

GOODYEAR

GEARING UP FOR THE NEXT MILLENNIUM

GOODYEAR INDIA LIMITED

A N N U A L R E P O R T 1 9 9 8



Almost two years ago I introduced Goodyear's Mission Into the 21st century. This is a vision of how Goodyear, through strategies focused on growth and cost leadership, will become the best tire and rubber company in the world by all measures...

Beyond the financial strengths we are leveraging, Goodyear has corporate values to which our worldwide team of associates subscribes.

These values are protecting the integrity of our name, focusing on our customers, respecting and developing our people, and rewarding our investors.

This combination of our core values with our business strengths should not only maintain our strong momentum, but makes fulfilling our Mission Into the 21st Century absolutely within reach.

Sam Gibara
Chairman, CEO & President
The Goodyear Tire
& Rubber Company



GOODYEAR INDIA LIMITED

Regd. Office : Mathura Road, Ballabgarh (Faridabad) 121004 (Haryana)
(H.O: Godrej Bhavan, 3rd Floor, Mathura Road, New Delhi 110 055)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the thirty-eighth ANNUAL GENERAL MEETING of the Shareholders of GOODYEAR INDIA LIMITED will be held on Friday, the 14th day of May, 1999 at 11.30 A.M. at Magpie Tourism Complex, Sector 16 A, Faridabad to transact the following business:

AGENDA

ORDINARY BUSINESS :

1. To receive and adopt the Balance Sheet as at December 31, 1998, The Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr E Krishnaiah who retires by rotation under article 103 of the Articles of association of the Company, and, being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

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

5. As an Ordinary Resolution:
RESOLVED THAT Mr N P Moos be and is hereby appointed a Director of the Company whose period of office shall not be subject to retirement by rotation.
6. As an Ordinary Resolution:
RESOLVED THAT pursuant to the provisions of Sections 259, 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 N P Moos as wholetime Managing Director of the Company for a period of 3 years, with effect from July 9, 1998 at a salary, commission & perquisites as specified in detail in an agreement to be entered into between the Company and Mr N P Moos (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 is 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 Moos shall exceed the maximum limit prescribed in Section 1 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 Moos would be entitled to receive the remuneration to the maximum extent prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 as existing or as may be amended.
7. As an Ordinary Resolution:
RESOLVED THAT Mr R V Gupta be and is hereby appointed a Director of the Company.
8. As an Ordinary resolution:
RESOLVED THAT Mr H D Pace be and is hereby appointed a Director of the Company.

New Delhi
March 15, 1999

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 29th April, 1999 to 14th May, 1999, 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 28, 1999 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 7, 1999.
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 1994, which remained unclaimed, 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, further to the post card sent by the Company in November, 1998 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.
7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is given below:

EXPLANATORY STATEMENT**Item Nos. 5 & 6**

As informed to the members vide circular of July 9, 1998 Mr N P Moos was appointed as wholtime Managing Director of the Company by your Board in the Board Meeting held on July 9, 1998 for a period of 3 years in place of Mr R L Swanson who has taken early retirement after continuous service of more than 30 years with Goodyear worldwide. In the same Board Meeting, Mr Moos was also elected as Chairman of the Board. Shareholders' approval, as required under Schedule XIII to the Companies Act, 1956, is being sought vide item 6 of the Notice. Since Mr Moos was not resident in India for a period of twelve months preceding the date of his appointment, requisite approval of Central Government has also been obtained.

Pursuant to article 125 of the Articles of Association of the Company, Mr N P Moos shall not be subject to retirement by rotation. A notice has been received by the Company from a member signifying his intention to propose the appointment of Mr N P Moos as a Director of the Company. Hence the resolution vide item 5 of the Agenda.

Salary of Mr N P Moos was fixed at Rs. 75,000/- per month effective July 9, 1998. The details of

remuneration including perquisites and commission of Mr N P Moos, wholetime Managing Director have been embodied in an agreement to be entered into with him, 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 to 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 N P Moos, 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) Fees of clubs subject to a maximum of two clubs.
- (iii) Personal Accident Insurance premium not to exceed Rs. 4000/- per annum.

The above perquisites shall be restricted to an amount equal to 100% of the annual salary.

In addition, Mr N P Moos 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. 5000/- 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 N P Moos.
 - iii) 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 years.
 - iv) Return passage for home country once in a year for self and family in accordance with the rules of the Company.
 - v) 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 also be allowed on finally leaving the employment of the 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 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.

In the event of the Company not earning profit or inadequacy of profit during a year, the above remuneration payable to Mr N P Moos 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 amended from time to time.

The draft Agreement 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 Mr N P Moos, to the extent of his appointment & remuneration has any interest or concern in the matter.

Item Nos. 7 & 8

The Board of Directors at the meeting held on October 27, 1998 unanimously appointed Mr R V Gupta, former Deputy Governor of Reserve Bank of India, as Additional Director.

In the meeting held on January 29, 1999, the Board of Directors also unanimously appointed Mr H D Pace, Vice President-Asia Region of the parent Company, The Goodyear Tire & Rubber Company, Akron Ohio USA as Additional Director.

Notices under Section 257 of the Companies Act, 1956 have been received by the Company from members signifying their intention to propose the appointment of Messrs R V Gupta and H D Pace respectively. Hence the resolutions vide Items 7 & 8 of the Agenda.

The Board recommends your approval of the above resolutions.

No Director of the Company except Messrs R V Gupta and H D Pace has any interest or concern in the matter.

New Delhi
March 15, 1999

By Order of the Board
S K Jain
Company Secretary

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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-Eighth Annual General Meeting of the Company to be held on Friday, the 14th day of May, 1999 and at any adjournment thereof.
 As witness my/our hand(s) this.....Day of.....1999
 Account Number.....

Signature.....

Affix
 30p
 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.

ATTENDANCE SLIP

I hereby record my presence at the THIRTY EIGHTH ANNUAL GENERAL MEETING of the Shareholders of Goodyear India Limited held at Magpie Tourism Complex, Sector 16-A Faridabad on Friday, the 14th day of May, 1999 at 11.30 A.M.

Account No.....

No. of Shares.....

Full Name(s) of

AccountHolder(s).....

Full name of

Attending member/proxy.....

Signature of Member/Proxy

Note : Please fill in block letters and sign at the Reception.
 Please bring your copy of the Annual Report.


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MD	✓	BKC	✓
CS	✓	DEY	✓
RO	✓	TV	✓
TRA	✓		✓
AGM	✓		✓
YE	✓		✓

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Contents

Gearing up for the next millennium	li
Board of Directors	1
Directors' Report	2
Balance Sheet	8
Profit and Loss Account	9
Schedules	10
Cash Flow Statement	21
Balance Sheet Abstract and Company's	
General Business Profile	22
Auditor's Report	23
Annexure	24



Gearing up for the next millennium

The current year marks a major turning point in our history, not just because of its significance as the end of one millennium and the beginning of another, but more so because a number of extraordinary developments occurred during it. This has clearly paved the way for Goodyear to begin demonstrating its rightful place and role as a leader in the global and domestic tyre industry. It will therefore be our earnest effort to harness our corporate, technological and brand strengths to their maximum. The results that we have aggressively envisioned with emphatic focus on customer satisfaction should undoubtedly give us a clear direction and thrust in the future.

Neville P Moos
Chairman & Managing Director