



AUTOMOBILE CORPORATION OF GOA LIMITED



**33rd Annual Report
2012-2013**



ACGL's Participation at **busworld** 2013
INDIA
MUMBAI

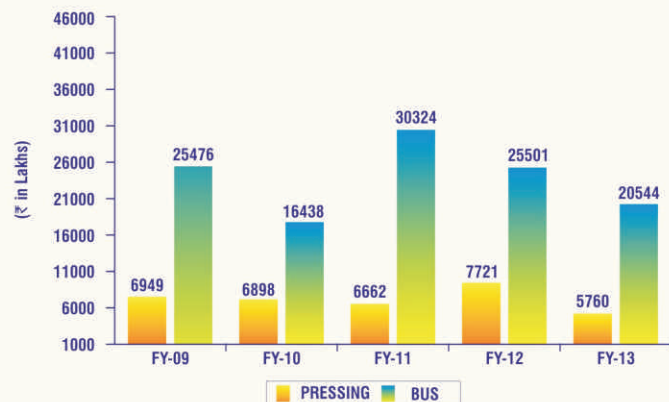


Contents

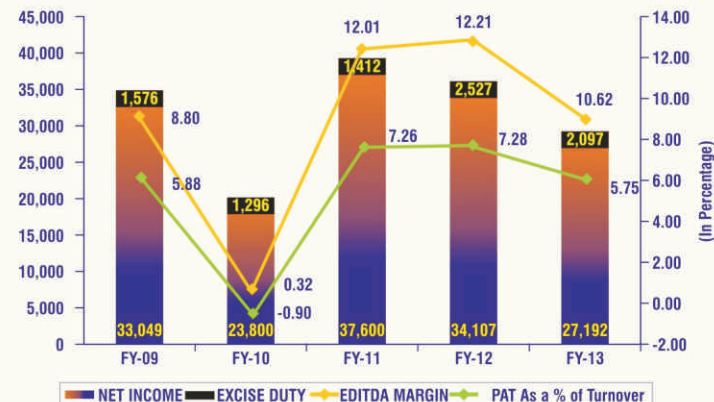
Board of Directors	03
Chairman's Message	04
Managing Director's Message	05
Notice	06
Directors' Report	19
Management Discussion and Analysis	27
Corporate Governance Report	33
Auditors' Report	52
Balance Sheet	57
Statement of Profit and Loss	58
Cash Flow Statement	59
Notes to the Financial Statement	61



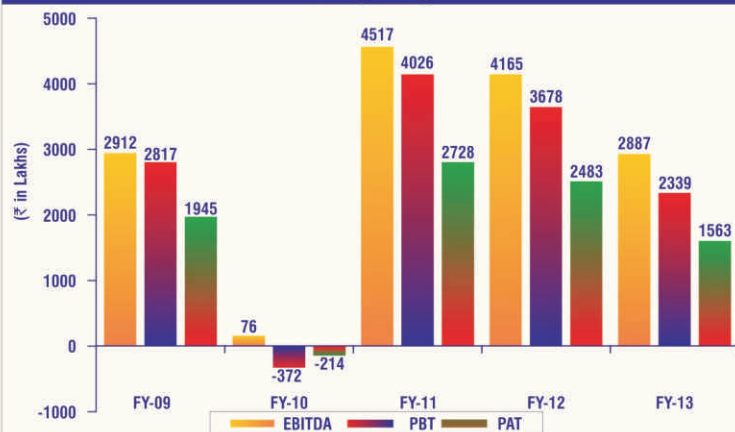
SEGMENT REVENUE



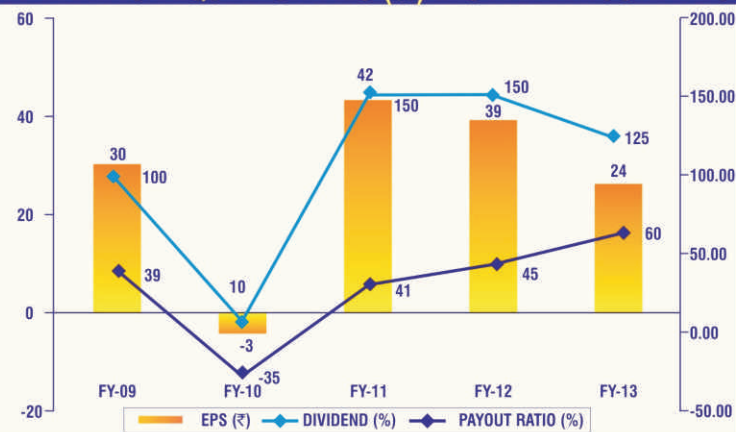
TURNOVER, EBITDA AND PAT AS % TURNOVER



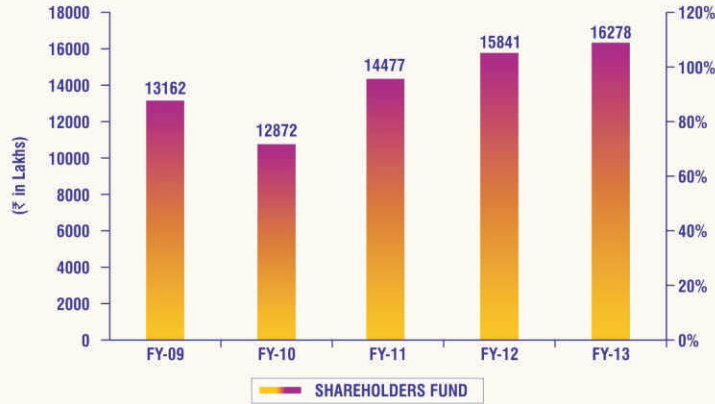
PROFITS



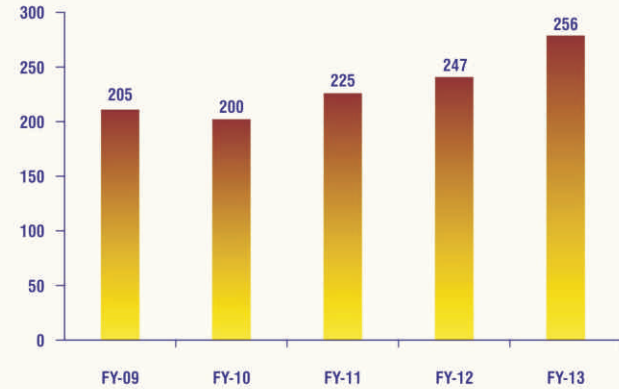
DIVIDEND ON EQUITY SHARES (%) EPS AND PAYOUT RATIO



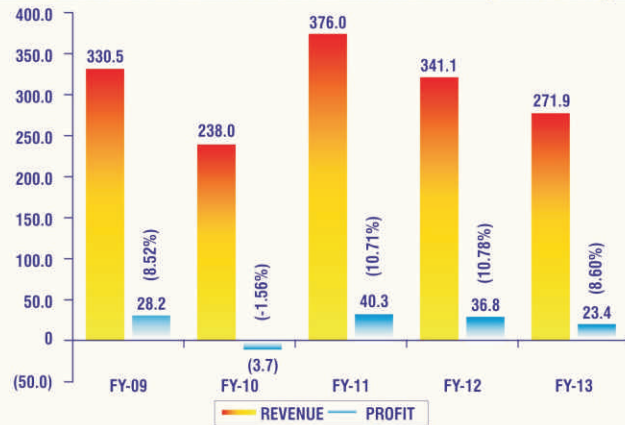
SHAREHOLDERS FUND



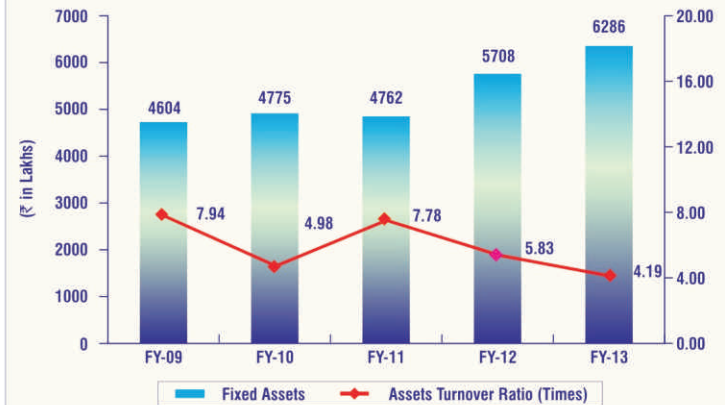
BOOK VALUE PER SHARE (₹)



YEARWISE REVENUE & PROFIT - (₹ in Crs.)



FIXED ASSETS AND ASSETS TURNOVER RATIO



BOARD OF DIRECTORS

S. V. Salgaocar

Chairman

P. M. Telang

Director (upto 28.07.12)

C. Ramakrishnan

Director (upto 26.02.13)

Steven A. Pinto

Director

P. F. X. D'Lima

Director

S. B. Borwankar

Additional Director (w.e.f. 28.07.12)

A. A. Gajendragadkar

Additional Director (w.e.f. 27.02.13)

V. Krishnamurthi

Managing Director

Share Registrars

TSR Darashaw Private Limited
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr E Moses Road, Mahalaxmi, Mumbai 400 011

Bankers

State Bank of India
HDFC Bank Ltd

Statutory Auditors

Deloitte Haskins & Sells

Cost Auditors

S. J. Karve & Associates

Registered Office

Honda, Sattari, Goa 403 530

Works

Honda (Goa)
Bhuimpal (Goa)
Jejuri (Maharashtra)
Dharwad (Karnataka)

Pravin Satardekar

Company Secretary

33rd ANNUAL GENERAL MEETING

28th June, 2013

3.30 p.m.

at Honda, Sattari, Goa - 403 530

BOARD OF DIRECTORS



P. M. Telang
Director
(upto 28.07.12)



S. V. Salgaocar
Chairman



C. Ramakrishnan
Director
(upto 26.02.13)



S. B. Borwankar
Additional Director
(w.e.f. 28.07.12)



A. A. Gajendragadkar
Additional Director
(w.e.f. 27.02.13)



Steven A. Pinto
Director



P. F. X. D'Lima
Director



V. Krishnamurthi
Managing Director

Message From Chairman



Dear Shareholders,

For twelve successive quarters, that is for over three years now, India's real GDP growth has been falling: from 9.4% in January-March 2010 to 4.5% in October-December 2012. The Indian economy has been suffering from high interest cost, lack of demand, high current account deficit, fiscal reforms and has remained sluggish for a considerably long period of time.

While effects of the slowdown were visible during 2011-12 itself, the full impact of the downturn manifested itself during 2012-13. Demand for buses for domestic as well as export market drastically cut down bus production from the high of 4822 (2010-11) to 3937 (2011-12) and further down to 2941 in the year under review.

It is true that 2012-13 has been a rather subdued year for your company. Due to declining volumes, the turnover and profit before tax also decreased from the earlier highs. At ACGL, we recognize that cost competitiveness represents the building block of our business. Over the years, this competitiveness has been derived through aggressive cost reduction, efficient processes, fiscal controls and strong inventory management. This made it possible to stay operationally viable even in tough times.

Your company did its best in challenging times and turned out positive numbers when other companies in similar / related businesses reported either dismal profits or struggled to come out of red. My sincere appreciation is due to the executive management of the company for rising to the occasion and reporting a decent profit for the year.

I look forward to your dedication and support in ensuring that your company continues its progress story in the years to come.

Sincerely,

S.V. Salgaocar

15th May, 2013
Goa



Mr. S. V. Salgaocar

Message From Managing Director



Mr. V. Krishnamurthi

Dear Shareholder,

Prolonged economic slowdown in the developed world followed by its devastating effects in the developing nations like India hit your company quite hard during 2012-13 in terms of business volume. The year saw considerably lower demand for commercial vehicles including buses throughout the year. While your company sold 4822 buses during 2010-11, the next two years saw the demand slowing down to 3937 (2011-12) and further to 2941 during the year under review. In other words, sale of buses during the year under review was to the extent of only 60% as compared to those sold in 2010-11. Your company's Pressing business also suffered due to lower off-take by our OEM customers who are in the business of manufacture of commercial vehicles.

Impact of the slowdown was so severe that even many giant organisations in OEM category of commercial vehicle business reported heavy losses during the period.

To face not-so encouraging external environment, your company stepped up its own marketing efforts and obtained sizeable orders for buses from private customers including STUs as also for sheet metal parts from new customers. Vigorous efforts initiated from previous years in the area of cost control were continued to sustain in the wake of adverse situation. Your management sensitised every employee in the organisation to question the unquestioned so that all avoidable expenditure was curtailed and the plants were operated at the most optimal efficiency.

Initiatives of obtaining bus orders from Southern part of the country, new business from a construction equipment manufacturing company in Dharwad, additional business from the existing customers are the focus points for 2013-14. While the management would like to assure you that all-out efforts are being made to optimise company's operations, it hopes that demand for buses during 2013-14 would improve and that your company would report still better results.

I am confident that with your support and excellent team work from employees at all levels; your company will achieve even further progress in the coming years.

Yours Sincerely,

V. Krishnamurthi

15th May, 2013
Goa



Notice

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of AUTOMOBILE CORPORATION OF GOA LIMITED will be held on Friday, 28th June, 2013 at 3:30 p.m. at the Registered Office of the Company at Honda, Sattari, Goa to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2013 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare Dividend for the year ended March 31, 2013.
3. To appoint a Director in place of Mr. S V Salgaocar, who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. Appointment of Mr. S B Borwankar as a Director
To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution:

"Resolved that Mr. S B Borwankar who was appointed as an Additional Director of the Company by the Board of Directors on July 28, 2012 under Section 260 of the Companies Act, 1956 and who holds office up-to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."
6. Appointment of Mr. A A Gajendragadkar as a Director
To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution:

"Resolved that Mr. A A Gajendragadkar who was appointed as an Additional Director of the Company by the Board of Directors on February 27, 2013 under Section 260 of the Companies Act, 1956 and who holds office up-to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."