

# AUTOMOBILE CORPORATION OF GOA LIMITED



43RD ANNUAL REPORT 2022-2023

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

# **OUR PRODUCT RANGE IN BUS SEGMENT**





AGILE - New Developed model on LP01315 chassis



AGILE - New Developed model on LP01315 chassis



**HERO - School Bus** 



**AC School Bus on Bharat Benz Chassis** 



**HRTC - State Transport Undertaking Bus** 



**NEO LCV - AC Staff Bus** 

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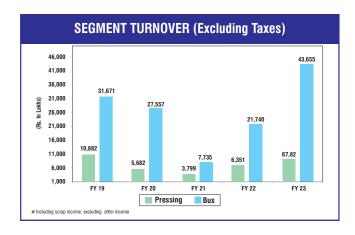


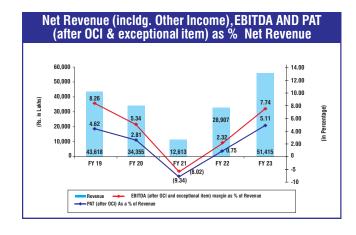


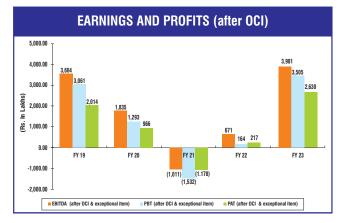
Financial Trend

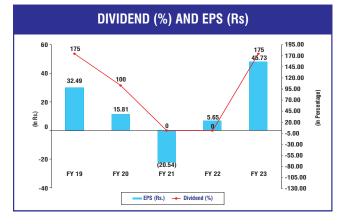
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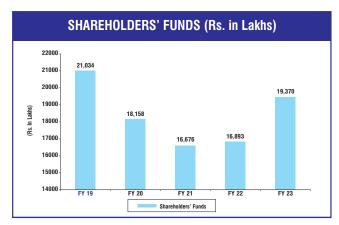


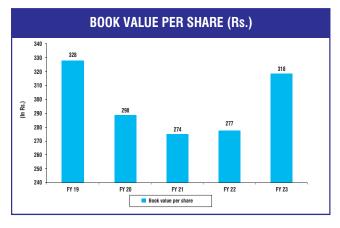


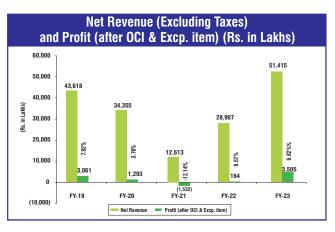


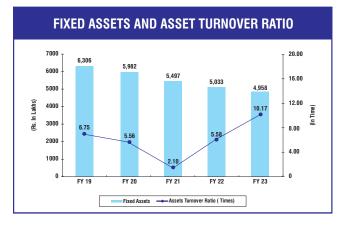












# **CORPORATE INFORMATION**



#### **BOARD OF DIRECTORS**

#### **Mr Shrinivas V Dempo**

Chairman - Independent Director

#### **Mr Nagesh Pinge**

Independent Director

# Mr Yatin Kakodkar

**Independent Director** 

# **Dr Mrs Vaijayanti Pandit**

**Independent Director** 

### Mr Girish Wagh

Non Executive Director

#### **Mr Rohit Srivastava**

Non Executive Director

#### Mr Aasif Malbari

Non Executive Director (upto May 8, 2023)

#### Mr Vishal Badshah

Additional Director (w.e.f. May 8, 2023)

#### Mr G V Ramanan

Additional Director (w.e.f. May 8, 2023)

# 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 Manufacturing

# **Mr Dilip Desai**

Head - Design

# Mr Deepak Kadkade

Head - Bus Quality

# **Mr Prakash Naik**

Head - HR & IR

# **Company Secretary & Compliance Officer**

# **Mrs Sanu Kapoor**

(upto March 18, 2023)

# **Compliance Officer**

# **Mr Sanjay Chourey**

(w.e.f. March 19, 2023)

# **Registered Office**

Honda, Sattari, Goa 403530

Tel:+91 832 2383003

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)

#### **Chief Internal Auditor**

Mr Suraj Singh

#### Works

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

#### **43<sup>RD</sup> ANNUAL GENERAL MEETING**

Thursday, June 29, 2023 2:00 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



Dear Shareholders,

Let me begin on a positive note and offer my congratulations to the shareholders. The financial year 2022-23 has been a very good year for ACGL. I must proudly say that your company has done extremely well on all counts be it the number of buses or profits generated.

As you are all aware, your company has faced tough times during the past couple of years with a combination of shrinking and fluctuating demands quarter after quarter. In this backdrop, I must proudly say that your company has made an outstanding turn-around for the last 2 financial years.

With growing demand, opportunities, rising investments and a healthy policy support, the total auto industry volume has risen well above pre-pandemic levels with a big focus on electric vehicles. India enjoys a strong position in the global heavy vehicles market, being the second-largest bus manufacturer in the world. India's annual production of automobiles in FY22 was 22.93 million vehicles.

In the financial year 2022-23, your company sold 5,715 number of bus bodies, 25% of which were exclusively for the export market – both numbers being the highest since the pandemic. With electric buses having a significantly large penetration in State Transport Undertakings which is showing an increasing trend, ACGL is gearing up for upgrading its manufacturing facility and engineering capability for manufacturing of future models of buses including Electric Buses.

In Q1 of financial year 2022-23, the overall bus segment saw more than three-fold growth as compared to the previous Q1 and this revival has reflected in ACGL's volume performance in the bus segment which increased by nearly 200% YoY.

ACGL, is working on a strong pipeline of new products & technologies keeping in view the changing market scenario, customer aspirations along with continuously changing regulatory requirements. I would like to emphasize that the management has done an admirable

job in the face of internal as well as external challenges which has reflected in its overall performance.

The Company's commitment towards its goal of Corporate Social Responsibility (CSR) is highlighted through the adoption of suitable strategies and projects, such as the facilitation of online digital education platforms. ACGL is dedicated to the cause of empowering people, educating them, and improving the quality of their lives. CSR is not just a social obligation to be carried out; but a way of going beyond business as usual and contributing to the society and environment at large.

On behalf of the Board and myself, I commend the efforts of the management and employees under the leadership of their CEO for rebounding and achieving a pre-pandemic level of performance.

Last but not the least, I wish to thank you, our shareholders for reposing faith in ACGL and its Management and look forwards to another fruitful year ahead.

Sincerely,

Shrinivas V Dempo



Dear Shareholders,

I am happy to connect with you once again and speak about the performance of your Company in perspective of the auto industry. A challenging year has gone by in which the Indian automobile industry showed signs of recovery which also reflected in the performance of your company scaling the heights of pre-pandemic levels. Overall, the industry saw a robust growth of 34% in wholesale and 38% by VAHAN registrations in FY23 vs FY22. The Domestic bus Industry almost doubled in FY23 vs last year, while still being lower than Pre-Covid levels, FY19. The performance of ACGL in road to recovery has been remarkable, and the company has been agile to respond to the surge in demand and deliver to the expectations.

To be ready for the foreseeable transition of fuel powered to electric buses, your company has stepped up its efforts in both upgrading its manufacturing facilities and also its line-up of new models of EV buses that includes the prototype of an electric powered double decker bus. Your company is now getting ready for mass production of electric buses for the ever-growing electric vehicle segment.

The automobile industry plays an important role in the Indian economy accounting for 7% of India's total GDP and 49% of India's manufacturing GDP. In case of commercial vehicles, while the demand is driven by the economic activities within the country, the CV industry itself contributes to around 8-10% of manufacturing GDP.

As of 2022, India has been recognised as the 3rd largest automobile market in the world in terms of sales. Automobile production in India uniquely caters to the demand of a lower and middle-income group of the population. This makes the sector stand out in India among the other automobile-producing countries, and with our country becoming the most populous nation, the need for economical public transportation will only increase.

The Investment in the automobile sector is expected to be around USD 8000 million (INR 66,184 Cr) to USD 10,000 million (INR 82,730 Cr) from both local and foreign investors in 2023. The investment in electric vehicles has now increased by nearly 170%.

With a dynamic ever-evolving external environment, years of experience and self-built manufacturing competencies have helped your company in being pervasive of the fragilities surrounding the auto industry. Relentless cost reduction exercises have resulted in protecting profit margins and remaining competitive even under adverse market conditions.

My sincere appreciation goes to the executive management of the company for rising to the occasion and achieving a good performance in the emerging but demanding scenario after the pandemic.

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

Best Regards,

Girish Wagh



Dear Shareholders,

It gives me great pleasure to connect with you once again after another year in which the economy continued to hold a great promise for leading the global growth post the pandemic. The Indian auto industry recorded a resurgence in sales with impressive growth riding on the back of strong domestic demand and positive customer sentiments.

Growing demand for road transportation mainly from institutions, greater dominance of public transportation and growing investments in the commercial automobile segment coupled with technological advancements will be the key enablers for driving the market growth in the coming years.

The Bus industry began its revival from the year 2022 onwards and is showing definite signs of growth. The Industry revenue surge of more than 100% from 2021 which translates into a revenue in excess of Rs.5,500 Crores has sent positive indications across the entire Indian bus industry. In terms of number of buses, our company has also had a significant resurgence from the previous year, almost reaching the pre-covid levels.

On the delivery front, of the 5,715 buses manufactured, your company achieved the largest numbers, in the school segment (3,400) and also manufactured 200 buses for a major State Transport Undertaking. Our product portfolios are now configured to the new regulations as they evolve and are incorporated in the BSVI buses that we have produced. To keep abreast with the future, the manufacturing facilities are also being upgraded to accommodate manufacturing of future models of buses including electric buses.

The strength we showed in the last few years in meeting the challenges of the business has produced encouraging results this year. Our core strategy has continually focused around aggressive cost optimization, customer adaptability, responsive supply chain and a series of new products that allowed us to deliver positive performance even at the most adverse periods of the economic cycle.

The resilience built through the challenging times in the last couple of years has not only borne immense fruit but has also taught your company innovative ways of operations management which will enable it to capitalize on the lessons learnt for the future.

I take this opportunity to thank all the Directors on the Board for their active support in helping optimize the performance of the company by imparting their valuable insights. With the support and guidance of our promoter, Tata Motors, we have enhanced the value of our products and introduced new bus models, and also streamlined our operations and manufacturing processes.

I would like to thank the Chairman and the Board of Directors for their proactive support to the company in its effort to deliver to the stakeholder's expectations. I would like to place my gratitude to our shareholders and business partners for their confidence and trust in the company. My appreciation also goes out to the workforce in their unified efforts in helping the organization achieve the success of the past year.

Sincerely,

O V Ajay



#### **NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Forty Third Annual General Meeting ('AGM') of the members of Automobile Corporation of Goa Limited ('the Company')has been Scheduled to be held on Thursday the 29th day of June 2023, at 02.00 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, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
- 2. To Declare a Final Dividend of Rs. 15/- per equity share of Rs.10/- each (i.e.150%) of the Company for the Financial Year March 31,2023.
- 3. To Appoint a director in place of Mr. Girish Wagh (DIN: 03119361), who retires by rotation and being eligible, offers himself for reappointment.

#### **SPECIAL BUSINESS:**

4. Appointment of Mr. Vishal Badshah (DIN: 10106666) as a Non-Executive (Non-Independent) Director.

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

**"RESOLVED THAT** Mr. Vishal Badshah (DIN: 10106666), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company w.e.f. May 8, 2023 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) and any other applicable provisions, if any, of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and who is eligible for appointment and has consented to act as a Director of the Company under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Non-Independent director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** Board of Directors 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. Appointment of Mr. Gopal Venkata Ramanan (DIN: 01446016) as a Non-Executive (Non-Independent) Director.

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

"RESOLVED THAT Mr. Gopal Venkata Ramanan (DIN: 01446016), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company w.e.f. May 8, 2023 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) and any other applicable provisions, if any, of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and who is eligible for appointment and has consented to act as a Director of the Company under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Non Independent Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** Board of Directors 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".

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

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 of Rs. 99,000/- Lakhs (whether individual transaction or transactions taken together or series of transactions or otherwise), with – Tata Motors Limited (TML), related party on such terms and conditions as detailed in the Explanatory Statement herein.