



**Goodyear India Limited**

**Corporate Office :**

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Gurgaon, Haryana - 122002

email: gyi\_info@goodyear.com

July 04, 2025

To  
The Dept. of Corporate Services  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001

Scrip Code: 500168  
ISIN: INE533A01012

**Sub: Outcome of the Board Meeting - Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR), 2015**

Dear Sir(s),

This is to inform that the Board of Directors of the Company at their meeting held today i.e. July 04, 2025, has inter alia, reviewed and noted the report submitted by M/s. Ernst & Young LLP in connection with certain variances that were identified and appropriately dealt with by the Company in book and physical inventory of finished goods for farm tyres in the Ballabgarh Plant.

The disclosures as required under Regulation 30 of the SEBI (LODR), 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 in this regard, is enclosed as Annexure I.

The meeting of the Board of Directors commenced at 5:00 P.M. and concluded at 5:30 P.M.

You are requested to take the same on record and treat the same as compliance of applicable SEBI Regulations.

Thanking you.

Yours sincerely,  
For **Goodyear India Limited**

**Anup Karnwal**  
**Company Secretary & Compliance Officer**

**Encl.: as above**

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No contract is valid unless signed by a duly authorised officer of the company.

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

**CIN : L25111HR1961PLC008578**

## **Annexure I**

A fact-finding review was commissioned by the Company through Ernst & Young LLP (EY) after the Company identified variance between book stock and physical inventory of finished goods of farm tyres at its Ballabgarh Plant in November 2024. This was intimated to the stock exchange on February 12, 2025 pursuant to regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The findings in the report (attached) was reviewed by the Audit Committee and subsequently noted by the Board of Directors at its meeting held on July 04, 2025.

The review, covering the period from October 01, 2023 to November 30, 2024, identified the primary cause of the inventory shortfall as potential theft of tyres in bulk by contractual workers involved in security, warehousing, and loading operations, acting in collusion. Some pilferage of tyres may have occurred through excess loading in shipments involving both an employee and contractual workers.

The financial impact of the inventory shortage identified on November 16, 2024, has already been recognized in the Company's financials for the quarter ended December 31, 2024.

The management has taken cognizance of the findings and initiated appropriate legal and disciplinary actions against those involved. Proactive measures, including a site security assessment and tightened controls, have been implemented. Further enhancements to internal controls and processes are under implementation.

We trust this disclosure provides the requisite information under applicable SEBI regulations. The Company remains committed to upholding the highest standards of corporate governance and safeguarding stakeholder interests.

A high-contrast, black and white close-up photograph of a Goodyear tire tread. The image shows the repeating sipes and grooves of the tread pattern, creating a strong sense of depth and texture. The lighting highlights the ridges and shadows the grooves.

# Goodyear India Limited

Summary of findings

04 July 2025

*Strictly private and confidential*

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# 1. Background and work done



# Background and work done

## Background

- ▶ Based on preliminary discussions with Goodyear India Limited (hereinafter referred to as “Goodyear” or “the Client”), it is understood that the Client has identified variance between book stock and physical inventory of finished goods (FG) for farm tyres at its Ballabgarh (Faridabad) Plant in November 2024. In this regard, the Client has approached Ernst & Young LLP (“EY”) to assist in conducting a fact-finding review of the discrepancies noted in FG inventory.

## Work done

**Review Period : 01 October 2023 to 30 November 2024**

- ▶ **Preliminary understanding and walkthroughs:**  
Conducted detailed discussions with stakeholders to understand the inventory management process and internal controls.
- ▶ **Data analytics and transaction testing:**  
Performed data analytics and obtained supporting documentation for sample transactions.
- ▶ **Background checks and market enquiries:**  
Conducted background checks on select third parties/ entity (s) to gather information on suspected irregularities.
- ▶ **Electronically Stored Information (ESI) of suspected individuals:**  
Forensically imaged the laptop data, handled devices and/or obtained server backup (MS office and cloud data) of select individuals, undertook keyword-based searches and reviewed electronic documents.
- ▶ **Open interviews:**  
Assisted the Client in undertaking open interviews with select employees and third-party contractual workers as agreed with Goodyear.

## 2. Summary of findings



# Summary of findings (1 of 3)

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## Background:

- ▶ In November 2024, Goodyear identified net physical shortage of 4,571 tires during physical verification at its Ballabgarh Plant, amounting to approx. INR 39.11 Mn. Review of records for physical verification conducted in March 2024 indicated no significant variances between book and physical stock.

## Summary of findings:

- ▶ Basis the fact-finding review, theft of tires was identified as one of the primary reasons for the physical shortage of tires at Ballabgarh Plant through following two modus operandi's:

### A. Modus Operandi 1: Potential theft of tires in bulk

1. During review, identified suspicious conversations shared between a third party loading supervisor and warehouse workers indicating that truck-load of tires were potentially siphoned from Ballabgarh Plant in select unidentified trucks without any dispatch records maintained at the warehouse, material gate or weighbridge through collusion amongst third party warehouse workers, loading manpower, security guards and unidentified external individuals.
2. **Potential quantum and period for bulk theft of tires:** Based on review of suspicious conversations, identified total 4,057 tires mentioned against 20 dates between July 2024 to December 2024. These conversations also indicated the SKU wise count of tires for identified 20 dates.
3. **Manipulation of Gate records:** One (1) third-party security personnel admitted to have been offered kickbacks by the aforementioned third-party loading supervisor for non-recording of truck details carrying stolen tires in security records.

### B. Modus operandi 2: Theft/pilferage through potential excess loading of tires in trucks

1. During review, another modus operandi was identified for pilferage of tires from Ballabgarh plant, wherein excess tires (as compared to invoiced quantity) were loaded in select trucks and were potentially siphoned during transit.



# Summary of findings (2 of 3)

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2. **Spike in overweight dispatches during July 2024 - November 2024:** As a practice, a tolerance limit of 1.3% for over-weight dispatches was allowed at Ballabgarh plant. In case the truck load exceeded the tolerance limit, Quality Assurance team of Goodyear undertook a study to ascertain the reasons for over-weight and subsequent reloading of trucks was undertaken in presence of security, if required. Based on data analytics performed on dispatch records for July 2023 to November 2024, identified 2,383 instances of overweight dispatches, out of which 50% of the total overweight trucks were dispatched between July 2024 to November 2024. Further, 15% of the total overweight trucks were dispatched to Ambala warehouse, wherein the over-weighment ranged from 5% -11% of standard weight. During review, it was identified that these overweight dispatches were allowed to Ambala warehouse without quality study and verification by security due to shortage of storage space at Ballabgarh plant which was caused due to high inventory levels.
3. **Instructions from third-party warehouse vendor to allow overweight dispatches:** One (1) Quality Assurance employee admitted to have received instructions from an employee of the third party warehouse vendor to ignore the over-weight trucks and allow them to be dispatched without quality study. He further opined that over-weighment was due to excess loading of 5-6 tires in these select trucks which were dispatched to Goodyear warehouses and were subsequently pilfered in-transit during the period May 2024 to August 2024. However, the employee stated that he had physically not witnessed any excess loading and could not provide any further details such as truck numbers, dates or total quantity of such excess tires which might have been pilfered.

## C. Potential misrepresentation of rejected quantities of tires by Quality Inspector during pre-dispatch inspection (PDI)

1. **Increase in quantity of quality rejections:** Per defined process, the Quality team inspects the tires prior to any dispatch failing which the tires are rejected and blocked for any further dispatch without re-work. Review of PDI rejection records from January 2023 to December 2024 indicated increase of rejections in 2024 as compared to 2023.
2. **Kickbacks for increasing quantity of quality rejected tires:** The aforementioned Quality Assurance employee admitted to have received kickbacks from the same employee of the third party warehouse vendor for inflating the quantity of rejected tires at the time of PDI. He also admitted that the rejected quantity was inflated only in the daily quality report whereas there were no rejections physically. He informed that the rejections were inflated through collusion with select third party quality inspectors and opined that the rejections might have been inflated to manage the physical shortage of tires maintained by the third party warehouse vendor.

# Summary of findings (3 of 3)

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## D. Gaps identified in Production and Physical verification process

1. **Irregularities in production handover process:** During process walkthroughs, it was informed that finished tires are handed over by Production to Warehouse department basis manual production load slips prepared in triplicate by respective departments post independent count of tires. During review, identified discrepancies in manual load slips indicating that tires were handed over without independent verification. Further, multiple employees and third-party contractual workers had also admitted that defined process for handover of finished tires was not adhered by production and warehouse departments.
2. **Gaps in production MIS vis-à-vis production recorded in SAP:** During process walkthroughs, it was informed that production records were maintained manually. Further, it was informed that production undertaken during the shutdown period was not recorded in the Production MIS due to which variances were identified in production recorded in SAP. During review, noted multiple spreadsheets with different production numbers for the same period which did not match the Production MIS shared during review. Further, during interviews, employees could not provide any explanation nor any records for actual production undertaken at the plant during the shutdown-startup period. The identified variances could not be validated or quantified due to non-availability of system logs and inaccuracy/non-reliability of manual records.
3. **Gaps identified in physical verification records of March 2024:** During review, noted certain gaps in physical verification records such as missing signatures and non-verification on select counting tags.

### 3. Scope and approach limitations



# Scope and approach limitations (1 of 3)

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- ▶ The engagement was carried out in accordance with Engagement Letter dated 28 January 2025, the terms & conditions mentioned therein. The scope, coverage and approach mentioned in this summary of findings was arrived at based on discussions with Client. This summary of findings is not intended to be all-inclusive. It should be read in conjunction with the complete report.
- ▶ All matters, issues and information referred to in this summary of findings arise from our discussions with the responsible personnel identified for handling or managing the respective areas at the Client.
- ▶ This review is in the nature of a fact-finding engagement and is not a re-audit/ audit of the accounts balances/ financial statements or parts thereof. The procedures performed for this fact-finding review do not constitute an audit conducted in accordance with Indian GAAS or any other national or international auditing or accounting standards.
- ▶ Findings are based on identified keywords hits reviewed and are based on the information/documents (including photocopies/scan copies and electronic data) furnished up to 16 May 2025. Though the endeavour was to analyse/review the documents in their complete perspective and present our findings thereupon, such findings are based only upon data/information to the extent provided/reviewed. Should additional relevant statements or documents be made available subsequently, it may be necessary to revisit the findings accordingly.
- ▶ We have relied on the documents/information furnished to us by the Client and their officials. It may not be possible to check the accuracy and authenticity of all the information provided to us. We were provided only with the photocopies of documents in some cases and our observations are based on analysis of those documents
- ▶ The sufficiency of the work steps/ procedures is solely the responsibility of the Client. Consequently, we make no representation regarding the sufficiency of the procedures performed either for the purpose for which the summary of findings was requested or for any other.
- ▶ Our findings cannot be taken to be exhaustive, in view of the fact that only specific sample of transactions were verified. Our findings are based on information and documents to the extent provided to us. For this reason, it is possible that our observations may have been different had we reviewed the whole documentation/ information on a particular matter.
- ▶ Our scope did not require and our work steps were not tailored to identify regulatory/ statutory non-compliances. Our observations on statutory regulations, if any, do not purport to be an opinion, expert or otherwise. It merely represents our understanding of the facts and possible interpretations of law. Management is advised to take expert opinion before initiating any action.
- ▶ The Client shall be fully and solely responsible for applying independent judgment, with respect to the findings included in this fact-finding summary of findings, to make appropriate decisions in relation to future course of action, if any. EY shall not take responsibility for the consequences resulting from decisions based on information included in the summary of findings.
- ▶ While EY made appropriate efforts to ensure confidentiality and discreteness of the engagement, employees of the Client may have come to know about the same. EY will not be liable for any loss/ damage of whatsoever nature arising due to such disclosure/ knowledge /awareness.

# Scope and approach limitations (2 of 3)

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- ▶ Our findings are based on the fieldwork which was substantially completed on 31 May 2025. We undertake no responsibility to revise this summary of findings for events or circumstances occurring after the date of completion of fieldwork.
- ▶ We are not intending or agreeing to act as an expert witness or provide an expert opinion or expert testimony during the course of any legal proceeding or be deemed as representing or advocating any position on behalf of any party in any legal matter or proceeding.
- ▶ This summary of findings is furnished solely for the information of the Client with its request to EY to provide services as per the engagement letter and should not be used, circulated, quoted or otherwise referred to for any other purpose, nor included or referred to in whole or in part in any document without our prior written consent
- ▶ EY assumes no responsibility to any user of the summary of findings other than the Client. Any other persons who choose to rely on our summary do so entirely at their own risk
- ▶ Under no circumstances shall we be liable, for any loss or damage, of whatsoever nature, arising from information being withheld or concealed from us or misrepresented to us by any person/agency to whom information requests were made. Further, we shall not be responsible for the consequences resulting from decisions based on information included in the summary.
- ▶ When assisting the Client in performance of Electronically Stored Information, following should be considered:
  - ▶ EY would not be held liable, for any loss or damage, of whatsoever nature, arising from forensic analysis. However, professional care of devices and systems (if any) at the Company was taken
  - ▶ With due usage of computer by users, the deleted data in it gets overwritten which might destroy the evidence completely or might contaminate it partially
  - ▶ EY does not assure that its investigation lead to identification of the source of fraud. However, EY executed detailed work steps as identified and any agreed upon procedures
  - ▶ EY did not perform security assessment of any software/application used by the Company
  - ▶ Sourcing of primary data was the responsibility of the Client
  - ▶ EY did not access the network or security of Company's core IT application
  - ▶ EY team did not engage in identifying unauthorized financial entries
  - ▶ Client management authorized the engagement team for the purpose of imaging and analysis of the computers / laptops (or any other electronic system) which were required to complete the work steps for this engagement and EY has relied on the laptops/desktops furnished to us by the Client for the purpose of imaging.
  - ▶ Password protected files found could not be opened and analysed

# Scope and approach limitations (3 of 3)

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- ▶ EY will not be responsible for exhaustiveness of web-based information as it is possible that EY might not be able to access all the information or may not have access to all on-line information sources. Further, the web-based information search will be limited to that currently available (and known to EY) in the public domain.
- ▶ In India, the information about individuals/business entities is not captured and stored in an organized manner in a centralized database. The information is collated from third parties/various secondary information sources available in public domain and through interactions with various individuals. Accordingly, the factual accuracy of such information cannot be guaranteed. The information included in the summary of findings is primarily collected from public sources, thus it is difficult to verify all aspects of the information obtained.
- ▶ EY does not provide any opinion in respect to the business entities or individuals on whom this search is conducted; further, information collated through discussions should be treated as hearsay in nature.
- ▶ Individual not appearing on these databases / website is not a guarantee that there is no litigation or regulatory action involving the individual.
- ▶ Under no circumstances shall EY be liable, for any loss or damage, of whatsoever nature, arising from information material being withheld or concealed from EY or misrepresented to EY by any person/agency of whom information requests was made. Further, EY shall not responsibility for the consequences resulting from decisions based on information included in such summary.

## Ernst & Young LLP

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