



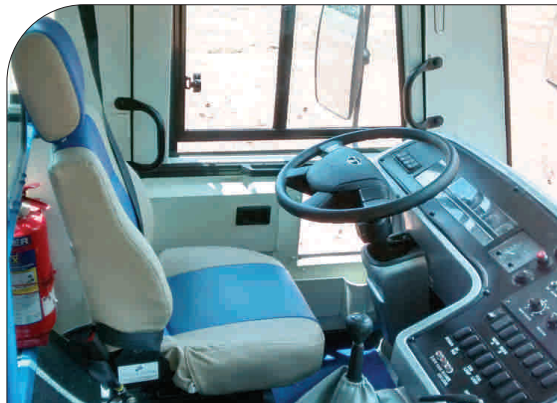
35th Annual Report
2014-2015

AUTOMOBILE CORPORATION OF GOA LIMITED

www.acglgoa.com

Elanza

Overview



Contents

Board of Directors	03
Chairman's Message	04
Director's Message	06
CEO & ED's Message	07
Notice	08
Director's Report	24
Management Discussion and Analysis	56
Corporate Governance Report	64
Auditors' Report	89
Balance Sheet	95
Statement of Profit and Loss	96
Cash Flow Statement	97
Notes to the Financial Statement	99



Jupiter Midi

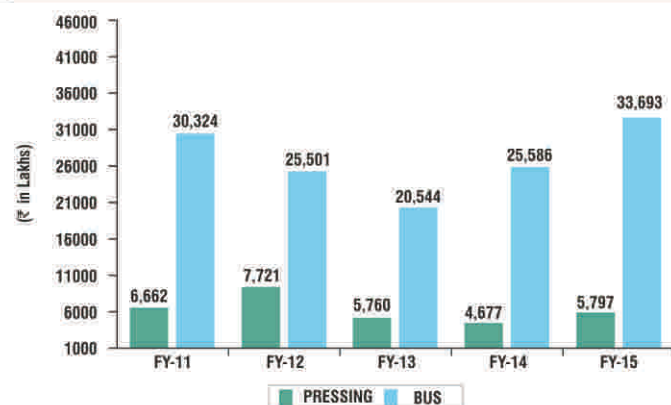


Classic Midi

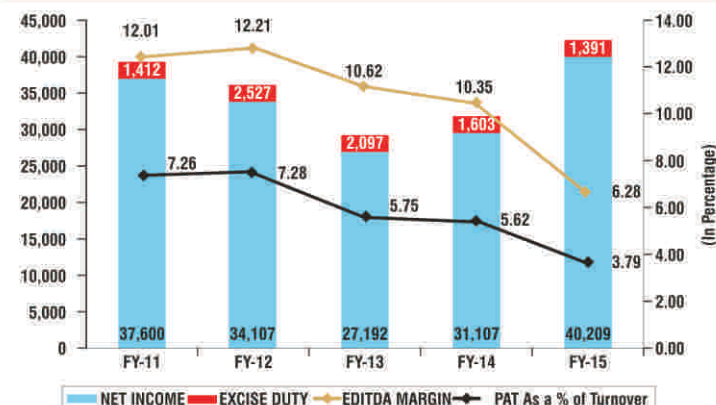


AUTOMOBILE CORPORATION OF GOA LIMITED

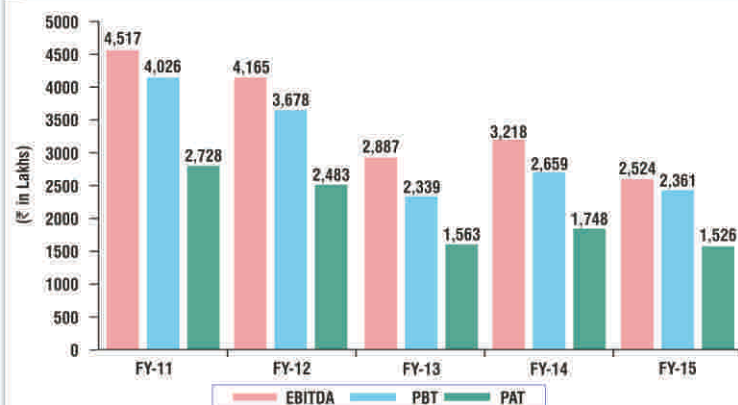
SEGMENT TURNOVER



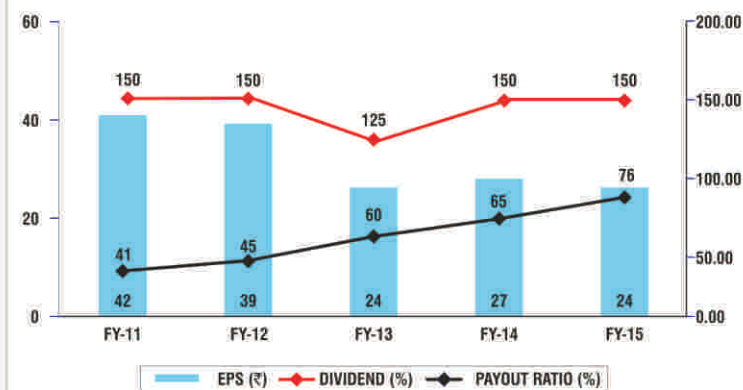
TURNOVER, EBITDA AND PAT AS % TURNOVER



EARNINGS AND PROFITS



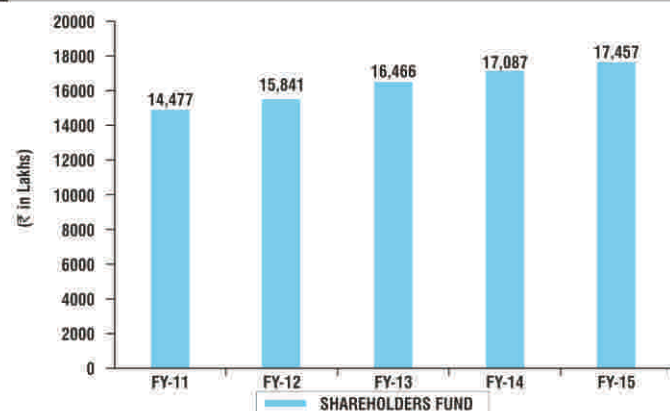
DIVIDEND (%) EPS AND PAYOUT RATIO



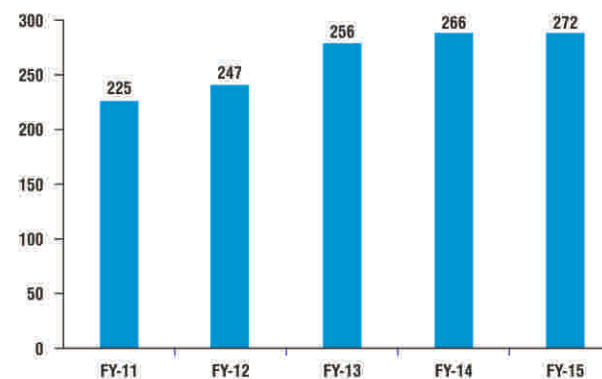


AUTOMOBILE CORPORATION OF GOA LIMITED

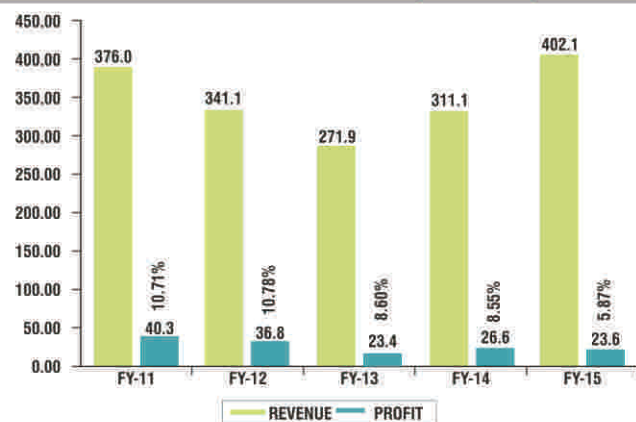
SHAREHOLDERS FUND



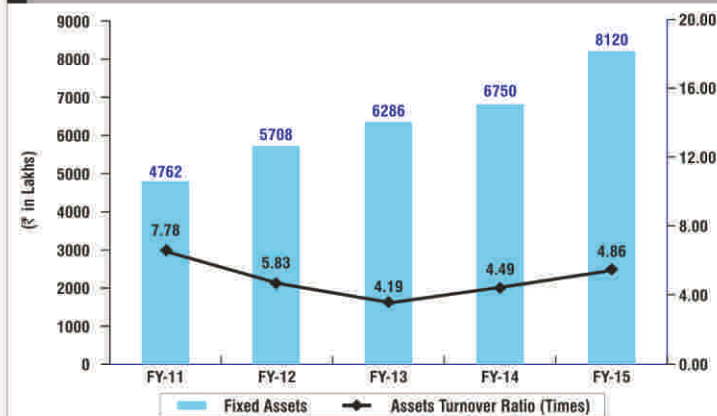
BOOK VALUE PER SHARE (₹)



REVENUE & PROFIT - (₹ in Crs.)



FIXED ASSETS AND ASSET TURNOVER RATIO



BOARD OF DIRECTORS

[Mr S V Salgaocar](#)

Non Executive Independent Director and Chairman

[Mr R Pisharody](#)

Non Executive Non Independent Director (w.e.f. 2.07.2014)

[Mr Steven Pinto](#)

Non Executive Independent Director

[Mr P F X D'Lima](#)

Non Executive Independent Director

[Mr A Gajendragadkar](#)

Non Executive Non Independent Director

[Mr R Ramakrishnan](#)

Non Executive Non Independent Director

[Dr Vijayanti Pandit](#)

Non Executive Independent Director (w.e.f. 20.10.2014)

[Mr V Krishnamurthi](#)

Managing Director (upto 6.12.2014)

[Mr O V Ajay](#)

Chief Executive Officer & Executive Director (w.e.f 16.12.2014)

SENIOR MANAGEMENT

[Mr O V Ajay](#)

Chief Executive Officer & Executive Director

[Mr Harjit Singh Madaan](#)

Chief Financial Officer

[Mr Mahesh Pawaskar](#)

Sr General Manager - Sheet Metal Pressing

[Mr Arun Pawar](#)

Sr General Manager - Planning and Production

[Mr Kshitish Mehta](#)

General Manager - Marketing

[Mr Christie Gomes](#)

General Manager - Proto/PPTI

[Mr Suraj Singh](#)

Chief Internal Auditor

COMPANY SECRETARY

[Mr Pravin Satardekar](#) (w.e.f. 1.12.2014)

[Ms Archana Bhangle](#) (upto 1.12.2014)

CORPORATE INFORMATION

Registered Office

Honda, Sattari, Goa 403530

Tel: +91 832 6731218 Fax: +91 832 6731262

Email: sectl@acglgoa.com

Website: www.acglgoa.com

Corporate Identity Number (CIN)

L35911GA1980PLC000400

Share Registrars

TSR Darashaw Limited

6-10, Haji Moosa Patrawala Ind. Estate,

20, Dr E Moses Road, Mahalaxmi, Mumbai 400 011

Tel: +91 22 66568484 Fax: +91 22 66568494

Email: csg-unit@tsrdarashaw.com

Website: www.tsrdarashaw.com

Bankers

State Bank of India

HDFC Bank Limited

Statutory Auditors

Deloitte Haskins & Sells LLP

(Registration No. 117366W/W-100018)

Secretarial Auditors

Mr Shivaram Bhat

Practicing Company Secretary

(Membership No 10454)

Works

Honda (Goa)

Bhuimpal (Goa)

Jejuri (Maharashtra)

Dharwad (Karnataka)



35th ANNUAL GENERAL MEETING

July 31, 2015

3.30 p.m.

at Honda, Sattari, Goa - 403 530

BOARD OF DIRECTORS



S V SALGAOCAR
Chairman



RAVINDRA PISHARODY
Director



STEVEN PINTO
Director



P F X D'LIMA
Director



A GAJENDRAGADKAR
Director



R RAMAKRISHNAN
Director



DR VAIJAYANTI PANDIT
Director



O V AJAY
CEO & Executive Director

Message From Chairman



Mr S V Salgaocar



Dear Shareholders,

I am happy to connect with you while appraising the performance of ACGL in the year that went by and share with you our aspirations for the future.

It is now thirty years that I have been Chairman of ACGL, and during this long period we have had a varying performance which has improved significantly in the recent past. We started off with the Government of Goa, through EDC, as our principal shareholder and today our principal shareholder is Tata Motors. While the Government of Goa has reduced its holding to a minority of 6%, it continues to support us – a leading engineering industry located in the state of Goa. Our workforce is essentially Goan and we continue to have their backing to keep our industry viable here.

At one time we were the biggest bus body building company in India, but now the market is crowded with many large players. Despite stiff competition, we believe we are more flexible than they are, and we must maintain that competitive edge. With the active support of our principal shareholder, I am confident that we will.

We need to find for ourselves a niche with which besides being able to compete on costs with our competitors, we must develop new areas of a Blue Ocean Strategy wherein we offer innovative applications for our designs which prove useful and relevant to our customers. As the country adopts stricter regimes of quality and safety regulation we need to be at the forefront to be able to meet the niche requirements of our customers.

The global economic situation showed signs of strengthening with the US economy recovering. The environment in the Eurozone remained weak but with some signs of improvement. GDP growth in China and India were low as compared to the high growth rates in the past. However, both these economies continue to hold a great promise for leading global growth in future. The Indian Automobile Industry registered a growth of 8.68% over last year. However, the overall commercial vehicle segment registered a decline of 2.83% in FY 14-15. With the anticipated pick up in our Economy we believe that will now improve.

I am happy to mention that during the year under review, your Company has shown a commendable performance -We manufactured the second highest number of buses (4591 numbers) in any financial year. The Sheet Metal business also witnessed an improvement of 24% during the same period. There is no doubt that the Management team has done an admirable job that does credit to your Company.

Numerous brand building initiatives were undertaken during the fiscal year to strengthen dealer and customer connects. Small but continuous efforts like participation in the Bus-World Exhibition and Auto Expo, as well as organizing a Dealers Meet were undertaken by the Company to expand its brand and to understand market dynamics.

Message From Chairman



ACGL has, over the years, adopted a policy of Corporate Social Responsibility and several initiatives have been taken in that direction even before it was more recently covered under the new Company Law. The key focus areas of the ACGL's CSR program have been woman empowerment, support of the differently abled, education, public health and the environment.

Your Company has proposed declaration of 150% dividend in line with the best dividends declared in last few years.

As you know, there is change in the executive leadership. Mr V Krishnamurthi retired from the services of the Company as Managing Director effective December 6, 2014 and Mr O V Ajay has taken over the leadership baton as Chief Executive Officer and Executive Director. On behalf of Board and everyone else and myself, I place on record the appreciation towards the contributions made by Mr V Krishnamurthi and extend all best wishes to the new leader.

We are confident that the inherent strength of our business, resolute focus on our goals and deep domain expertise will help us to propel our growth in the years to come. I would like to end by expressing my sincere appreciation to you, the shareholders, to our employees, to our principal shareholders in the Tata Group, our suppliers and commercial partners for their continued support during the year. I would also like to thank my colleagues on the Board for their support and guidance to the Company's management, which goes a long way in encouraging the team in meeting the challenges in the company's growth path.

I must mention that I now seek to pass on the baton of leadership to another leader whom you may choose, to carry on the good work we have all been doing and lead your company to even greater heights in the years ahead. I am grateful to the Government of Goa, our shareholders, my colleagues on the Board, our management team and employees for the unwavering support I have received in all my years as Chairman.

Sincerely,
S V Salgaocar

Goa, June 29, 2015

Message From Director



Mr Ravindra Pisharody



Dear Shareholders,

It's a pleasure to be directly a part of the ACGL Family as a Board member. As such being a group company of Tata Motors, I have been associated with this venerable organization for last so many years. I feel privileged to get this opportunity to communicate with you and to share a few thoughts about the auto industry vis-à-vis performance of your Company.

The Auto Industry has witnessed a challenging and volatile year with unpredictable demand cyclicality. The GDP for the given year was better than previous years. In the commercial vehicle space, while we are dependent on overall GDP to some extent, we are much more dependent on the manufacturing GDP whose recovery was slow. In a cyclical industry, what matters more is when the cycle is coming back. We notice this uptrend and focus our efforts to extract the maximum advantage from this change.

In the context of tough market situations, Your Company has done a commendable job and has continued to maintain its profitability. Though there has been a decline in the bottom line compared to the previous financial year, Your Company has fared better in terms of top line. Our focus on higher profitable growth will continue even in the new financial year, although managing costs continues to remain a challenge. While this is showing an increase, Your Company continues to remain conscious about its order book and would not compromise on inherent profitability.

To meet the higher standards of safety and emission the Bus Body certification norms in the country are being overhauled. Uniform Bus Code will be applicable to the Company in this financial year. According to the code drawn up by the Automotive Research Association of India (ARAI), all builders of bus bodies will have to obtain an accreditation certificate that will serve as proof of their capabilities and ability to adhere to safety norms. The implementation of the national bus body building code is being done to ensure that buses are built in accordance with the stipulated standards of safety, design and comfort. The nationwide implementation of the new code is expected to give a significant boost to bodybuilders in the organized sector like ACGL.

With the opening of the Indian automobile market for foreign companies, the competition is expected to increase significantly in the bus-body space. High quality standards for products and services, use of latest technology and effective cost management is the only answer to maintain an edge over competition.

I would like to gratefully acknowledge the trust and confidence reposed in the Company by you and more importantly for your patience in seeing us through the recent turbulent times. The Management is conscious of your increasing expectations and is gearing up to fulfill the same.

Yours Truly,
Ravindra Pisharody

Mumbai, June 29, 2015