



# AUTOMOBILE CORPORATION OF GOA LIMITED



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

42ND  
**ANNUAL REPORT**  
2021-2022

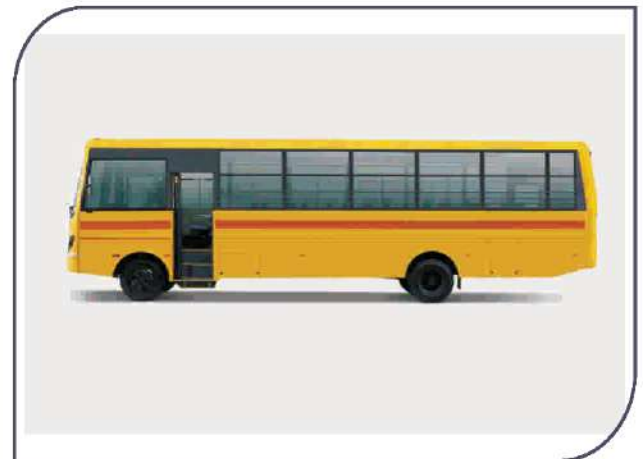
## OUR PRODUCT RANGE IN BUS SEGMENT



**HIRA ELANZA**



**ULTRA NEO**



**INTERIOR OF HIRA ELANZA**



**INTERIOR OF ULTRA NEO**

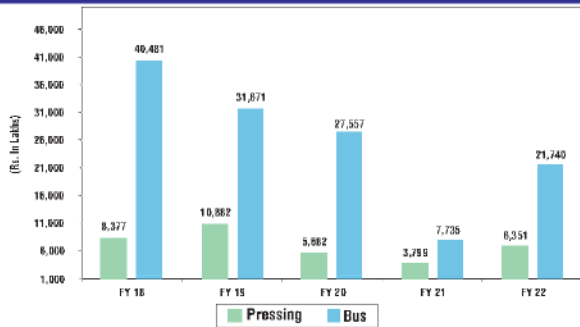
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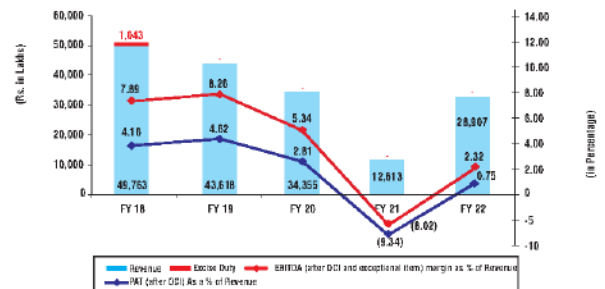


### SEGMENT TURNOVER (Excluding Taxes)

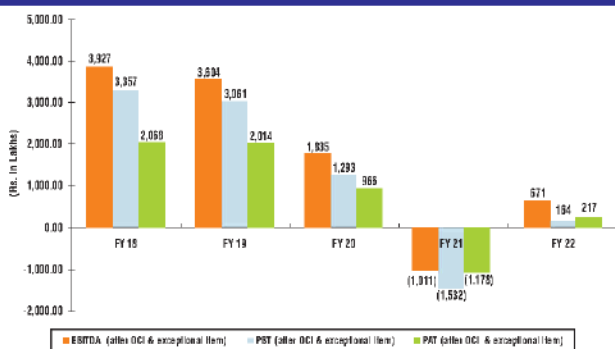


\* Including scrap income excluding other income

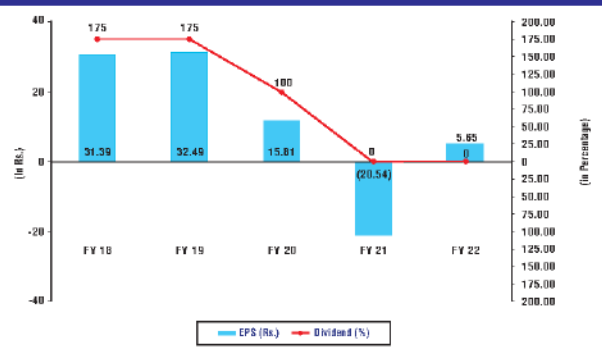
### Net Revenue (inclgd. Other Income), EBITDA AND PAT (after OCI & exceptional item) as % Net Revenue



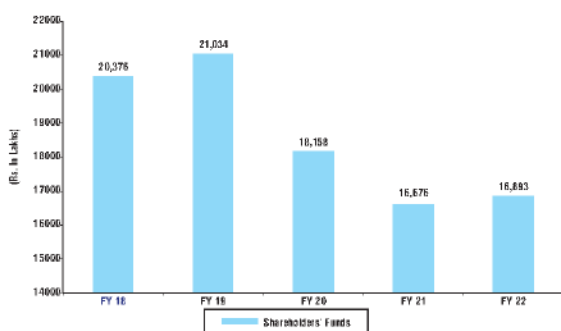
### EARNINGS AND PROFITS (after OCI)



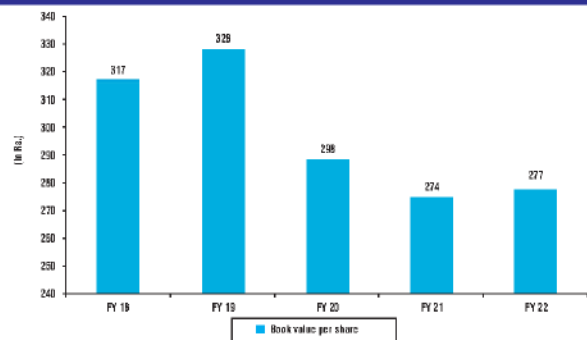
### DIVIDEND (%) AND EPS (Rs)



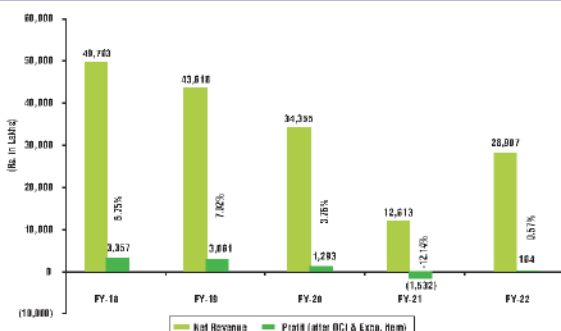
### SHAREHOLDERS' FUNDS (Rs. in Lakhs)



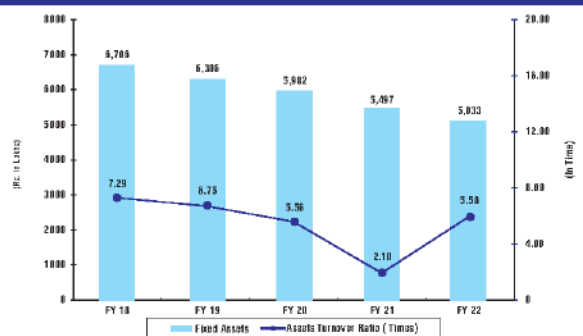
### BOOK VALUE PER SHARE (Rs.)



### 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 Nagesh Pinge

Independent Director

### Mr Yatin Kakodkar

Independent Director

### Dr Vaijayanti Pandit

Independent Director

### 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 Anish Palarpwar

Head - Pressing Business

### Mr Christie Gomes

Head - Bus Operations

### Mr Dilip Desai

Head - Design

### Mr Deepak Kadkade

Head - Bus Quality

### Mr Prakash Naik

Head - HR & IR

## Company Secretary & Compliance Officer

### Mrs Sanu Kapoor

(w.e.f. 09.08.2021)

### Mr Anil Kumar Sharma

(upto 28.05.2021)

## Registered Office

Honda, Sattari, Goa 403530

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

Email: sectl@acglgoa.com

Website: www.acglgoa.com

## Corporate Identity Number (CIN)

L35911GA1980PLC000400

## Registrar and Share Transfer Agent

### TSR 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@tcplindia.co.in

## Bankers

### HDFC Bank Limited

## Statutory Auditors

### BSR & CO. LLP

(Registration No. 101248W/W-100022)

## Secretarial Auditors

### Mr Shivaram Bhat

Practicing Company Secretary

(Membership No A10454 & C.P. No. 7853)

## Chief Internal Auditor

### Suraj Singh

## Works

Honda (Goa)

Bhuimpal (Goa)

Jejuri (Maharashtra)

Dharwad (Karnataka)

## 42<sup>ND</sup> ANNUAL GENERAL MEETING

Friday, June 24, 2022

3:00 p.m.

Honda, Sattari, Goa - 403 530.

## BOARD OF DIRECTORS



SHRINIVAS V DEMPO  
Chairman



GIRISH WAGH  
Director



NAGESH PINGE  
Director



YATIN KAKODKAR  
Director



DR. VAIJAYANTI PANDIT  
Director



ROHIT SRIVASTAVA  
Director



AASIF MALBARI  
Director



O V AJAY  
CEO & Executive Director





## Message From Chairman

Dear Shareholders,

I am happy to connect with you once again as we complete another consecutive year of the pandemic which has impacted each one of us in one way or the other. Having said that, I hope you all are safe & in good health as I once again share a few thoughts.

While the effects of the downturn were visible during the financial year 2020-21 and have had a significant impact at least in the near future, it is now visibly making a 'U' turn and has begun to accelerate steadily commencing with the financial year 2021-22. This can be witnessed by the overall Commercial Vehicle YOY sales growth of 26% in FY 2021-22. Amidst all the lows, as predicted, the recovery is well and truly underway.

In the financial year 2022, your company's largest customer and share holder - Tata Motors dominated the domestic commercial vehicle market across India with a share of over 42 percent and had a sales volume of around 275 thousand units.

As you may be well aware, the total industry volume of buses shrunk by about 80% in the financial year 2020-21 which had also impacted your company's volume adversely, however in FY 2021-22, ACGL's volume in the bus segment increased nearly by 100% due to the recovery in export market as a consequence to the revival of the school segment. Your company's business has slowly but steadily begun its ascent aided by the growth supplements and the environment, supporting the Company's surge ahead as the situation improves.

I am confident that with the vaccination drive now focused on the younger generation (below 18 years), people's movement to schools and offices has gradually increased and is approaching normalcy at a fast rate. The already announced vehicle scrappage policy is expected to have an impact in Q4 - the last quarter of current financial year.

Your Company, as in pre-covid times, has kept itself committed to the society and has continued its CSR activity by focusing on prevention of Covid both within the

organization and also the surrounding communities by actively supporting the primary health centre. Along with this it undertook a project facilitating online education by digitization of school curriculum and creating online content for the educational establishments located in its vicinity.

ACGL's adoption of modern engineering practices for development of new BSVI models 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.

To summarize, I would like to emphasize that the management has done an admirable job in the face of internal as well as external challenges and that is reflected in its performance.

I would like to gratefully acknowledge the trust, patience and confidence reposed by you in the Company in these turbulent times and seek your continued support going ahead.

Sincerely,

Shrinivas V Dempo





## Message From Director

Dear Shareholders,

I hope this letter finds you in good health.

FY 2022 was a turnaround year for the Indian Commercial Vehicle (CV) industry, which had been severely impaired for two successive years. Multiple disruptions including the Covid-19 pandemic, significant changes in regulatory norms, liquidity crunch and considerable moderation in the economy had contracted the CV volumes by as much as ~50% from its peak of FY 2019, over the last two fiscals. The Indian Bus Industry was the worst hit with volumes shrinking by over 83% from FY2019 to FY 2021.

The Fiscal FY 2022, brought welcome signs of recovery, especially in the second half of the year with mass vaccination coverage, re-opening of Schools, return of staff to offices, revival of tour and travel, and return of demand from various STUs. We are also seeing opportunities, rising investments and support with pro-auto policies as silver linings visible over the horizon.

Further, on the positive side, rising middle-class incomes and a large young population are together expected to propel strong demand, enabling India towards leadership in shared mobility thus opening newer opportunities. Increasing awareness of the environment and a clear push from the Government through various policy interventions is shifting focus towards greener alternatives and electric mobility.

India's annual production of automobiles in the financial year FY2021-22 was 22.93 million vehicles. In FY2021-22 in the domestic market, passenger vehicles and commercial vehicle sales increased by 13% and 26% respectively as compared to FY 2020-21. The Domestic bus Industry in FY2022 grew by >65% vs FY 2021, albeit on a lower base. The Industry volumes at ~17K are still 75% below the FY 2019 levels. But the growth especially in H2 of FY 2022 is an indication of the strong and steady recovery post the pandemic as a consequence of the credible efforts of the government towards Covid management coupled with fiscal measures taken for the revival of the economy.

Through these tumultuous times, your company ACGL has kept itself keenly focused on its objectives by initiating various projects targeted at design optimizations, product and competition evaluation, development of new supplier partners, tight budgetary controls and maintaining harmonious industrial relations to remain competitively ahead in the market.

I would like to appreciate the efforts of the management and employees in delivering a satisfactory and resilient performance, amid unique and unprecedented industry environment. Going forward, the bus industry outlook is turning increasingly positive, paving way for revival to pre-covid times. With clear focus on actionable, we are committed to making the most from the growth that lies ahead, while leveraging the learnings and efficiencies developed over the recent low demand times.

I also look forward to your support in ensuring that your company continues its re-vitalization journey in the coming financial year as well.

Best Regards,

Girish Wagh





## Message From CEO & Executive Director

Dear Shareholders,

I am happy to connect with you once again, after another year challenged by the pandemic already aggravated from the impact of the preceding year. With successful implementation of vaccination, and control of the pandemic, definite signs of recovery were visible in the second half of the financial year, which helped your company to end the year much better to that preceding it.

Buses continued to struggle in FY 2021-22 at only 22,000 units although there was improvement in sale of commercial vehicles. This was mainly due to lower off-take of buses by State Transport Undertakings, Private Operators and the extended closure of Schools. However, your company was able to witness good recovery in demand for export bus bodies, aiding an increase in volumes in comparison to financial year 2020-21. Your company manufactured & delivered 1952 buses in financial year 2021-22 as against 987 numbers in the previous year, which is an increase of nearly 2 fold.

Going forward, India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers over the next 10-15 years, backed by its robust democracy and strong partnerships despite challenges in the short term. This is going to be a positive driving factor for mass transportation and your company will definitely benefit from the same.

Your company has always acknowledged its social responsibility and has a structured organization guided by the CSR committee to identify and deliver projects beneficial to the communities surrounding it. The focus areas for this year have been pandemic management and online education. Your company provided support to the local Health Centre by providing diagnostic and lifesaving medical equipment at their Covid ward. To support continued education with the schools remaining

closed, ACGL successfully completed a project for online education by digitization of school curriculum and creating online content for schools. This initiative is providing free online access to quality vernacular educational content to 5,000+ govt. school students in the surrounding talukas of Goa.

The current challenges faced by your company continue to be disproportionate increase in commodity prices and other input costs, changing customer preferences, competition from new entrants and operational efficiencies. Your company has been very aggressive in its cost management that includes all dimensions of the value creation process to mitigate this and is seeing these initiatives yielding positive results. The management would like to assure you that all-out efforts are being made to optimize the company's operations and also expects the demand for buses to increase in the coming financial of FY 2022-23.

I would like to take this opportunity to thank the Board for their continuous guidance to the company in its endeavor to perform under such challenging conditions to meet stakeholder's expectations. I would like to offer my gratitude to our shareholders and business partners for their ongoing support, and our employees for their commitment as we look at new challenges in the coming years.

Sincerely,

O V Ajay



## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Forty Second Annual General Meeting ('AGM') of the members of Automobile Corporation of Goa Limited ('the Company') will be held on Friday, June 24, 2022 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 March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Aasif Huseini Malbari (DIN:07345077), who retires by rotation and being eligible, offers himself for re-appointment.
3. Re-Appointment of Statutory Auditors of the Company and fixing their remuneration

To consider and thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), be and are hereby re-appointed as the Statutory Auditors of the Company for the second term of five consecutive years commencing from the conclusion of this Forty Second Annual General Meeting (AGM) till the conclusion of the Forty Seventh AGM of the Company to be held in the year 2027 to examine and audit the accounts of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS:

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

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in supersession of the resolutions passed earlier in this regard and pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Section 188 of the Companies Act, 2013, read with relevant Rules framed thereunder and such other applicable provisions of law, if any, and any amendments, modifications or re-enactments thereof (hereinafter called as "Applicable Laws") and the 'Policy on Materiality and Dealing with Related Party Transactions' of Automobile Corporation of Goa Ltd ("the Company"), as may be applicable from time to time, consent of the Members be and is hereby accorded to the Board of Directors for entering into and/or carrying out and/or continuing with contracts/arrangements/transactions (whether individual transaction or transactions taken together or series of transactions or otherwise), with – Tata Motors Limited, related party on such terms and conditions as detailed in the Explanatory Statement herein.

**RESOLVED FURTHER THAT** Board of Directors, be and is hereby authorized to delegate all or any of its powers herein conferred to any Committee of Directors and/or Director(s) and/or official(s) of the Company /any other person(s) so authorized by it and to sign and execute all such documents, deeds and writings, including filing the said documents, etc. and do all such acts, deeds and things and take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

5. **Approval for Material Related Party Transaction(s) with Tata Cummins Private Limited**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in supersession of the resolutions passed earlier in this regard and pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Section 188 of the Companies Act, 2013, read with relevant Rules framed thereunder and such other applicable provisions of law, if any, and any amendments, modifications or re-enactments thereof (hereinafter called as "Applicable Laws") and the 'Policy on Materiality and Dealing with Related Party Transactions' of Automobile Corporation of Goa Ltd ("the Company"), as may be applicable from time to time, consent of the Members be and is hereby accorded to the Board of Directors for entering into and/or carrying out and/or continuing with contracts/arrangements/transactions (whether individual transaction or transactions taken together or series of transactions or otherwise), with – Tata Cummins Private Limited, related party on such terms and conditions as detailed in the Explanatory Statement herein.