



# AUTOMOBILE CORPORATION OF GOA LIMITED



WE **CRAFT**  
THE **CONVENIENCE**  
IN **YOUR TRAVEL**

41ST  
ANNUAL REPORT  
2020-2021

## ACGL PRODUCT RANGE IN BUS SEGMENT



**NEO ICV**



**AGILE MCV**



**BRTS BUS**



**COMFORT-EX**



**ICV SCHOOL-KIDZ**



**ICV SCHOOL-ZEAL**

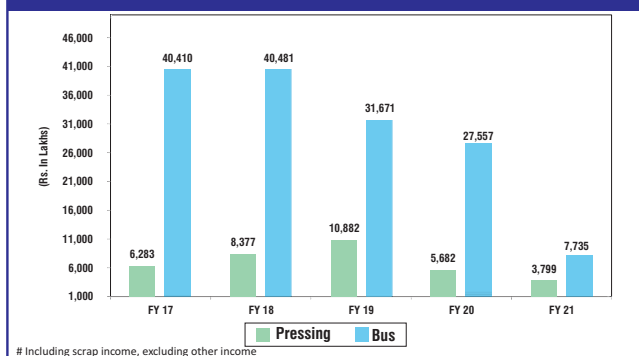
# CONTENTS

Financial Trends	01
Corporate Information	02
Chairman's Message	04
Director's Message	05
CEO & ED's Message	06
Notice	07
Director's Report	23
Management Discussion and Analysis	46
Corporate Governance Report	52
Independent Auditors' Report	70
Balance Sheet	78
Statement of Profit and Loss	79
Cash Flow Statement	80
Notes to the Financial Statement	83

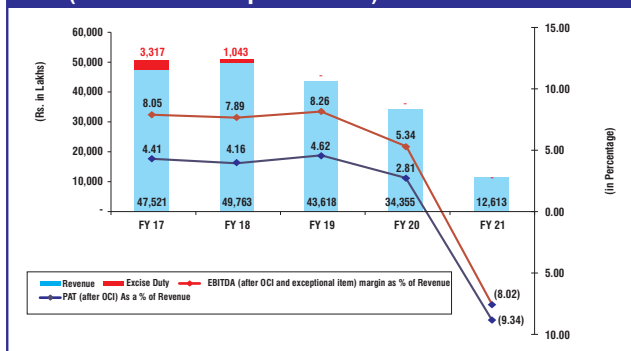




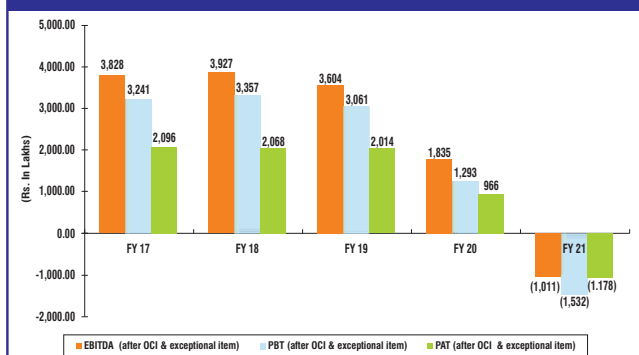
### SEGMENT TURNOVER (Excluding Taxes)



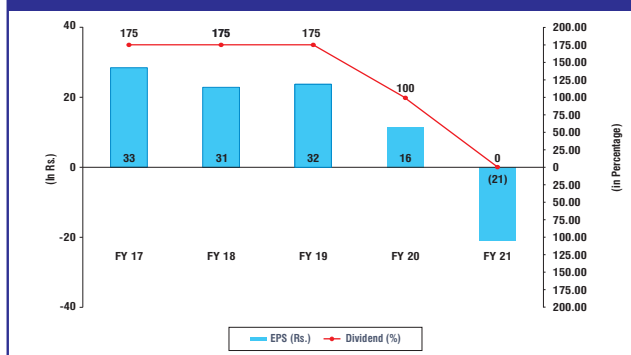
### Net Revenue (inclgd. Other Income), EBITDA AND PAT (after OCI & exceptional item) as % Net Revenue



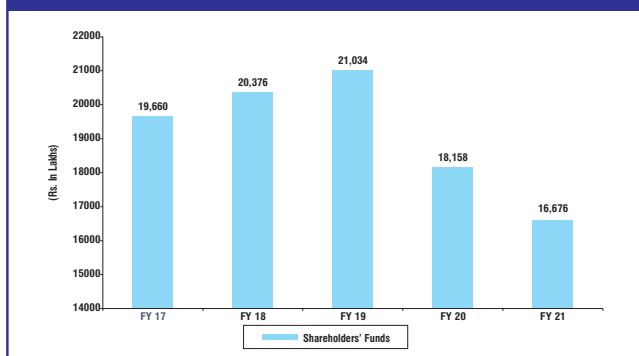
### EARNINGS AND PROFITS (after OCI)



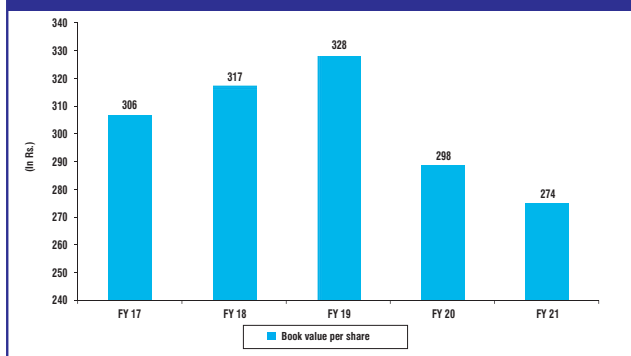
### DIVIDEND (%) AND EPS (Rs)



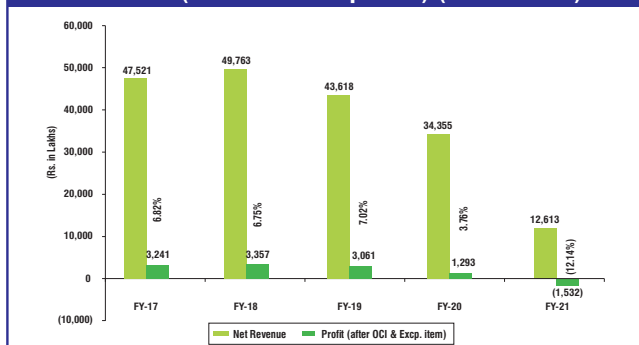
### SHAREHOLDERS' FUNDS (Rs. in Lakhs)



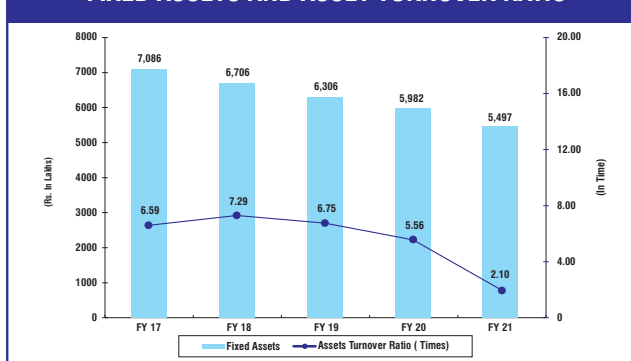
### BOOK VALUE PER SHARE (Rs.)



### Net Revenue (Excluding Taxes) and Profit (after OCI & Excp. item) (Rs. in Lakhs)



### FIXED ASSETS AND ASSET TURNOVER RATIO





## BOARD OF DIRECTORS

### Mr Shrinivas V Dempo

Chairman - Independent Director

### Mr Steven A Pinto

Independent Director (upto 28.11.2020)

### Dr Vaijayanti Pandit

Independent Director

### Mr Yatin Kakodkar

Independent Director

### Mr Nagesh Pinge

Additional Director (w.e.f. 22.01.2021)

### Mr Girish Wagh

Non Executive Director

### Mr Rohit Srivastava

Non Executive Director

### Mr Aasif Malbari

Non Executive Director

### Mr O V Ajay

CEO & Executive Director

## OTHER SENIOR EXECUTIVES

### Mr Raghwendra Singh Butola

Chief Financial Officer

### Mr Saumyabrata Das

Marketing Head - Bus Body Business

### Mr Anish Palarpwar

Head - Pressing Business

### Mr Prakash Awati

General Manager - Sheet Metal Pressing

### Mr Christie Gomes

General Manager - Operations

### Mr Dilip Desai

General Manager - Design

### Mr Deepak Kadvade

General Manager - Quality

### Mr Y B Joshi

Dy General Manager - Production

### Mr Prakash Naik

Head - HR & IR

## Company Secretary & Compliance Officer

### Mr Anil Kumar Sharma

(w.e.f. 29.08.2020)

## Compliance Officer

### Mr Raghwendra Singh Butola

(upto 28.08.2020)

## Registered Office

Honda, Sattari, Goa 403530

Tel: +91 832 2383018 Fax: +91 832 2383062

Email: [sectl@acglgoa.com](mailto:sectl@acglgoa.com)

Website: [www.acglgoa.com](http://www.acglgoa.com)

## Corporate Identity Number (CIN)

L35911GA1980PLC000400

## Registrar and Share Transfer Agent

### TSR Darashaw Consultants Private Limited

C-101, 247 Park, L.B.S. Marg,

Vikhroli West, Mumbai - 400 083

Tel: +91 22 66568484

Fax: +91 22 66568494

Email: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

& [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)

## Bankers

### State Bank of India

### HDFC Bank Limited

## Statutory Auditors

### BSR & CO. LLP

(Registration No. 101248W/W-100022)

## Secretarial Auditors

### Mr Shivaram Bhat

Practicing Company Secretary

(Membership No A10454)

## Chief Internal Auditor

### Suraj Singh

## Works

Honda (Goa)

Bhuimpal (Goa)

Jejuri (Maharashtra)

Dharwad (Karnataka)

## 41<sup>st</sup> ANNUAL GENERAL MEETING

June 25, 2021

3.00 p.m.

Honda, Sattari, Goa - 403 530.

## BOARD OF DIRECTORS



SHRINIVAS V DEMPO  
Chairman



GIRISH WAGH  
Director



YATIN KAKODKAR  
Director



DR VAIJAYANTI PANDIT  
Director



ROHIT SRIVASTAVA  
Director



AASIF MALBARI  
Director



NAGESH PINGE  
Additional Director



O V AJAY  
CEO & Executive Director





## Message From Chairman

Dear Shareholders,

I am writing to you with mixed emotions amidst this second consecutive year of the pandemic wherein each one of us is affected in some way or the other as the greater humanity struggles to cope up with the devastating onslaught of the pandemic. While it pains me to see the immense human and economic cost and probably a scar which will be with us for a long time, it also makes me happy to be able to connect with you and share some thoughts and induce the warmth of well being with each other in this time of challenge.

You all are aware of how the Covid 19 pandemic hit the world economy and is having its cascading effect where people's lives and livelihood were put on an unprecedented test that no enterprise could escape from.

The Economic Survey 2020-21 says, India's GDP is estimated to contract by 7.7 per cent in FY2020-21, composed of a sharp 15.7 per cent decline in first half and a modest 0.1 per cent fall in the second half. Sector-wise, agriculture has remained the silver lining while contact-based services, manufacturing and construction were hit hardest and have been recovering steadily. Government consumption and net exports have cushioned the growth from diving further down. Interestingly, two sectors are estimated to record positive growth in GVA this year, with Agriculture continuing its strong run through the first half of year into the second (3.4%) and Electricity, Gas, Water Supply & Other Utility services (2.7%).

Amidst all these I can see the silver linings that are there which can be sensed not only by my optimism but also the pragmatism of many economic analysts's recovery which will take place definitely but slowly.

I am happy to mention that in spite of such a scale of upheaval, your company ACGL has been able to keep itself focused and steady in creating value for all its stake holders and has initiated as well as made considerable progress in cost reduction through design optimization, procurement efficiency and tight budgetary control over fixed costs to remain competitively ahead in the market. As the total

industry volume of buses shrunk by about 80%, ACGL's volume in the bus segment also shrunk in a similar proportion indicating that your company's business will be aided by the growth levers and will support the company's surge ahead as the situation improves. I am confident that with the vaccination drive getting upped, people's movement to schools and offices will gradually increase and hopefully be near normalcy by 3<sup>rd</sup> & 4<sup>th</sup> quarter of FY22. The already declared scrappage policy which will be in force from April '22 will have its advance impact in Q4, the last quarter of this year. This in addition to the opening of school and workplaces and pending demand from various STU's and Municipalities entrusted with the betterment of bus transit systems may fuel a midterm recovery for the segment we are concerned with.

It gives me immense pleasure to mention that your company kept itself steadfast in its commitment for the larger good of the society and kept its CSR activity up and running even in the thick of the pandemic by providing food rations and other support to the temporary workforce in the industrial area, helping to develop infrastructure and digital contents for schools to enhance remote online education and generating employment amongst women by providing training as sanitization and hygiene entrepreneurs.

At the end, I would re-emphasize that we will emerge better and stronger as this testing time passes. Wishing each one of you health and well being, I sign off here today with a strong conviction of a brighter tomorrow.

Sincerely,

Shrinivas V Dempo



## Message From Director

Dear Shareholders,

It's a moment of immense pleasure for me as we connect once again this year on the occasion of the AGM of Automobile Corporation of Goa. It will perhaps not be an overstatement that the year gone by has been the century's most challenging time that brought the civilization's rapid strides to a standstill, in which every category of business including automobiles were severely affected. This has not only forced the industry to take various initiatives to safeguard the interest of the stakeholders, most importantly it taught us a whole set of new lessons on how to conduct business and reorient ourselves and discard many conventions that were thought to be cardinal.

The commercial vehicle (CV) industry is cyclical in nature, and every subsequent crest and trough has been higher than the previous one, thereby, maintaining a steady and secular growth trend in the long run. The industry saw its previous peak in FY19 and since then has been on a decline. Over the last two fiscals, the Indian CV industry saw a total industry volume drop of 31% and 21% respectively, primarily due to a slew of challenges that included tapering of overall economic growth, increased axle load norms, BS4 to BS6 transition and the pandemic-induced lockdown.

After hitting the bottom in H1 of FY21, the CV industry saw a good rebound led by M&HCVs and ILCVs, on the back of improved consumer sentiments, increase in e-commerce activities, firming freight rates, increase in demand for raw materials and higher infrastructure demand including road construction and mining. All commercial vehicle segments, other than the passenger commercial vehicle segment did see encouraging revival from the significant decline in H1.

Buses which is the mainstay of ACGL's business has been severely impacted with a drop of nearly 80% in year on year Total Industry Volume. I expect it to recover gradually and will be synchronous to the opening of schools and workplaces. This will depend on the pace of vaccination and how we beat the 2nd wave of pandemic and the much

talked 3rd wave. The scrappage policy, opening of schools and workplaces and pending demand from STU's is expected to largely contribute to the second half of FY22's volume. The outlook remains cautiously optimistic in the current context.

ACGL has an improved its product portfolio during BSVI transition, by introducing new models in domestic market, as well as for the Middle East countries, complying with the GSO norms. ACGL with its adoption of innovative manufacturing techniques, using modern engineering practices and aggressive cost management, is setting new benchmarks for itself and creating value for its business partners, shareholders and community at large. I would like to acknowledge the collective efforts of the management and employees under the resourceful Board of Directors, towards delivering a satisfactory performance despite huge downturn in sales due to the pandemic. I am confident that your company will always strive to be successful in all its endeavors.

I would like to thank all the shareholders for reposing their confidence in the company and wishing everyone a brighter and safer future.

Sincerely,

Girish Wagh





## Message From CEO & Executive Director

Dear Shareholders,

It is a matter of great privilege to connect with you and reflect upon the performance of your company for the year 2020-21. A year when the world was challenged to its maximum by the unprecedented pandemic.

FY 2021 had started with one of the biggest struggles that mankind has seen in recent times in its fight against the pandemic. Never known words like 'Lock Downs' became a daily subjects of discussions which got prolonged month after month and put a huge pressure on our business when the transport sector specially passenger segment came to a standstill. Major contributing segments like School and Staff were closed which adversely affected the bus body business of your company. While the country battled the pandemic, various relief packages in terms of fiscal stimulus for investments, easier payment terms for loans, and a string of their measures were announced by the Government to curb the steep decline in the economy.

While we grapple with what everyone is affected with, we do not wish to lose sight in what lies beyond the immediate, the opportunities that is going to unfold as we pass through these. Ahead in the bend, as the rate of vaccine inoculation coverage increases, the economy is bound to open up and regular demand is expected to catch up albeit slowly starting with the opening of the schools and offices. It may not be a rapid recovery but what can be surely expected is gradual but steady pace in all sectors. It is also expected that demand drivers in the Bus segment will be spear-headed by Urban transportation improvement plans of Smart Cities and decongesting the urban landscape, Rural Connectivity programs by PPP mode and alternate fuel adoption i.e. CNG/ LNG / Electric Buses. We envisage that in the second half of FY22 we would be able to see early signs of volume recovery due to bus replacements with the advent of Scrappage Policy.

As a socially responsible entity, your company is also concerned about the health and well being of its employees, suppliers and communities around it. Therefore measures were undertaken to adhere to Covid

protocols both in the company premises and the premises of its suppliers. During the lockdown, community support was provided by distributing rations to the temporary workers of the Industrial Cluster and by generating employment among women by providing training on sanitization and hygiene.

Your company is continuously in the process of upgrading itself so that it remains contemporary and relevant on all competing fronts and has been using this time effectively to evolve new strategies in cost management, quality improvements and improving product offerings with market relevant features by benchmarking with competing body builders.

On a broader viewpoint, over the last financial year, your company was able to deliver new BSVI bus bodies and pressing components on schedule and at the same time remain aggressively focused on cost management to mitigate the downturn in profits due to a huge drop in sales. Your company also focused on improving the design capabilities by using modern techniques and also improved its manufacturing processes to achieve industry benchmarks for quality and craftsmanship. In the coming financial year your company will continue its thrust in cost management and will continuously enhance its product portfolio with new models incorporating value added features for passenger comfort & convenience.

I would like to take this opportunity to thank the Board for their continuous guidance to the company in its endeavor to perform under challenging conditions to meet the stakeholder's expectations. I would like to offer my gratitude to our shareholders and business partners for their continued support, and our employees for their commitment as we look forward to the new challenges while embarking on yet another year.

Sincerely,

OV Ajay



## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 41<sup>st</sup> (Forty First) Annual General Meeting ('AGM') of the members of Automobile Corporation of Goa Limited ('the Company') will be held on Friday, 25<sup>th</sup> June, 2021 at 3:00 P.M. IST through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rohit Srivastava (DIN:07910693), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. Approval for Re-appointment of Mr. Yatin Kakodkar (DIN:00001433) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Yatin Kakodkar (DIN:00001433), who holds office of Independent Director up to 6<sup>th</sup> December, 2021 and who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 7<sup>th</sup> December, 2021 upto 6<sup>th</sup> December, 2026.

RESOLVED FURTHER THAT Mr. O V Ajay (DIN:07042391), CEO & Executive Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, filing of necessary forms, returns and submissions under the Act to give effect to this resolution."

4. Approval for Appointment of Mr. Nagesh Pingre (DIN:00062900) as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Nagesh Pingre (DIN:00062900), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company with effect from 22<sup>nd</sup> January, 2021 pursuant to Section 161 of the Act and who holds office upto the date of ensuing annual general meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 22<sup>nd</sup> January, 2021 upto 21<sup>st</sup> January, 2026.

RESOLVED FURTHER THAT Mr. O V Ajay (DIN: 07042391), CEO & Executive Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, filing of necessary forms, returns and submissions under the Act to give effect to this resolution."

5. Approval for Material Related Party Transaction(s) with Tata Motors Limited

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: