DIN: 06764496

Rajiv Lochan Jain  
Director  
DIN: 00161022

Pankaj Gupta  
Company Secretary

Mitesh Mittal  
Finance Director  
DIN: 05231968

C. Dasgupta  
Director  
DIN: 00381799

Oliver Carsten Gloe  
Director  
DIN: 07250426





# GOODYEAR INDIA LIMITED

## Statement of Changes in Equity as on March 31, 2018

(All amount in INR lakhs, unless otherwise stated)

### A. Equity share capital

	Note	Amount
As at 1st April 2016		2,307
Changes in equity share capital		-
As at 31st March 2017	9(a)	2,307
Changes in equity share capital		-
As at 31st March 2018		2,307

### B. Other equity

	Note	Reserves and surplus				Total other equity
		Security premium	General reserve	Retained earnings	Other equity-revaluation	
As at 1 April, 2016	9 (b)	6,314	6,420	46,099	272	59,105
Profit for the year		-	-	12,737	-	12,737
Other comprehensive income/ (loss)		-	-	(109)	-	(109)
<b>Total comprehensive income for the year</b>		-	-	<b>12,628</b>	-	<b>12,628</b>
Dividend paid	25	-	-	(2,768)	-	(2,768)
Dividend distribution tax on dividend paid		-	-	(564)	-	(564)
<b>Balance as at 31 March 2017</b>	<b>9 (b)</b>	<b>6,314</b>	<b>6,420</b>	<b>55,395</b>	<b>272</b>	<b>68,401</b>

	Note	Reserves and surplus				Total other equity
		Security premium	General reserve	Retained earnings	Other equity-revaluation	
As at 1 April, 2017	9 (b)	6,314	6,420	55,395	272	68,401
Profit for the year		-	-	12,996	-	12,996
Other comprehensive income/ (loss)		-	-	(15)	-	(15)
<b>Total comprehensive income for the year</b>		-	-	<b>12,981</b>	-	<b>12,981</b>
Dividend paid	25	-	-	(2,883)	-	(2,883)
Dividend distribution tax on dividend paid		-	-	(587)	-	(587)
<b>Balance as at 31 March 2018</b>	<b>9 (b)</b>	<b>6,314</b>	<b>6,420</b>	<b>64,906</b>	<b>272</b>	<b>77,912</b>

See accompanying notes to the financial statements.

In terms of our report attached.

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

Vijay Agarwal  
Partner  
Membership Number: 094468

Place: New Delhi  
Date: May 25, 2018

For and on behalf of the Board

Rajeev Anand  
Chairman & Managing Director  
DIN: 02519876

Sudha Ravi  
Director  
DIN: 06764496

Rajiv Lochan Jain  
Director  
DIN: 00161022

Pankaj Gupta  
Company Secretary

Mitesh Mittal  
Finance Director  
DIN: 05231968

C. Dasgupta  
Director  
DIN: 00381799

Oliver Carsten Gloe  
Director  
DIN: 07250426



# GOODYEAR INDIA LIMITED

## Cash Flow Statement for the year ended March 31, 2018

(All amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
A) CASH FLOW FROM OPERATING ACTIVITIES :			
Profit before income tax		19,928	19,561
Adjustments for:			
Depreciation and amortisation expense	20	3,615	3,374
Net gain on disposal of property, plant and equipment	16	-	(28)
Property, plant and equipment written off	21	52	-
Finance costs	19	289	336
Interest income classified as investing cash flows	16	(2,934)	(2,767)
Unwinding of discount on security deposits	16	(31)	(28)
Liabilities/provisions no longer required written back	16	(261)	(226)
Provision for doubtful debts and other current assets	21	52	*
Net exchange differences gain/ (loss)		80	(54)
Change in operating assets and liabilities:			
(Increase)/ decrease in Trade receivables		(5,145)	190
(Increase)/ decrease in Inventories		79	(4,151)
Increase/ (decrease) in Trade payables		11,592	6,711
(Increase)/ decrease in Other non-current assets		167	(239)
(Increase)/ decrease in Other current assets		(943)	608
Increase/ (decrease) in Provisions		(77)	288
Increase/ (decrease) in Other current liabilities		(708)	104
Increase/ (decrease) in Other financial liabilities		239	309
Increase/ (decrease) in Other non-current liabilities		(23)	(80)
(Increase)/ decrease in Other financial asset		(74)	23
(Increase)/ decrease in Other bank balances		(25)	(25)
Cash generated from operations		25,872	23,906
Income taxes paid		(7,644)	(7,129)
Net cash inflow from operating activities		18,228	16,777
B) CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(5,073)	(3,892)
Interest received		2,869	2,694
Proceeds from sale of property, plant and equipment		-	48
Net cash outflow from investing activities		(2,204)	(1,150)
C) CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(283)	(355)
Dividends paid		(2,858)	(2,743)
Dividend distribution tax paid		(587)	(564)
Net cash outflow from financing activities		(3,728)	(3,662)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		12,296	11,965
Cash and cash equivalents at beginning of the year		19,576	7,611
Cash and cash equivalents at end of the year		31,872	19,576
Reconciliation of cash and cash equivalents as per the cash flow statement			
Cash and cash equivalents comprise of:			
Cash on hand (note 5 (c))		1	1
Cheques on hand (note 5 (c))		301	477
Bank balances - Current accounts (note 5 (c))		3,770	1,220
- Exchange Earner Foreign Currency (EEFC) account		*	28
- Demand deposits (Original maturity less than 3 months)		27,800	17,851
Effect of exchange rate changes		*	(1)
Total		31,872	19,576

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

See accompanying notes to the financial statements.

In terms of our report attached.

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

Vijay Agarwal  
Partner  
Membership Number: 094468

Place: New Delhi  
Date: May 25, 2018

For and on behalf of the Board

Rajeev Anand  
Chairman & Managing Director  
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Finance Director  
DIN: 05231968

C Dasgupta  
Director  
DIN: 00381799

Oliver Carsten Gloe  
Director  
DIN: 07250426



# GOODYEAR INDIA LIMITED

## Notes to Financial Statements as on March 31, 2018

(All amount in INR lakhs, unless otherwise stated)

### Background

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

### (1) SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### i) Basis of preparation

##### a) Compliance with Ind AS

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

##### b) Historical cost convention

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

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

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

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

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

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

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

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

The Company classifies all other liabilities as non-current.

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

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

#### ii) Segment reporting

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

#### iii) Property, plant and equipment

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

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



#### *Transition to Ind AS:*

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

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

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

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

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

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

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

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

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

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

##### *Computer software*

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

#### *Transition to Ind AS:*

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

#### *Amortisation methods and periods:*

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

#### **v) Inventories**

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

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

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

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

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

Sale of goods: Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met and the significant risks and rewards of ownership in the goods are transferred to the buyer.

## vii) Employee Benefits

### a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations under other financial liabilities in the balance sheet.

Employee State Insurance (State Plan): Contribution are made to the regulatory authorities and are recognised as employee benefits expense in the statement of profit and loss as and when due. The Company does not carry any further obligations, apart from the contributions made on a monthly basis.

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

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

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### c) Post employment obligations

#### Defined Contribution Plans

1. Employee Pension Scheme 1995 : Contribution are made to the regulatory authorities and are recognised as employee benefits expense in the statement of profit and loss as and when due. This benefits is classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

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

#### Defined Benefit Plans

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

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

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



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

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

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

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

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

d) Share-based payments

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

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

e) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured

based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

f) Bonus plans

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

viii Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

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

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

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

## ix) Foreign Currency Translations

### a) Functional and presentation currency

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

### b) Transactions and balances

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

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

## x) Leases

### *As a lessee*

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

## xi) Borrowings

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

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

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

## xii) Borrowing costs

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

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

## xiii) Impairment of Assets - non financial assets

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





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

#### xiv) Provisions and Contingencies

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

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

**Contingent Liabilities:** Contingent liabilities are disclosed when:

-there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company, or

-a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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

#### xv) Cash and Cash Equivalents

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

#### xvi) Earnings Per Share

##### a) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

##### b) Diluted earnings per share

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

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

#### xvii) Trade receivables

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

#### xviii) Other financial assets

##### a) Classification:

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

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

b) *Measurement:*

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

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

c) *Impairment of financial assets:*

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

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

d) *Derecognition:*

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of

ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

e) *Income recognition:*

Interest income: Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

Dividend: Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

xix) **Government Grants**

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

xx) **Embedded derivatives**

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

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



### *Embedded foreign currency derivatives*

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

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

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

### **xxi) Offsetting financial instruments**

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

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

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

### **xxiii) Contributed equity**

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

### **xxiv) Dividends**

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

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

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

## **(2) Critical estimates and judgements**

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

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

### **Critical estimates and judgements**

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligations Note 11
- Provision for litigations and contingent liabilities Note 11 and 28
- Estimation of current tax expense and payable Note 22
- Impairment of trade receivables Note 24

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

# GOODYEAR INDIA LIMITED

## Notes to Financial Statements as on March 31, 2018

(All amount in INR lakhs, unless otherwise stated)

### 3 Property plant and equipment

	Freehold Land	Freehold Buildings	Furniture and fit- tings	Office Equip- ments	Plant and Machin- ery	Vehicles	Total
<b>Year ended Mar 31, 2017</b>							
<i>Gross Carrying amount</i>							
Opening gross carrying amount	173	3,993	470	794	21,322	11	26,763
Additions	-	500	697	173	2,560	-	3,930
Disposals/adjustments	-	-	-	10	100	5	115
<b>Closing gross carrying amount</b>	<b>173</b>	<b>4,493</b>	<b>1,167</b>	<b>957</b>	<b>23,782</b>	<b>6</b>	<b>30,578</b>
<i>Accumulated Depreciation</i>							
Opening accumulated depreciation	-	363	129	338	3,799	4	4,633
Depreciation charge during the year	-	194	233	187	2,757	2	3,373
Disposals/adjustments	-	-	-	10	83	2	95
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>557</b>	<b>362</b>	<b>515</b>	<b>6,473</b>	<b>4</b>	<b>7,911</b>
<b>Net carrying amount</b>	<b>173</b>	<b>3,936</b>	<b>805</b>	<b>442</b>	<b>17,309</b>	<b>2</b>	<b>22,667</b>
<b>Year ended Mar 31, 2018</b>							
<i>Gross Carrying amount</i>							
Opening gross carrying amount	173	4,493	1,167	957	23,782	6	30,578
Additions	-	60	899	127	4,513	14	5,613
Disposals/adjustments	-	-	165	22	30	-	217
<b>Closing gross carrying amount</b>	<b>173</b>	<b>4,553</b>	<b>1,901</b>	<b>1,062</b>	<b>28,265</b>	<b>20</b>	<b>35,974</b>
<i>Accumulated Depreciation</i>							
Opening accumulated depreciation	-	557	362	515	6,473	4	7,911
Depreciation charge during the year	-	234	469	134	2,775	1	3,613
Disposals/adjustments	-	-	126	19	20	-	165
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>791</b>	<b>705</b>	<b>630</b>	<b>9,228</b>	<b>5</b>	<b>11,359</b>
<b>Net carrying amount</b>	<b>173</b>	<b>3,762</b>	<b>1,196</b>	<b>432</b>	<b>19,037</b>	<b>15</b>	<b>24,615</b>

#### Notes:

#### a Contractual obligations:

Refer to note 29 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

#### b The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e January 1, 2015 as its deemed cost on the date of transition to Ind AS i.e January 1, 2015. The Gross Value as per previous GAAP as on March 31, 2018 is as follows:

	Freehold Land	Freehold Buildings	Furniture and fit- tings	Office Equip- ments	Plant and Machin- ery	Vehicles	Total
<b>Year ended Mar 31, 2018</b>							
Closing gross carrying amount ( Previous GAAP)	173	6,485	2,042	1,638	47,016	25	57,379
Closing gross accumulated amount ( Previous GAAP)	-	2,723	846	1,206	27,979	10	32,764
<b>Net carrying amount ( Previous GAAP)</b>	<b>173</b>	<b>3,762</b>	<b>1,196</b>	<b>432</b>	<b>19,037</b>	<b>15</b>	<b>24,615</b>



#### 4 Intangible Assets

	Computer Software	Total
<b>Year ended Mar 31, 2017</b>		
<i>Gross Carrying amount</i>		
Opening gross carrying amount	8	8
Acquired	2	2
<b>Closing gross carrying amount</b>	<b>10</b>	<b>10</b>
<i>Accumulated amortisation</i>		
Opening accumulated amortisation	1	1
Amortisation charge for the year	1	1
<b>Closing accumulated amortisation</b>	<b>2</b>	<b>2</b>
<b>Net carrying amount</b>	<b>8</b>	<b>8</b>
<b>Year ended Mar 31, 2018</b>		
<i>Gross Carrying amount</i>		
Opening gross carrying amount	10	10
Acquired	-	-
<b>Closing gross carrying amount</b>	<b>10</b>	<b>10</b>
<i>Accumulated amortisation</i>		
Opening accumulated amortisation	2	2
Amortisation charge for the year	2	2
<b>Closing accumulated amortisation</b>	<b>4</b>	<b>4</b>
<b>Net carrying amount</b>	<b>6</b>	<b>6</b>

- a The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e January 1, 2015 as its deemed cost on the date of transition to Ind AS i.e January 1, 2015. The Gross Value as per previous GAAP as on March 31, 2018 is as follows:

	Computer Software	Total
<b>Year ended Mar 31, 2018</b>		
Closing gross carrying amount ( Previous GAAP)	648	648
Closing accumulated amortisation ( Previous GAAP)	642	642
<b>Net carrying amount ( Previous GAAP)</b>	<b>6</b>	<b>6</b>

		As a March 31, 2018		As at March 31, 2017	
		Current	Non-current	Current	Non-current
5	<b>Financial assets</b>				
5(a)	<b>Other financial assets</b>				
	Security deposits	107	571	76	577
	Long term deposits with bank with original maturity period more than 12 months *	-	56	-	71
	Other receivables from related parties ( refer note 27)	693	-	598	-
	Accrued interest on fixed deposits	621	-	556	-
		<u>1,421</u>	<u>627</u>	<u>1,230</u>	<u>648</u>

\* Held as lien by bank against bank guarantees.

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

		As at March 31, 2018		As at March 31, 2017	
5(b)	<b>Trade receivables</b>				
	Trade receivables	20,762		15,642	
	Less: allowance for doubtful debts	<u>(91)</u>	20,671	<u>(77)</u>	15,565
	Receivables from related party (refer note 27)		158		158
			<u>20,829</u>		<u>15,723</u>
	Current portion		20,829		15,723
	Non-current portion		-		-

		As at March 31, 2018		As at March 31, 2017	
	<b>Break up of security details:</b>				
	Secured, considered good		3,334		3,096
	Unsecured, considered good		17,495		12,627
	Doubtful		<u>91</u>		<u>77</u>
			<u>20,920</u>		<u>15,800</u>
	Allowance for doubtful debts		<u>(91)</u>		<u>(77)</u>
			<u>20,829</u>		<u>15,723</u>

		As at March 31, 2018		As at March 31, 2017	
5(c)	<b>Cash and cash equivalents</b>				
	Balances with banks:				
	-in current account		3,770		1,220
	-in Exchange Earner Foreign Currency (EEFC) account		*		27
	Deposits with original maturity of less than three months		27,800		17,851
	Cash on hand		1		1
	Cheques on hand		<u>301</u>		<u>477</u>
			<u>31,872</u>		<u>19,576</u>

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

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

		As at March 31, 2018		As at March 31, 2017	
5(d)	<b>Bank balances other than cash and cash equivalents</b>				
	Fixed deposits with original maturity more than 3 months but less than 12 months		25,500		25,500
	Bank balances for unpaid dividend		<u>292</u>		<u>267</u>
			<u>25,792</u>		<u>25,767</u>



	As at March 31, 2018	As at March 31, 2017
<b>6(a) Other non-current assets</b>		
Capital advances	257	86
Advances other than capital advances:		
Balances with government authorities	-	157
Payments under protest:		
(i) Excise/service tax matters	518	518
(ii) Customs duty matters	298	263
(iii) Sales tax matters [net of provisions Mar 31, 2018 - Rs. 37, Mar 31, 2017 - Rs. 39]	18	30
(iv) Other matters	74	74
Prepayments	-	33
	<u>1,165</u>	<u>1,161</u>

	As at March 31, 2018	As at March 31, 2017
<b>6(b) Current tax assets (net)</b>		
Advance income tax/payments under protest [net of provisions Mar 31, 2018 - Rs.43,134, Mar 31, 2017 - Rs.36,394]	1,730	826
	<u>1,730</u>	<u>826</u>

	As at March 31, 2018	As at March 31, 2017
<b>7 Inventories</b>		
Raw materials [includes in transit Mar 31, 2018 - Rs. 1024, Mar 31, 2017 - Rs. 411]	4,028	4,069
Work-in-progress	577	594
Finished goods [includes in transit Mar 31, 2018 - Rs. 967, Mar 31, 2017 - Rs. 1138]	6,774	6,999
Stock-in-trade [includes in transit Mar 31, 2018 -Rs. 409, Mar 31, 2017 -Rs. 727]	3,486	3,500
Stores and spare parts [includes in transit Mar 31, 2018 - Rs. 5, Mar 31, 2017 - Rs. 0.5]	1,959	1,741
	<u>16,824</u>	<u>16,903</u>

Write-downs of inventories to net realisable value amounted to Mar 31, 2018 - Rs. 92, Mar 31, 2017 - Rs. 5. These were recognised as an expense during the year and included in 'changes in inventories of work-in-progress, stock-in-trade and finished goods' in the statement of profit and loss.

	As at March 31, 2018	As at March 31, 2017
<b>8 Other current assets</b>		
Advances to vendors	162	342
Advances to employees	40	35
Prepayments	299	266
Balance with government authorities:		
- Considered good	1,756	671
- Considered doubtful	10	10
- Less: Provision for doubtful other current assets	(10)	(10)
	<u>2,257</u>	<u>1,314</u>

	Number of shares (in lakhs)	Amount
<b>Equity share capital and other equity</b>		
<b>9(a) Equity share capital</b>		
<i>Authorised equity share capital</i>		
As at 1st April 2016	300	3,000
Increase during the year	-	-
<b>As at 31st March 2017</b>	<u>300</u>	<u>3,000</u>
Increase during the year	-	-
<b>As at 31st March 2018</b>	<u>300</u>	<u>3,000</u>

	Number of shares (in lakhs)	Equity share capital (par value)
<b>(i) Movement in equity share capital (issued, subscribed and paid up)</b>		
As at 1st April 2017	231	2,307
Increase during the year	-	-
<b>As at 31st March 2017</b>	<u>231</u>	<u>2,307</u>
Increase during the year	-	-
<b>As at 31st March 2018</b>	<u>231</u>	<u>2,307</u>

**(ii) Terms and rights attached to equity shares**

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

	As at March 31, 2018	As at March 31, 2017
<b>(iii) Shares of the Company held by holding company</b>		
Equity Shares:		
Goodyear Orient Company (Private) Limited, Singapore	171	171





	As at March 31, 2018		As at March 31, 2017	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
(iv) <i>Details of shareholders holding more than 5% shares in the Company</i>				
Goodyear Orient Company (Private) Limited, Singapore	171	74.0	171	74.0
SBI Mutual Fund under its various schemes	10	4.5	13	5.8

	As at March 31, 2018	As at March 31, 2017
9(b) <b>Other equity</b>		
Securities Premium	6,314	6,314
General Reserve	6,420	6,420
Other equity- revaluation	272	272
Retained earnings	64,906	55,395
	<u>77,912</u>	<u>68,401</u>

	As at March 31, 2018	As at March 31, 2017
(i) <b>Securities premium</b>		
Opening balance	6,314	6,314
Movement during the year	-	-
Closing balance	<u>6,314</u>	<u>6,314</u>

	As at March 31, 2018	As at March 31, 2017
(ii) <b>General reserve</b>		
Opening balance	6,420	6,420
Transfer from retained earnings	-	-
Closing balance	<u>6,420</u>	<u>6,420</u>

	As at March 31, 2018	As at March 31, 2017
(iii) <b>Other equity- revaluation</b>		
Opening balance	272	272
Movement during the year	-	-
Closing balance	<u>272</u>	<u>272</u>

	As at March 31, 2018	As at March 31, 2017
(iv) <b>Retained earnings</b>		
Opening balance	55,395	46,099
Net profit for the year	12,996	12,737
Dividend on the equity shares	(2,883)	(2,768)
Dividend distribution tax on dividend	(587)	(564)
<i>Items of other comprehensive income recognised directly in equity</i>		
Remeasurement of defined benefit plans, net of tax	(15)	(109)
Closing balance	<u>64,906</u>	<u>55,395</u>



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

i. **Securities premium**

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

ii. **General reserve**

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

iii. **Other equity- revaluation**

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

	As at March 31, 2018	As at March 31, 2017
<b>10 Financial liabilities</b>		
<b>10(a) Other financial liabilities</b>		
<b>Current</b>		
Security deposits	4,260	4,021
Interest accrued on security deposits	63	57
Unpaid dividend *	292	267
Creditors for capital items	1,015	819
	<u>5,630</u>	<u>5,164</u>

\* Unpaid dividends represents dividends paid, but not claimed by shareholders. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

	As at March 31, 2018	As at March 31, 2017
<b>10(b) Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 33)	140	248
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related party (refer note 27)	10,072	5,827
- Others	27,616	20,329
	<u>37,828</u>	<u>26,404</u>

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
<b>11 Provisions</b>				
<b>Provision for employee benefits</b>				
Gratuity	148	1,745	172	1,669
Share-based payments (refer note 31)	78	35	138	33
Leave obligations	575	-	515	-
<b>Other provisions</b>				
Provision for customs/excise litigations	-	219	-	364
Provision for replacement loss	134	-	97	-
	<u>935</u>	<u>1,999</u>	<u>922</u>	<u>2,066</u>



(a) **Information about individual provisions and significant estimates**

**Provision for customs, excise and sales tax litigation:** These represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

**Provision for replacement loss:** Replacement loss reserves are based on past claims experience, sales history and other considerations. Replacement loss is provided on the sale of our products and an accrual for estimated future claims is recorded at the time revenue is recognized. Tyres replacement offered by the Company is on a prorated basis.

	Replacement loss	Customs/ excise litigation	Sales tax litigation matters*	Total
(b) <b>Movements in provisions</b>				
As at 1st April 2017	97	364	39	500
Additions during the year	55	12	-	67
Utilized/Reversed during the year	18	157	2	177
<b>As at 31st March 2018</b>	<b>134</b>	<b>219</b>	<b>37</b>	<b>390</b>

\* Refer note 6 (a)

(c) **Employee Benefit Obligations**

A. **Leave obligations**

The amount of the provision of Rs. 575 (March 31, 2017 – Rs.515) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months.

	As at March 31, 2018	As at March 31, 2017
Current leave obligations expected to be settled within the next 12 months	87	83

B. **Defined Contribution Plans**

a) **Superannuation Fund**

b) **Employee's Pension Scheme 1995 (State plan)**

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

	Year ended March 31, 2018	Year ended March 31, 2017
Employer's contribution to Employee's Pension Scheme 1995 (State Plan)*	134	132

\* Included in "Contribution to provident and other funds" under Employee benefits expense (refer note 18)

C. **Defined Benefit Plans**

a) **Gratuity**

b) **Provident Fund**



(i) **Balance Sheet amounts - Gratuity**

The amount recognised in balance sheet and the movement in the net defined benefit obligation over the years are as follows:

	Present value of obligations	
	Year ended March 31, 2018	Year ended March 31, 2017
Present value of obligations as at the beginning of the year	1,841	1,546
Current service cost	143	142
Interest cost	133	123
Total amount recognised in profit and loss	276	265
Remeasurements		
(Gain)/loss from changes in demographic assumptions	-	-
(Gain)/loss from changes in financial assumptions	(77)	103
Experience (gains)/losses	100	64
Amount recognised in other comprehensive income	23	167
Benefits payment	(247)	(137)
Present value of obligations as at the end of the year	1,893	1,841

Liability for Gratuity is not funded.

	As at March 31, 2018	As at March 31, 2017
Present value of obligation	1,893	1,841
Fair value of plan assets	-	-
Current	148	172
Non-current	1,745	1,669

**Balance Sheet amounts - Head Office Provident Fund trust**

Amount recognised in balance sheet and the movement in the net defined benefit obligation over the years are as follows:

	Year ended March 31, 2018			Year ended March 31, 2017		
	Present value of obligations	Fair value of plan assets	Net amount	Present value of obligations	Fair value of plan assets	Net amount
Present value at the beginning of the year	3,939	(4,041)	(102)	3,327	(3,392)	(65)
Current service cost	252	-	252	215	-	215
Interest cost/ (income)	286	-	286	266	-	266
Remeasurements						
Return on plan assets, excluding amount included in interest expenses/ (income)	-	(361)	(361)	-	(332)	(332)
(Gain)/loss from changes in demographic assumptions	-	-	-	-	-	-
(Gain)/loss from changes in financial assumptions	(1)	-	(1)	1	-	1
Experience (gains)/losses	59	-	59	28	-	28
Employer contribution	-	(252)	(252)	-	(215)	(215)
Employee contribution	338	(338)	-	291	(291)	-
Settlements / Transfer in	23	(23)	-	40	(40)	-
Benefits payment	(336)	336	-	(229)	229	-
Present value as at the end of the year	4,560	(4,679)	(119)	3,939	(4,041)	(102)



The net liability disclosed above relates to funded plan as follows:

	As at March 31, 2018	As at March 31, 2017
Present value of obligation	4,560	3,939
Fair value of plan assets	4,679	4,041
<b>Deficit of funded plan*</b>	-	-

\* the provident funds have a surplus that are not recognised on the basis that future economic benefit are not available to the Company in the form of a reduction in future contributions or a cash refund due to local regulation.

#### Balance Sheet amounts - Factory Provident Fund trust

Amount recognised in balance sheet and the movement in the net defined benefit obligation over the years are as follows:

	Year ended March 31, 2018			Year ended March 31, 2017		
	Present value of obligations	Fair value of plan assets	Net amount	Present value of obligations	Fair value of plan assets	Net amount
<b>Present value at the beginning of the year</b>	5,224	(5,634)	(410)	4,681	(4,880)	(199)
Current service cost	141	-	141	130	-	130
Interest cost/ (Income)	379	-	379	333	-	333
<i>Remeasurements</i>						
Return on plan assets, excluding amount included in interest expenses/ (income)	-	(497)	(497)	-	(607)	(607)
(Gain)/loss from changes in demographic assumptions	-	-	-	-	-	-
(Gain)/loss from changes in financial assumptions	*	-	-	1	-	1
Experience (gains)/losses	41	-	41	62	-	62
Employer contribution	-	(141)	(141)	-	(130)	(130)
Employee contribution	434	(434)	-	406	(406)	-
Settlements / Transfer in	32	(32)	-	4	(4)	-
Benefits payment	(582)	582	-	(393)	393	-
<b>Present value as at the end of the year</b>	5,669	(6,156)	(487)	5,224	(5,634)	(410)

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

The net liability disclosed above relates to funded plan as follows:

	As at March 31, 2018	As at March 31, 2017
Present value of obligation	5,669	5,224
Fair value of plan assets	6,156	5,634
<b>Deficit of funded plan*</b>	-	-

\* the provident funds have a surplus that are not recognised on the basis that future economic benefit are not available to the Company in the form of a reduction in future contributions or a cash refund due to local regulation.

(ii) *Post-employment plans*

The significant actuarial assumptions were as follows:

Particulars	Gratuity		Head Office Provident Fund Trust		Factory Provident Fund Trust	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Expected statutory interest rate on the fund	N.A.	N.A.	8.55%	8.65%	8.55%	8.65%
Discount rate (per annum)	7.75%	7.25%	7.75%	7.25%	7.75%	7.25%
Rate of increase in compensation level	5.75%	5.75%	N.A.	N.A.	N.A.	N.A.
Expected shortfall in interest earnings of fund	N.A.	N.A.	0.05%	0.05%	0.05%	0.05%
Withdrawal rate						
- upto 30 years	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
- from 31 to 44 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
- above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Average remaining working life	18.81	18.94	N.A.	N.A.	N.A.	N.A.

(iii) *Major category of plan assets are as follows:*

Type of Securities	Head Office Provident Fund Trust		Factory Provident Fund Trust	
	As at Mar 31, 2018	As at Mar 31, 2017	As at Mar 31, 2018	As at Mar 31, 2017
Government securities and related investment	49%	48%	39%	35%
Debt instruments and related investments	42%	42%	26%	27%
Equity shares and mutual funds	3%	3%	5%	3%
Special deposit scheme	6%	7%	30%	35%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(iv) *Sensitivity analysis*

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is :

	Impact on defined benefit obligations					
	Changes in assumptions		Increases in assumptions		Decreases in assumptions	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017

**Gratuity:**

Discount rate (per annum)	0.5%	0.5%	-3.79%	-3.81%	4.07%	4.10%
Rate of increase in compensation level	0.5%	0.5%	4.13%	4.14%	-3.88%	-3.88%

**Head Office Provident Fund Trust:**

Discount rate (per annum)	0.5%	0.5%	-0.01%	-0.01%	0.01%	0.01%
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**Factory Provident Fund Trust:**

Discount rate (per annum)	0.5%	0.5%	-0.01%	-0.01%	0.01%	0.01%
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The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.



(v) *Risk Exposures:*

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below

*Salary Increases*

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

*Investment Risk:*

If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

*Discount Rate:*

Reduction in discount rate in subsequent valuations can increase the plan's liability.

*Mortality & disability:*

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

*Withdrawals:*

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

The Company through its Trusts ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

The Company through its Trusts actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets in 2018 consists of government and corporate bonds, although the Company through its Trusts also invests in equities and mutual funds. The plan asset mix is in compliance with the requirements of the respective local regulations.

(vi) *Defined benefit liability and employer contributions*

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 are Rs. 732.

The weighted average duration of the defined benefit obligation is 13.96 years (Mar 31,2017- 13.95).

The expected maturity analysis of gratuity and provident fund benefits is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
March 31, 2018	2,877	173	1,059	8,013	12,122
Defined benefit obligation (gratuity and provident fund)					
March 31, 2017	2,208	789	980	7,027	11,004
Defined benefit obligation (gratuity and provident fund)					

## 12 Deferred tax liabilities (net)

The balance comprises temporary difference attributable to:

	As at March 31, 2018	Movement during the year	As at March 31, 2017
<b>Deferred tax liability</b>			
Depreciation	1,866	(77)	1,943
Revaluation surplus	-	(56)	56
<b>Total Deferred tax liability</b>	<b>1,866</b>	<b>(133)</b>	<b>1,999</b>
<b>Deferred tax assets</b>			
<i>Other items</i>			
- Security deposit	-	3	(3)
- Share-based payments	(39)	19	(58)
- Provision for doubtful debts/ advances	(32)	(2)	(30)
- Provision for expenses disallowed u/s 43B of the Income-tax Act, 1961	(876)	297	(1,173)
<b>Total Deferred tax assets</b>	<b>(947)</b>	<b>317</b>	<b>(1,264)</b>
<b>Net deferred tax liabilities</b>	<b>919</b>	<b>184</b>	<b>735</b>

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Charged/(credited)</b>		
<b>To profit and loss</b>		
- Depreciation	(77)	(51)
- Revaluation Surplus	(56)	-
- Security deposit	3	2
- Share-based payments	19	(14)
- Provision for doubtful debts/ advances	(2)	(1)
- Provision for expenses disallowed u/s 43B of the Income-tax Act, 1961	305	(145)
	<b>192</b>	<b>(209)</b>
<b>To other comprehensive income</b>		
- Provision for expenses disallowed u/s 43B of the Income-tax Act, 1961	(8)	(58)
	<b>(8)</b>	<b>(58)</b>

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

	As at March 31, 2018	As at March 31, 2017
<b>13 Other non-current liabilities</b>		
Employee benefits payable	76	99
	<b>76</b>	<b>99</b>

	As at March 31, 2018	As at March 31, 2017
<b>14 Other current liabilities</b>		
Unearned revenue	-	2
Employee benefits payable	1,102	1,248
Advances from customers	134	235
Statutory dues	915	1,374
	<b>2,151</b>	<b>2,859</b>





	Year ended March 31, 2018	Year ended March 31, 2017
<b>15 Revenue from operations</b>		
Sales of product ( including excise duty)	170,174	162,515
Other operating revenue	423	195
	<u>170,597</u>	<u>162,710</u>

Sales of product includes:

- Manufacturing products: Rs. 1,18,716 ( Mar 31, 2017 - Rs. 109,214)

- Traded products: Rs. 51,458 ( Mar 31, 2017 - Rs. 53,301)

Revenue from operations for the period April 1, 2017 till June 30, 2017 is inclusive of excise duty. With the implementation of Goods and Services Tax (GST) w.e.f July 1, 2017 replacing excise duty, service tax and various other indirect taxes, the revenue for the period July 1, 2017 till March 31, 2018 are reported net of GST. Accordingly, gross sales figures for the year ended March 31, 2018 are not comparable with the previous year.

	Year ended March 31, 2018	Year ended March 31, 2017
<b>16 Other Income</b>		
Interest income from financial assets at amortised cost		
- On fixed deposits with banks	2,934	2,767
Unwinding of discount on security deposits	31	28
Interest on Income tax refund	73	-
Liabilities/provisions no longer required written back	261	226
Government grants (i)	153	179
Net gain on disposal of property, plant and equipment	-	28
Miscellaneous income (ii)	213	63
	<u>3,665</u>	<u>3,291</u>

(i) Government grants are related to export incentives on duty drawback schemes.

(ii) Miscellaneous income includes :

- Reversal of provision for Stock Appreciation Rights of Rs. 32 (Mar 31, 2017- Rs. Nil) -Refer Note 31

	Year ended March 31, 2018	Year ended March 31, 2017
<b>17(a) Cost of materials consumed</b>		
Raw materials at the beginning of the year	4,069	2,305
Add: Purchases	69,945	59,125
Less: Raw materials at the end of the year	4,028	4,069
	<u>69,986</u>	<u>57,361</u>

	Year ended March 31, 2018	Year ended March 31, 2017
<b>17(b) Changes in inventories of work-in-progress, stock-in-trade and finished goods</b>		
Opening balance		
Work-in-progress	594	287
Finished goods	6,999	5,322
Stock-in-trade	3,500	3,240
Total (a)	<u>11,093</u>	<u>8,849</u>
Closing balance		
Work-in-progress	577	594
Finished goods	6,774	6,999
Stock-in-trade	3,486	3,500
Total (b)	<u>10,837</u>	<u>11,093</u>
Increase/(decrease) in excise duty on finished goods (c)	<u>(934)</u>	<u>91</u>
Total changes in inventories of work-in-progress, stock in trade and finished goods (a-b+c)	<u>(678)</u>	<u>(2,153)</u>



	Year ended March 31, 2018	Year ended March 31, 2017
<b>18 Employee benefits expense</b>		
Salaries, wages and bonus	10,710	10,166
Contribution to provident and other funds (refer note 11 (c))	518	481
Gratuity (refer note 11 (c))	276	265
Leave obligations (refer note 11 (c))	295	294
Share-based payments to employees (refer note 31)	25	85
Workmen and staff welfare expenses	873	835
	<u>12,697</u>	<u>12,126</u>

	Year ended March 31, 2018	Year ended March 31, 2017
<b>19 Finance costs</b>		
Interest on security deposits from dealers	274	267
Interest - Others	15	69
	<u>289</u>	<u>336</u>

	Year ended March 31, 2018	Year ended March 31, 2017
<b>20 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	3,613	3,373
Amortisation of intangible assets	2	1
	<u>3,615</u>	<u>3,374</u>

	Year ended March 31, 2018	Year ended March 31, 2017
<b>21 Other expenses</b>		
Consumption of stores and spare parts	265	306
Power and fuel	5,664	4,371
Travelling	987	855
Repairs and maintenance	1,248	1,136
Rent (refer note 29(c))	855	809
Insurance	137	131
Telecommunication	140	161
Rates and taxes	199	651
Legal and professional	473	609
Carrying and forwarding agent expenses	711	600
Freight, transport and delivery	4,498	4,257
Advertising and sales promotion	991	1,205
Trade mark fees	1,227	1,047
Regional service charges	5,628	5,574
Conversion charges	30	48
Net foreign exchange losses	165	39
Property, plant and equipment written off	52	-
Provision for doubtful debts and other current assets	52	*
Bad debts and other current assets written off	38	-
Less : Provision held for doubtful debts and other current assets	<u>38</u>	-
Payments to auditors (refer note 21(a))	101	91
Corporate social responsibility expenditure (refer note 21(b))	429	256
Miscellaneous expenses	1,903	1,791
	<u>25,755</u>	<u>23,937</u>

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



	Year ended March 31, 2018	Year ended March 31, 2017
<b>21(a) Details of payment to auditors</b>		
<b>As auditor:</b>		
For statutory audit	31	56
For quarterly limited reviews	18	25
For tax audit	2	-
<b>In other capacity</b>		
Certification fees & tax services	44	5
Re-imbursement of expenses	6	5
<b>Total payment to auditors</b>	<b>101</b>	<b>91</b>

**21(b) Corporate social responsibility expenditure**

Amount required to be spent as per section 135 of the Companies Act 2013.

Details of expenditure towards Corporate Social Responsibility (CSR) activities:

a) Gross amount required to be spent by the Company during the year was Rs. 361 (Previous Year Rs. 324).

b) Amount spent during the year on:

	In Cash	Yet to be paid in Cash	Total
i) Construction/ acquisition of any asset.	-	-	-
	(-)	(-)	(-)
ii) On purposes other than (i) above	424	5	429
	(253)	(3)	(256)

Figures in brackets represent previous period numbers.

Amount unspent during the year was Rs. NIL ( Mar 31, 2017 - Rs.68).

	Year ended March 31, 2018	Year ended March 31, 2017
<b>22 Income tax expense</b>		
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for current year	6,740	7,033
	<b>6,740</b>	<b>7,033</b>
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	325	(158)
(Decrease)/increase in deferred tax liabilities	(133)	(51)
	<b>192</b>	<b>(209)</b>
<b>Income tax expense</b>	<b>6,932</b>	<b>6,824</b>

(b) Significant estimate

In calculating the tax expense for the current year, the Company has treated certain expenditures as being deductible for tax purposes. However, the tax legislation in relation to these expenditures is not clear and the Company/ tax authorities are litigating these matters. If the ruling should not be favourable, this would increase the Company's current tax payable and current tax expense by Rs. 425, respectively. The impact in the prior year would have been an increase in current tax payable and current tax expense by Rs. 363.

(c) Reconciliation of tax expense and accounting profit multiplied by India's tax rate

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before income tax expense	19,928	19,561
Tax at the Indian tax rate of 34.608%	6,896	6,770
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	81	54
Changes in applicable tax rate*	9	-
Reversal of deferred tax liability on revaluation surplus	(56)	-
Adjustment recognised in the current year in relation to the current tax of prior years	2	-
Income tax expense	6,932	6,824

\*The Cess on the Indian corporate tax rate was increased from 3% to 4% effective from April 1, 2018. As a result, the relevant deferred tax balances have been remeasured. The impact of the change in tax rate has been recognised in tax expense in profit or loss.

- (d) The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. For this purpose, the Company has appointed independent consultants for conducting Transfer Pricing Study. Management is of the opinion that its international transactions with associated enterprises have been undertaken at arms' length basis at duly negotiated prices on usual commercial terms. The Company has submitted the Accountants' Report in form 3CEB upto the financial year ended on March 31, 2017 as required under section 92E of the Income Tax Act, 1961.

## 23 Fair Value Measurements

Financial instruments by category:

	As at March 31, 2018 Amortised cost	As at March 31, 2017 Amortised cost
<i>Financial assets</i>		
-Security deposit	678	653
-Trade receivable	20,829	15,723
-Cash and cash equivalent	31,872	19,576
-Other bank balances	25,792	25,767
-Other financial assets	1,370	1,225
<b>Total Financial asset</b>	<b>80,541</b>	<b>62,944</b>
<i>Financial liabilities</i>		
-Security Deposit	4,260	4,021
-Trade payable	37,828	26,404
-Creditors for capital item	1,015	819
-Other financial liabilities	355	324
<b>Total Financial Liabilities</b>	<b>43,458</b>	<b>31,568</b>

The carrying amounts of security deposits, trade receivables, trade payables, creditors for capital items, cash and cash equivalents, other bank balances and other financial assets/ liabilities are considered to be the same as their fair values, due to their short-term nature.

The Company does not have any financial instruments where significant estimation was involved in determination of its fair value.



## 24 Financial Risk Management

The Company's activities expose it to the market risk, liquidity risk and the credit risk. The Company's risk management is carried out by the treasury department for cash and cash equivalent, deposits with banks, foreign currency risk exposure and liquidity risk under various approved policies. The risk management for trade receivables is carried out by controlling department of the Company.

### (A) Credit Risk

Credit risk arises from cash and cash equivalents, trade receivables and other financial assets.

#### (i) Credit risk management

##### (a) Cash and cash equivalents:

The Company is in control of its exposure to these financial instruments by diversifying the deposit, by investing cash and cash equivalents based on counterparty credit strength as measured by long-term credit ratings of the three major rating agencies (Standard & Poors, Moody's and Fitch) and by monitoring the financial strength of these banks on regular basis.

The Company has the deposits with banks and their respective rating are as in below table:

Long Term Credit Rating	March 31, 2018.	March 31, 2017
AA- to A	53,300	43,350

By controlling and monitoring exposure in this manner, the Company believe that it effectively manage the risk of loss due to non performance by the banks.

##### (b) Trade Receivables:

The Company has Credit Policy and the independent credit control department to review the credit worthiness of the customers and assess the recoverability of the asset. Finance Director is the authority to approve any exception to the Policy.

Customer credit risk is managed basis established policies of the Company, procedures and controls relating to customer credit risk management which helps in assessing the risk at the initial recognition of the asset. Outstanding customer receivables are regularly and closely monitored. The Company has a monthly process of following past due analysis leading to very few cases of bad debts and delayed payments. The same is evident from the earlier years receivable write-off. The Company provides for any outstanding beyond 180 days. The trade receivables on the respective reporting dates are net off the allowance which is sufficient to cover the entire lifetime loss of sales recognised including those that are currently less than 180 days outstanding.

A default on a financial asset is when the counterparty fails to make contractual payment within 180 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates.

The Company believe that there are efficient processes established to monitor and control the risk of loss associated with receivables.

##### (c) Other financial assets:

Other financial assets of the Company mainly comprises of security deposit with Dakshin Haryana Bijli Vitran Limited, security deposits for the rental premises, accrued interest on fixed deposits with banks, deposits held as lien with Banks and other receivables from related parties.

Credit risk exposure with respect to other financial assets are negligible as they are either supported by legal agreement or are with Nationalised banks and Government organisations:

- Security deposit with Dakshin Haryana Bijli Vitran Limited, a public sector organisation, represents low credit risk.
- Security deposits for the rental premises are with counter parties with strong capacity to meet the obligation, hence the risk of default is considered to be negligible.
- Deposits held as lien with Banks are with Nationalised Bank, hence the risk of default is considered to be negligible.

- Accrued interest on fixed deposits are with banks having strong financial strength as explained above, hence the risk of default is considered to be negligible.

- Other receivables from related parties are as per approved policy and the established procedure to monitor the dues from related parties which also ensures timely payments and no default, hence there is no credit risk exposure involved.

(ii) *Provision for expected credit losses*

Customer credit risk is managed basis established policies of the Company, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company has a diverse customer base, as its customers are located and operate in largely independent markets and does not see any significant concentration of risk related to reliance on any single customer. The credit quality of the customers is evaluated based on the approved policies and established processes.

(iii) *Reconciliation of loss allowance provision - Trade receivable*

	Amount
Loss allowance as on March 31, 2016	76
Changes in loss allowance	1
Loss allowance as on March 31, 2017	77
Changes in loss allowance	14
Loss allowance as on March 31, 2018	91

*Significant estimates and judgements*

*Impairment of Trade Receivables:*

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(B) **Liquidity Risk**

The Company's primary sources of liquidity are cash generated from operation. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.

The Company intend to operate the business in a way that allows the Company to address its needs with existing cash and available financing arrangement if they cannot be funded by cash generated from operations.

The Company believe that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment

(i) *Financing arrangements*

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2018	As at March 31, 2017
<b>Floating rate</b>		
Expiring within one year (bank overdraft and other facilities)	3,500	3,500

The bank overdraft facilities may be drawn at any time. No drawdown as at Mar 31, 2018 and Mar 31, 2017.

(ii) *Maturities of financial liabilities*

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.



The amount disclosed in the table are the undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liability	Less than 3 months	3 months to 6 months	6 Months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
<b>March 31, 2018</b>						
- Trade Payable	34,500	3,328	-	-	-	37,828
- Other financial liability	5,630	-	-	-	-	5,630
<b>March 31, 2017</b>						
- Trade Payable	25,335	1,069	-	-	-	26,404
- Other financial liability	5,164	-	-	-	-	5,164

(C) **Market Risk**

- (ia) **Foreign Currency Risk:** The Company operates internationally and is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions, primarily with respect to the USD and EUR. The Company has approved policies to enter into foreign currency contracts in order to manage the impact of changes in foreign exchange rates on the results of operations and future foreign currency-denominated cash flows. The Company does not have material foreign currency exposure currently.

Foreign currency exposure of the Company is minimal.

- (ib) **Foreign currency risk exposure**

Particulars of unhedged foreign currency exposures are:

Particulars	Currency	As at Mar 31, 2018		As at Mar 31, 2017	
		(Foreign Currency in Lakhs)	INR in Lakhs	(Foreign Currency in Lakhs)	INR in Lakhs
Financial liabilities:					
Trade and other payables	USD	98	6,408	49	3,199
	EUR	15	1,179	1	82
Financial assets:					
Trade and other receivables	USD	25	1,647	18	1,160
Balance in Bank accounts	USD	*	*	*	27

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

- (ic) **Sensitivity analysis**

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
USD sensitivity		
- Increase by 0.8% (Mar 31, 2017 - 1%) *	(38)	(20)
- Decrease by 0.8% (Mar 31, 2017- 1%) *	38	20
EUR sensitivity		
- Increase by 4.3% (Mar 31, 2017- 2.5%) *	(51)	(2)
- Decrease by 4.3% (Mar 31, 2017- 2.5%) *	51	2

\* Holding all other variables constant



(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings therefore it is not impacted by interest rate risk.

(iii) **Price Risk:** Price risk arises from exposure to equity securities prices from investments held by the Company. The Company does not have any investments in equity shares.

**25 Capital Management**

(a) **Risk Management**

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

As of March 31, 2018, the Company has only one class of equity shares and no debt. Therefore, there are no externally imposed capital requirements.

There is no change in the Company's capital structure since previous year.

(b) **Dividend**

	Year ended March 31, 2018	Year ended March 31, 2017
(i) Equity shares		
- Final dividend for the year ended March 31, 2017 of Rs. 12.50 (year ended March 31, 2016 of Rs. 12) per fully paid equity share	2,883	2,768
- Dividend distribution tax on above.	587	564
(ii) Dividend not recognised at the end of the reporting year		
- In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 13 per fully paid equity share (March 31, 2017 of Rs.12.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	2,999	2,883
- Dividend distribution tax on above.	616	587

**26 Segment Information**

The Company is engaged in the business of sales of automotive tyres, tubes and flaps. The Company sells tyres of its own brand "Goodyear". The Company is domiciled in India.

The Company has monthly review and forecasting procedure in place. The review involves the operating results of the Company as a whole except for sales and sales volume information which is available on disaggregated basis.

The Chief Operating Decision Maker (CODM), Managing Director, performs a detailed review of the operating results including cashflow, working capital, headcount of the Company as a whole and sales and sales volume on disaggregated basis and thereby makes decisions about the allocation of resources among the various functions. Since the operating results of each of the functions are not considered individually by the CODM, the functions do not meet the requirements of Ind AS 108 for classification as an operating segment, hence there is only one operating segment namely, "Automotive tyres, tubes & flaps".





A) Information about products and services:

	Automotive tyres, tubes & flaps	
	Year ended March 31, 2018	Year ended March 31, 2017
Revenue		
External Customers	170,174	162,515

B) Information about geographical areas:

The following information's discloses Revenues from external customers:

- (i) attributed to the entity's country of domicile and
- (ii) attributed to all foreign countries in total from which the entity derives revenues:

	Revenue generated in India		Revenue generated from exports		Total	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue						
External Customers	166,005	157,071	4,169	5,444	170,174	162,515

All the non-current assets of the Company are located in India.

- C) Revenue of Rs. 47,533 ( Mar 31, 2017 - Rs. 35,278) are derived from a single external customer. No other single customer contributed 10% or more to the revenue.

27 Related Party Transactions

(a) Parent entities

The Company is controlled by the following:

Name	Type	Place of incorporation	Ownership interest	
			As at March 31, 2018	As at March 31, 2017
The Goodyear Tire & Rubber Company	Ultimate holding company	Akron, Ohio, USA	-	-
Goodyear Orient Company (Private) Limited	Holding company	Singapore	74%	74%

(b) Key management personnel compensation

	As at March 31, 2018	As at March 31, 2018
Short-term employee benefits	929	1,295
Post-employee benefits	66	87
Employee share based payment	31	16
<b>Total compensation</b>	<b>1,026</b>	<b>1,398</b>



(c) (i) List of related parties:

Fellow subsidiaries with whom the Company had transactions during the year:

- i) Goodyear International Corporation
- ii) Compania Goodyear Del Peru SA
- iii) Goodyear & Dunlop Tyres (Australia) Pty Limited
- iv) Goodyear & Dunlop Tyres (Nz) Limited
- v) Goodyear (Thailand) Public Company Limited
- vi) Goodyear Dalian Tire Company Limited
- vii) Goodyear De Chile S.A.I.C
- viii) Goodyear Do Brasil Produtos De Borracha Ltda.
- ix) Goodyear Dunlop Tires Operations SA
- x) Goodyear Earthmover Pty Limited
- xi) Goodyear Malaysia Berhad
- xii) Goodyear Middle East, FZE
- xiii) Goodyear Philippines Inc.
- xiv) Goodyear Regional Business Services Inc.
- xv) Goodyear SA (Luxembourg)
- xvi) Goodyear Singapore Tyres
- xvii) Goodyear South Africa (Pty) Limited
- xviii) Goodyear South Asia Tyres Private Limited
- xix) Nippon Giant Tire Co. Ltd.
- xx) PT. Goodyear Indonesia TBK
- xxi) TC Debica S.A.
- xxii) Goodyear Tire Management Company ( Shanghai) Ltd.

Other related parties:

- i) Provident Fund of Goodyear India Limited
- ii) Trustee Goodyear India Limited Factory Provident Fund

( c ) (ii) Transactions with related party

	Year ended March 31, 2018	Year ended March 31, 2017
<b>The Goodyear Tire &amp; Rubber Company</b> (Ultimate Holding Company)		
- Purchase of finished goods	-	1
- Purchase of raw materials and spare parts	826	749
- Sale of Finished goods	-	1
- Purchase of capital items	54	384
- Expenditure for trade mark fees	1,221	1,038
- Expense reimbursed to ultimate holding company	46	143
- Recovery for Deputation of Employees	41	82
- Reimbursement of expense by ultimate holding company	7	8
- Expenditure for regional service charges	5,610	5,523



	Year ended March 31, 2018	Year ended March 31, 2017
<b>Goodyear Orient Company (Private) Limited (Holding Company)</b>		
- Dividend paid	2,133	2,048
<b>Fellow subsidiaries:</b>		
<b>Purchase of finished goods</b>		
- Goodyear South Asia Tyres Private Limited #	33,825	29,482
- Goodyear Dalian Tire Company Limited	1,218	258
- Goodyear (Thailand) Public Company Limited	20	26
- PT. Goodyear Indonesia TBK	585	1,828
- Goodyear Dunlop Tires Operations SA	225	455
- Goodyear Malaysia Berhad	32	72
- Goodyear Earthmover Pty Limited	-	663
- Goodyear Do Brasil Produtos De Borracha Ltda.	-	21
# Net of recovery for replacement loss Rs. 811 (Rs. 792)		
<b>Purchase of raw materials and spare parts</b>		
- Goodyear South Asia Tyres Private Limited	435	28
- Goodyear Dalian Tire Company Limited	-	1
- Goodyear Do Brasil Produtos De Borracha Ltda.	1	-
- Goodyear SA (Luxembourg)	3	1
- TC Debica S.A.	1	1
<b>Sale of finished goods</b>		
- Goodyear & Dunlop Tyres (Australia) Pty Limited	15	74
- Compania Goodyear Del Peru SA	26	48
- Goodyear Middle East, FZE	126	129
- Goodyear South Africa (Pty) Limited	116	50
- Goodyear Singapore Tyres	69	93
- Goodyear International Corporation	91	129
- Goodyear Dunlop Tires Operations Sa	1	349
- Goodyear De Chile S.A.I.C	-	21
- Goodyear & Dunlop Tyres (Nz) Limited	8	8
- Goodyear (Thailand) Public Company Limited	-	2
- Goodyear Philippines Inc.	66	13
- Nippon Giant Tire Co. Ltd.	*	1
<b>Purchase of capital items</b>		
- Goodyear International Corporation	84	295
- Goodyear Malaysia Berhad	-	14
- Goodyear South Asia Tyres Private Limited	283	-
- Goodyear Dalian Tire Company Limited	-	66



	Year ended March 31, 2018	Year ended March 31, 2017
<b>Recovery for deputation of employees</b>		
- Goodyear Singapore Tyres	707	605
- Goodyear Malaysia Berhad	-	34
- Goodyear (Thailand) Public Company Limited	-	79
- Goodyear Dalian Tire Company Limited	40	30
- Goodyear SA (Luxembourg)	49	67
- Goodyear & Dunlop Tyres (Australia) Pty Limited	7	63
<b>Payment for deputation of employees</b>		
- Goodyear De Chile S.A.I.C	148	319
- Goodyear Tire Management Company ( Shanghai) Ltd.	401	-
<b>Sale of raw materials, spare parts and other charges</b>		
- Goodyear South Asia Tyres Private Limited	259	23
<b>Expenses recovered from related parties</b>		
- Goodyear Dalian Tire Company Limited	1	-
- Goodyear Singapore Tyres	43	32
- Goodyear South Asia Tyres Private Limited #	1,003	506
- Goodyear SA (Luxembourg)	7	49
- Goodyear Earthmover Pty Limited	1	-
- Goodyear Do Brasil Produtos De Borracha Ltda. # Net of reimbursement Rs. * (Rs.102)	1	-
<b>Reimbursement of expenses to related parties</b>		
- Goodyear (Thailand) Public Company Limited	-	4
- Goodyear Dalian Tire Company Limited	-	7
- PT. Goodyear Indonesia TBK	3	1
- Goodyear Regional Business Services Inc.	164	37
- Goodyear Dunlop Tires Operations SA	-	*
- Nippon Giant Tire Co. Ltd.	2	-
<b>Commission received</b>		
- Goodyear Earthmover Pty Limited	356	95
<b>Contribution of provident fund</b>		
- Provident Fund of Goodyear India Limited	590	506
- Trustee Goodyear India Limited Factory Provident Fund	575	536



(d) **Outstanding balances arising from sales/purchase of goods and services**

The following balances are outstanding at the end of the reporting year in relation to transactions with related party:

	As at March 31, 2018	As at March 31, 2017
<b>Trade Payables</b>		
<b>Ultimate holding company :</b>		
The Goodyear Tire & Rubber Company	3,271	1,198
<b>Fellow subsidiaries :</b>		
Goodyear South Asia Tyres Private Limited	4,517	3,921
Goodyear Dunlop Tires Operations SA	204	82
PT. Goodyear Indonesia TBK	353	402
Goodyear Regional Business Services Inc.	49	10
Goodyear De Chile S.A.I.C.	-	102
Goodyear Dalian Tire Company	1,225	94
Goodyear (Thailand) Public Company Limited	18	2
Goodyear Malaysia Berhad	24	16
TC Debica S.A.	1	-
Goodyear Do Brasil Produtos De Borracha Ltda.	1	-
Goodyear SA (Luxembourg)	2	-
Goodyear Tire Management Company ( Shanghai) Ltd.	405	-
Goodyear Japan Ltd.	2	-
<b>Total trade payables to related parties (refer note 10(b))</b>	<b>10,072</b>	<b>5,827</b>
<b>Creditors for Capital items</b>		
<b>Ultimate holding company :</b>		
The Goodyear Tire & Rubber Company	64	302
<b>Fellow subsidiaries :</b>		
Goodyear International Corporation	-	114
<b>Total payables for capital items to related parties ( refer note 10(a))</b>	<b>64</b>	<b>416</b>
<b>Trade Receivables</b>		
<b>Fellow subsidiaries :</b>		
Goodyear Middle East, FZE	26	7
Goodyear International Corporation	7	81
Goodyear Singapore Tyres	19	-
Goodyear South Asia Tyres Private Limited	18	-
Goodyear South Africa (Pty) Limited	88	11
Goodyear Dunlop Tires Operations Sa	-	39
Goodyear De Chile S.A.I.C.	-	20
Goodyear Japan Ltd.	*	-
<b>Total trade receivable from related parties ( refer note 5(b))</b>	<b>158</b>	<b>158</b>



	As at March 31, 2018	As at March 31, 2017
<b>Other Receivables</b>		
<b>Ultimate holding company :</b>		
The Goodyear Tire & Rubber Company	8	10
<b>Fellow subsidiaries :</b>		
Goodyear Singapore Tyres	340	328
Goodyear (Thailand) Public Company Limited	-	35
Goodyear SA (Luxembourg)	14	25
Goodyear & Dunlop Tyres (Australia) Pty Limited	-	14
Goodyear Regional Business Services Inc.	-	1
Goodyear Earthmover Pty Limited	19	10
Goodyear Dalian Tire Company	9	9
Goodyear South Asia Tyres Private Limited	302	166
Goodyear Do Brasil Produtos De Borracha Ltda.	1	-
<b>Total other receivable from related parties ( refer note 5(a))</b>	<b>693</b>	<b>598</b>

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

(e) **Terms and conditions**

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

All other transactions were made on normal commercial terms and conditions and at arm's length.

All outstanding balances are unsecured and are repayable in cash.

	As at March 31, 2018	As at March 31, 2017
<b>28 Contingent liabilities</b>		
i) Guarantee to Sarva Haryana Gramin Bank *	305	289
ii) Claims against the Company disputed and not acknowledge as debt **		
A. Excise duty and Service tax matters	2,159	2,310
B. Income tax matters	3,516	6,267
C. Sales tax matters	270	321
D. Customs duty matter	298	274
E. Other matters	174	312
F. <b>Haryana Local Area Development Tax (HLADT) :</b>		

In 2008, the State of Haryana (the State) introduced the "Entry Tax Act" ("Act"), which the Punjab and Haryana High Court declared as 'Unconstitutional'. The State did not frame and notify enabling "Entry Tax Rules", and no notice or demand has been received to date by the Company. Accordingly, the amount of liability, if any, under the Entry Tax Act involved has not been quantified by the Company. On November 11, 2016, the nine Judges Bench of Hon'ble Supreme Court held that the State Governments do have right to levy an 'Entry Tax', however (i) whether States have enacted correct legislations in alignment with Indian Constitutional provisions (ii) whether such taxes demanded by State Governments were actually used for intended development of local area and (iii) the interpretation of the word "Local Area" were among questions not addressed by the November 11 ruling, but instead are to be heard by Hon'ble Divisional Bench of the Supreme Court individually for each state, on merits.



The above mentioned matter heard by the Hon'ble Divisional Bench of the Supreme Court and were remanded back to the Punjab and Haryana High Court and directed that fresh petitions should be filed by the parties, based on the above principles given by the nine Judges Bench of Supreme Court. The Company has filed its fresh petition and based on legal opinion, is of the view that the Company has a strong case and has considered this as contingent liability at this stage.

- \* The Company has given financial guarantee to Sarva Haryana Gramin Bank (Bank) in respect of loans taken by its employees. In case any employee on who's behalf a guarantee has been provided by the Company, opts to leave his/ her employment, then the Company is required to pay the outstanding balance in his loan account to the Bank from the proceeds of the terminal benefits payable to him after adjusting the Company's dues. The Company is covered and is not exposed to any loss. Therefore the fair value of financial guarantee is not material.
- \*\* These represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. Amount of contingent liabilities are inclusive of Interest as per order.

## 29 Commitments

### (a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liability is as follows:

	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment *	1,348	806

\* Net of advance Mar 31, 2018 - Rs.257, Mar 31, 2017 - Rs.86.

- (b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

### (c) Non-cancellable operating 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 :

	As at March 31, 2018	As at March 31, 2017
Commitment for minimum lease payments in relation to non-cancellable operating leases are as follows:		
Within one year	236	323
Later than one year but not later than five years	96	234
Later than five years	-	-

Rental expense relating to operating leases

	Year ended March 31, 2018	Year ended March 31, 2017
Minimum lease payments	855	809
Total rental expense relating to operating leases	855	809



### 30 Events occurring after the reporting period

Refer to note 25 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

### 31 Share-based payments

The Goodyear Tire & Rubber Company, Akron, Ohio, USA (Ultimate holding company) issues stock-based awards to employees under their approved Performance Plan. The issue of grants of restricted stock units and stock appreciation rights to the employees of the Company are covered under the same Performance Plan as declared by the ultimate holding company.

#### Stock appreciation rights (SAR)

Grants of Stock Appreciation Right generally have a graded vesting period of four years whereby one-fourth of the awards vest on each of the first four anniversaries of the grant date, an exercise price equal to the fair market value of one share of the ultimate holding company on the date of grant (calculated as the average of the high and low price or the closing market price on that date depending on the terms of the related Plan) and a contractual term of ten years. Stock Appreciation Rights are cancelled on, or 90 days following, termination of employment unless termination is due to retirement, death or disability under certain circumstances, in which case, all outstanding options vest fully and remain outstanding for a term set forth in the related grant agreement. As the obligation to settle the share based transaction rests with the Company, hence these are accounted for as cash-settled options. The Company has not granted any SAR after December 2014.

#### Restricted stock units (RSU)

Restricted stock units have vesting period of three years beginning on the date of grant. Restricted stock units will be settled through the issuance of an equivalent number of shares of The Goodyear Tire & Rubber Company, Akron, Ohio, USA common stock. The Company is required to reimburse the ultimate holding company the cost of the share issuance as on the date of vesting. As the obligation to settle the share based transaction rests with the Company, hence these are accounted for as cash-settled options.

#### i. Description of share-based payments arrangements

Details of liabilities arising from SARs and RSUs were as follows:

	As at March 31, 2018	As at March 31, 2017
Total carrying amount of liabilities for SARs	55	121
Total carrying amount of liabilities for RSUs	58	50
<b>Total</b>	<b>113</b>	<b>171</b>
<i>Current</i>	78	138
<i>Non-current</i>	35	33

#### ii. Expenses recognised in profit and loss account

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Share appreciation rights	(32)	39
Restricted stock units	25	46
<b>Expenses arising from cash-settled share based payment transactions</b>	<b>(7)</b>	<b>85</b>





iii. **Measurement of fair values**

The fair value of SAR's have been measured using the Black Scholes formula. Service and non-performance conditions attached to the arrangements were not taken into account in measuring fair value.

The fair value of grant of restricted stock unit is based on the closing market price of a share of Goodyear Tire and Rubber Company, Akron's common stock on the date of grant, thereafter re-measuring the value on each reporting date at the closing market price of a share.

**Stock appreciation rights**

The inputs used in measurement of the fair value at grant date and measurement date of the SARs were as follows:

	Measurement date, Mar 31, 2018	Measurement date, Mar 31, 2017
Dividend yield (%)	1.13%	1.13%
Expected Volatility (weighted average)	33.63%	33.63%
Expected Life (weighted average)	7.2	7.2
Risk-free interest rate (based on government bonds)	2.13%	2.13%
Model used	Black Scholes	

Expected volatility has been based on an evaluation of the historical volatility of the company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments have been based on historical experience and general option holder behavior.

32 **Earnings Per Share**

	Year ended March 31, 2018	Year ended March 31, 2017
(a) <b>Basic earnings per share (Rs.)</b>	56.34	55.22
(b) <b>Diluted earnings per share (Rs.)</b>	56.34	55.22
(c) <b>Reconciliations of earnings used in calculating earnings per share</b>		
<b>Basic earnings per share</b>		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share:	12,996	12,737
<b>Diluted earnings per share</b>		
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share:	12,996	12,737
(d) <b>Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (Nos)	23,066,507	23,066,507
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (Nos)	23,066,507	23,066,507

Note: There are no dilutive instruments.



33 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on the information available with the Company:

	Year ended March 31, 2018	Year ended March 31, 2017
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	140	248
ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1	-
iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	91	35
iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	*
vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
vii) Further interest remaining due and payable for earlier years	-	-

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

34 Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' (a new revenue standard) and Appendix B to Ind AS 21, 'Foreign Currency Transactions and Advance Consideration'. These amendments are applicable to the company from April 1, 2018.

**Ind AS 115, Revenue from Contracts with Customers**

This standard requires an entity to recognise revenue on the basis of 5 step model given in the standard. The Standard focuses on identification of various performance obligations on the basis of promised goods and services to the customers as per contract, allocation of contract price on the various performance obligations and recognition of revenue when entity satisfies the performance obligation. The Standard Scopes out lease agreements from its scope. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

35 Previous year financials have been audited by predecessor auditor.

36 Previous year figures in the financial statements, including the notes thereto, have been reclassified wherever required to conform to the current year presentation/ classification. These are not material and do not affect the previously reported net profit or equity.

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

Vijay Agarwal  
Partner  
Membership Number: 094468

Place: New Delhi  
Date: May 25, 2018

For and on behalf of the Board

Rajeev Anand  
Chairman & Managing Director  
DIN: 02519876

Sudha Ravi  
Director  
DIN: 06764496

Rajiv Lochan Jain  
Director  
DIN: 00161022

Pankaj Gupta  
Company Secretary

Mitesh Mittal  
Finance Director  
DIN: 05231968

C Dasgupta  
Director  
DIN: 00381799

Oliver Carsten Gloe  
Director  
DIN: 07250426



# HEALTHY INDIA PROGRAM

A CSR initiative of Goodyear on sanitation, in collaboration with IAHV





# SAFER ROADS, SAFER YOU

A CSR initiative of Goodyear for taxi drivers on road safety, in collaboration with IRTE



**GOODYEAR**



## **Goodyear India Limited**

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**Registered Office:** Goodyear India limited. Mathura Road, Ballabgarh, (Dist. Faridabad) - 121 004, Haryana  
Tel No.: 0129-6611000, Fax: 0129-2305309/10

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