

**GOODYEAR
INDIA
LIMITED**

Annual Report 1997

GOODYEAR



**Commemorating
100 Years of Customer Service**



"Our decades-old corporate spirit, "Protect Our Good Name" and the enduring values behind these words have never been more important to the success of our mission than they are today.

At Goodyear, we are most fortunate to be a part of a company that has been rich in values and ethics that include integrity, trust, respect and excellence. That is why we are reemphasizing, redefining and building a support system for our core values throughout the organization. Very simply : We value our good name; we value our customers; we value our associates; and we value our shareholders."

Samir G. Gibara
Chairman, CEO and President
The Goodyear Tire & Rubber Company

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓	✓	AC	✓
AGM	✓	✓	SHH	✓
YE	✓	✓		



GOODYEAR INDIA LIMITED

Regd. Office : Mathura Road, Ballabgarh (Faridabad) 121 004, Haryana
(H.O : Godrej Bhavan, 3rd Floor, Mathura Road, New Delhi-110 065)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the thirty-seventh ANNUAL GENERAL MEETING of the Shareholders of GOODYEAR INDIA LIMITED will be held on Friday, the 15th day of May, 1998 at 3.00 PM at Magpie Tourism Complex, Sector 16A, Faridabad to transact the following business :

AGENDA

ORDINARY BUSINESS :

- To receive and adopt the Balance Sheet as at December 31, 1997, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- To declare a dividend.
- To appoint a Director in place of Mr J W Richardson who holds office upto the date of this Annual General Meeting, and, being eligible, offers himself for reappointment. Mr J W Richardson was appointed Director effective December 6, 1996 in the vacancy caused by the resignation of Mr G E Strickler, who but for his resignation was due to retire at this meeting. A notice under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose the appointment of Mr J W Richardson as a Director.
 - To appoint a Director in place of Mr B Anantharaman who holds office upto the date of this Annual General Meeting, and, being eligible, offers himself for reappointment. Mr B Anantharaman was appointed Director effective April 11, 1997 in the vacancy caused by the resignation of Mr P S S Sarma, who but for his resignation was due to retire at this meeting. A notice under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose the appointment of Mr B Anantharaman as a Director.
 - To appoint a Director in place of Mr J M Gingo who retires by rotation under article 103 of the Articles of Association of the Company, and, being eligible, offers himself for reappointment.
- To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

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

- As an Ordinary Resolution :

RESOLVED THAT pursuant to the provisions of Sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the limits laid down in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956, the consent of the Company be and is hereby accorded to the appointment of Mr R L Swanson as wholetime Managing Director of the Company for a period of 5 years, with effect from November 1, 1997 at a salary, commission & perquisites as specified in detail in an agreement to be entered into between the Company and Mr R L Swanson (a draft whereof was submitted to this meeting and initialled by the Chairman for identification) subject to the condition that the Board of Directors of the Company are authorised to revise, amend, alter or otherwise vary the terms and conditions of his appointment from time to time as they deem fit but at no time the remuneration payable to Mr Swanson shall exceed the maximum limit prescribed in Section I of Part II of Schedule XIII to the Companies Act, 1956 as existing or as may be amended and in the



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

6. As an Ordinary Resolution :

RESOLVED THAT pursuant to the provisions of Sections 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the limits laid down in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956, the consent of the Company be and is hereby accorded for increase in the salary payable to Mr E Krishnaiah, wholetime Sales & Marketing Director of the Company with effect from May 1, 1998 and perquisites & Commission with effect from January 1, 1998 as specified in detail in a supplemental agreement to be entered into between the Company and Mr E Krishnaiah (a draft whereof was submitted to this meeting and initialled by the Chairman for identification) subject to the condition that the Board of Directors of the Company are authorised to revise, amend, alter or otherwise vary the terms and conditions of his appointment from time to time as they deem fit but that at no time the remuneration payable to Mr Krishnaiah shall exceed the maximum limit prescribed in Section I of Part II of Schedule XIII to the Companies Act, 1956 as existing or as may be amended and in the event of the Company not earning profit or inadequacy of profit in any financial year, Mr Krishnaiah would be entitled to receive the remuneration to the maximum extent prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 as existing or as may be amended.

RESOLVED FURTHER THAT Mr E Krishnaiah, wholetime Sales & Marketing Director be paid Rs. 7,35,000/-, in addition to the remuneration approved earlier by the shareholders of the Company, for excellent performance during the calendar year 1997.

7. As an Ordinary Resolution :

RESOLVED THAT pursuant to the provisions of Sections 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the limits laid down in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956, the consent of the Company be and is hereby accorded for increase in the salary payable to Mr K K Wadhvani, wholetime Production Director of the Company with effect from May 1, 1998 and perquisites & Commission with effect from January 1, 1998 as specified in detail in a supplemental agreement to be entered into between the Company and Mr K K Wadhvani (a draft whereof was submitted to this meeting and initialled by the Chairman for identification) subject to the condition that the Board of Directors of the Company are authorised to revise, amend, alter or otherwise vary the terms and conditions of his appointment from time to time as they deem fit but that at no time the remuneration payable to Mr Wadhvani shall exceed the maximum limit prescribed in Section I of Part II of Schedule XIII to the Companies Act, 1956 as existing or as may be amended and in the event of the Company not earning profit or inadequacy of profit in any financial year, Mr Wadhvani would be entitled to receive the remuneration to the maximum extent prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 as existing or as may be amended.

RESOLVED FURTHER THAT Mr K K Wadhvani, wholetime Production Director, be paid Rs. 7,35,000/-, in addition to the remuneration approved earlier by the shareholders of the Company, for excellent performance during the calendar year 1997.

8. As an Ordinary Resolution :

RESOLVED THAT pursuant to the provisions of Sections 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the limits laid down in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956, the consent of the Company be and is hereby accorded for



increase in the remuneration payable to Mr B Anantharaman, wholetime Finance Director of the Company with effect from May 1, 1998 and that he shall be entitled to a salary, commission and perquisites as specified in detail in a supplemental agreement to be entered into between the Company and Mr B Anantharaman (a draft whereof was submitted to this meeting and initialled by the Chairman for identification) subject to the condition that the Board of Directors of the Company are authorised to revise, amend, alter or otherwise vary the terms and conditions of his appointment from time to time as they deem fit but that at no time the remuneration payable to Mr Anantharaman shall exceed the maximum limit prescribed in Section I of Part II of Schedule XIII to the Companies Act, 1956, as existing or as may be amended and in the event of the Company not earning profit or inadequacy of profit in any financial year, Mr Anantharaman would be entitled to receive the remuneration to the maximum extent prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956, as existing or as may be amended.

9. As an Ordinary Resolution :

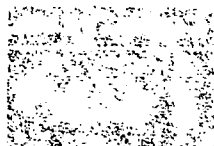
RESOLVED THAT the consent of the Company be and is hereby accorded for reimbursement of medical expenses of Rs. 98,835/- to Mr E Krishnaiah, wholetime Sales & Marketing Director during the calendar year 1997 in excess of the limit approved earlier by the shareholders of the Company.

New Delhi
March 18, 1998

By Order of the Board
S K JAIN
Company Secretary

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend, and, on a poll, to vote instead of himself and such proxy need not be a member. The instrument appointing a proxy should, however, be deposited at the Registered Office or Head Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Register of Members and Share Transfer Books of the Company will remain closed from May 1, 1998 to May 15, 1998, both days inclusive.
3. Dividend on the shares, if declared by the Company at the meeting, will be paid subject to the provisions of Section 206A of the Companies Act, 1956 to those members whose names appear on the Company's Register of Members as on April 30, 1998 and Account Payee Dividend Warrants will be posted within the statutory time limit.
4. Members are requested to notify promptly any change in their addresses and to furnish dividend mandates, if any, to reach the Registered Office or Head Office of the Company before May 8, 1998.
5. WITH A VIEW TO SAFEGUARD THE INTEREST OF OUR SHAREHOLDERS FROM FRAUDULENT ENCASHMENT OF DIVIDEND WARRANTS BY UNSCRUPULOUS PERSONS, THE SHAREHOLDERS ARE ADVISED TO WRITE TO THE COMPANY IMMEDIATELY THE NAME, ADDRESS AND ACCOUNT NUMBER OF THE BANKER OF THE SOLE/FIRST HOLDER FOR INCORPORATION ON THE DIVIDEND WARRANT.
6. Pursuant to Section 205A of the Companies Act, 1956, all dividends upto the year 1993, which remained undaimed, have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not encashed their dividend warrants for the said period in response to the advance notice sent by the Company to each of them, are hereby reminded again in addition to the post card sent by the Company in December '97 to each of them individually, for claiming the amount from the Registrar of Companies, Delhi & Haryana, Paryavaran Bhawan, CGO Complex, Lodi Road, New Delhi-110 003 (Company Registration No. 05-8578). In case any assistance is required, please write to the Company.



EXPLANATORY STATEMENT

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

Item Nos. 5, 6, 7, 8 & 9

As informed to the members vide circular of November 3, 1997 Mr R L Swanson was appointed as wholetime Managing Director of the Company by your Board for a period of 5 years effective November 1, 1997 in place of Mr C K Choo who has been reassigned abroad. Shareholders' approval, as required under Schedule XIII of the Companies Act, 1956, is being sought vide item 5 of the Notice. Since Mr Swanson was not resident in India for a period of twelve months preceeding the date of his appointment, requisite approval of the Central Government has also been obtained.

The Board of Directors in their meeting held on March 18, 1998 had reviewed and increased the remuneration payable to wholetime Directors namely Mr E Krishnaiah, Sales & Marketing Director, Mr K K Wadhvani, Production Director and Mr B Anantharaman, Finance Director for which approval of shareholders is being sought vide items 6, 7 & 8 of the Notice.

Your Board had, subject to your approval, also approved an additional payment of Rs. 7,35,000/- for the calendar year 1997 to each of Mr E Krishnaiah and Mr K K Wadhvani for excellent performance. During the calendar year 1997 Mr E Krishnaiah had to undergo medical treatment for cardiac condition and the medical expenses reimbursed to Mr E Krishnaiah exceeded the limit approved earlier by the shareholders. Your approval is being sought for reimbursement of medical expenses incurred by Mr E Krishnaiah in excess of the approved limit vide item 9 of the Notice.

Salary of Mr R L Swanson was fixed at Rs. 70,000/- per month. Your Board increased the monthly salary of Messrs E Krishnaiah, K K Wadhvani and B Anantharaman by 7.5%, effective May 1, 1998. The details of remuneration including perquisites and commission of the Managing Director/Wholtime Directors have been embodied in separate agreement/supplemental agreements to be entered into with each of the Directors with the authority to the Board to revise, amend, alter or modify the remuneration from time to time, as it deems fit, but at no time, the remuneration payable shall exceed the maximum limit stipulated in Schedule XIII of the Companies Act, 1956 as existing or as may be amended. Details of perquisites & commission embodied in the draft agreement to be entered into with Mr. R L Swanson, wholetime Managing Director, are as under :

Perquisites :

- A. (i) Housing Facility : Furnished accommodation to be provided by the Company, and if the Company's accommodation is not provided, the appointee shall be entitled to the House Rent Allowance subject to the ceiling of 60% of the salary. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962 which shall, however, be subject to a ceiling of ten percent of the salary of the appointee.
- (ii) Medical Reimbursement expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months salary over a period of three years.
- (iii) Fees of clubs subject to a maximum of two clubs.
- (iv) Personal Accident Insurance premium not to exceed Rs. 4,000/- per annum.

The above perquisites shall be restricted to an amount equal to 75% of the annual salary.

In addition, Mr R L Swanson, shall also be eligible to the following perquisites which shall not be included in the computation of ceiling on perquisites :

- (i) In case of children studying in or outside India, an allowance limited to Rs. 5,000/- per month per



child or actual expenses incurred, whichever is less. Such allowance is admissible upto a maximum of 2 children.

- (ii) Return Holiday passage once in a year by economy class or once in two years by first class to children from their place of study abroad to India and to the members of the family from the place of their stay abroad to India if they are not residing in India with Mr R L Swanson.
- (iii) Return passage for home country once in a year for self and family in accordance with the rules of the Company.
- (iv) Actual expenses incurred on travel and on packing, forwarding, loading or unloading as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of personal effects for self and family for joining duty in India in case these have not been claimed from the previous employer. Such expenses would be allowed on finally leaving the employment of the Company if the expatriate is not joining any other branch of the Company or related Company.

- B Car for use of Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Director.

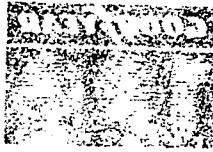
Commission : 100% of the annual salary based on the net profits of the Company in the relevant year subject to the overall ceilings laid down under Sections 198 & 309 of the Companies Act, 1956.

Perquisites & Commission applicable in the case of other wholtime Directors embodied in the draft supplemental agreements to be entered into with each of the wholtime Directors namely Messrs E Krishnaiah, K K Wadhvani and B Anantharaman are as under :

- A (i) Housing Facility : Furnished accommodation to be provided by the Company, and if the Company's accommodation is not provided, the appointee shall be entitled to the House Rent Allowance subject to the ceiling of 60% of the salary. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962 which shall, however, be subject to a ceiling of ten percent of the salary of the appointee. Allowance for upkeeping residential accommodation as may be decided by the Board subject to a maximum of Rs-10,000/- per month.
- (ii) Fees of clubs subject to a maximum of two clubs.
- (iii) Personal Accident Insurance premium not to exceed Rs. 4,000/- per annum.
- (iv) Leave Travel Concession for self and family, once in a year incurred in accordance with the rules of the Company.

The above perquisites shall be restricted to an amount equal to 100% of the annual salary. In addition, the following perquisites which will not form part of the computation of the ceiling on perquisites specified in 'A' above shall also be provided :

- B (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act 1961. Any contribution made as per the Company's Rules applicable for other Senior Management Staff of the Company which is in excess of the exemption limit prescribed under the Income Tax Act, 1961 would be included in the computation of the ceiling on perquisites.
- (ii) Medical reimbursement expenses incurred for self and family subject to a ceiling of four months salary in a calendar year or twelve months salary over a period of three calendar years.
- (iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service in the Company.
- (iv) Encashment of leave at the end of the tenure.



- C. Car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purposes shall be billed to the appointee.
- D. Commission : Payable annually as determined by the Board based on the net profits of the Company in the relevant calendar year subject to the overall ceilings laid down under Sections 198 and 309 of the Companies Act, 1956 but not exceeding Rs. 20 lacs.

Revision in Commission and perquisites in the case of Mr B Anantharaman would be applicable effective May 1, 1998 whereas in the case of Mr E Krishnaiah and Mr K K Wadhvani, the same would be applicable effective January 1, 1998. Mr B Anantharaman would also be entitled for children education allowance limited to Rs. 5,000/- per month per child or actual expenses incurred, whichever is less upto a maximum of 2 children, in respect of children studying in or outside India.

In the event of the Company not earning profit or inadequacy of profit during a year, the above remuneration payable to Messrs R L Swanson, E Krishnaiah, K K Wadhvani and B Anantharaman shall stand reduced to the limit prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 as existing or as may be amended from time to time.

The draft agreement/supplemental agreements referred above would be available for inspection by the members at the Registered Office of the Company on any working day between 11.30 A.M. & 1.30 P.M.

No Director of the Company except Messrs R L Swanson, E Krishnaiah, K K Wadhvani and B Anantharaman in respect of their respective resolutions, has any interest or concern in the matter.

The explanatory statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956 of the agreements to be entered into between the Company and the respective Directors, to the extent applicable.

New Delhi
March 18, 1998

By Order of the Board
S K Jain
Company Secretary

Report Junction.com



GOODYEAR INDIA LIMITED

Regd. Office : Mathura Road, Ballabgarh (Faridabad) 121004 (Haryana)

PROXY FORM

I/We
 of being a Member of GOODYEAR INDIA LIMITED
 hereby appoint of
 or failing him of
 or failing him of

as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company to be held on Friday, the 15th day of May, 1998 and at any adjournment thereof.

As witness my/our hand(s) this Day of 1998

Account Number

Signature

Affix
30 p
Revenue
Stamp

Note : The proxy form duly completed, signed & stamped must be returned so as to reach the Registered Office or Head Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

GOODYEAR INDIA LIMITED

Regd. Office : Mathura Road, Ballabgarh (Faridabad) 121004 (Haryana)

ATTENDANCE SLIP

I hereby record my presence at the THIRTY-SEVENTH ANNUAL GENERAL MEETING of the Shareholders of the Company held at Magpie Tourism Complex, Sector 16-A, Faridabad on Friday, the 15th day of May, 1998 at 3.00 PM.

(to be filled in block letters)

Account No.

No. of Shares

Full Name(s) of Account

Holder(s)

(Full name of attending member/proxy)

(To be signed at the Reception)

Signature of Member/Proxy

Note : Please present this slip at the entrance and bring your copy of the Annual Report.

