

AUTOMOBILE CORPORATION OF GOA LIMITED

Celebrates Silver Jubilee of Bus Body Building

34th Annual Report 2013-2014

PDF processed with CutePDF evaluation edition www.CutePDF.com

Celebrating 25 years of Bus Body Building



Mr. Salgaocar, Chairman
appreciating interior of the bus



Directors of ACGL alongwith
some of our valued Shareholders



Mr. Salgaocar, Chairman
and other Directors on the dais



Gathering of employees and distinguished
personalities at the celebrations



Mr. Steven Pinto, Director felicitating
Mr. Shailesh Kalkar, our valued customer

Contents

Board of Directors	03
Chairman's Message	04
Managing Director's Message	05
Notice	06
Director's Report	16
Management Discussion and Analysis	25
Corporate Governance Report	31
Auditors' Report	51
Balance Sheet	56
Statement of Profit and Loss	57
Cash Flow Statement	58
Notes to the Financial Statement	60

6th Urban Mobility India Conference & Expo 2013 Transforming Cities with Transportation

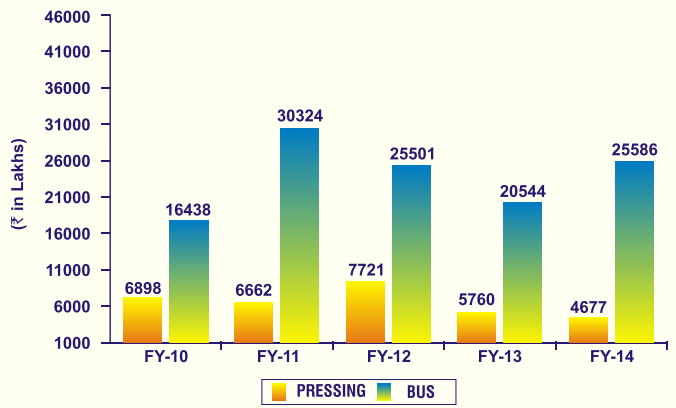
Participation at Delhi Conference



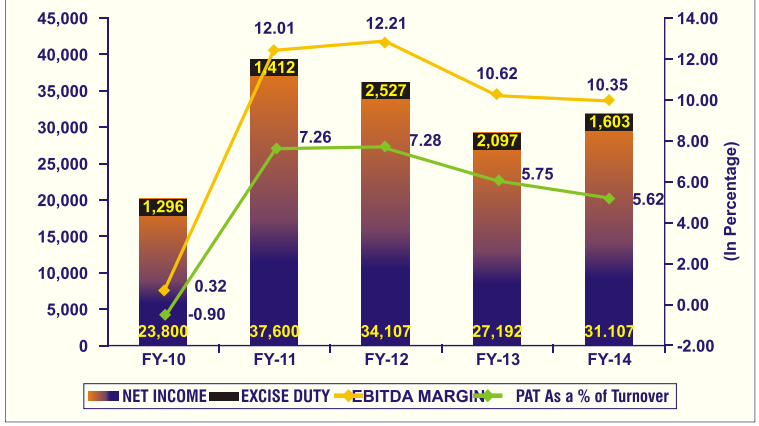




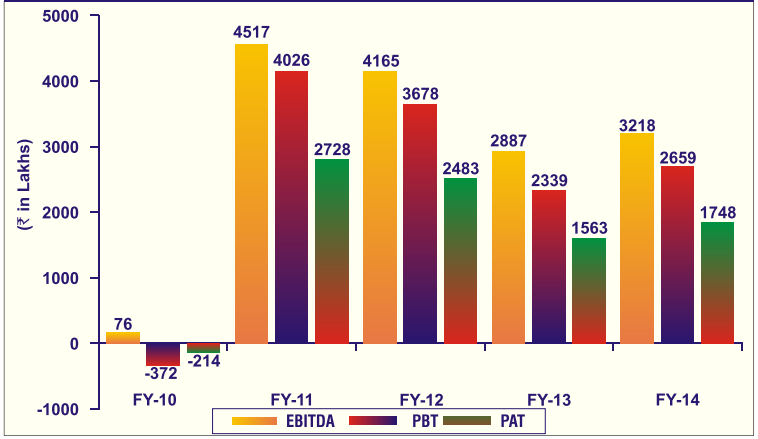
SEGMENT REVENUE



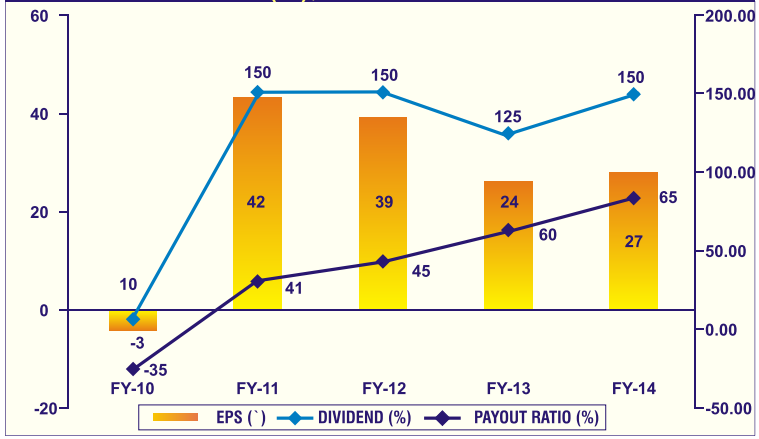
TURNOVER, EBITDA AND PAT AS % TURNOVER



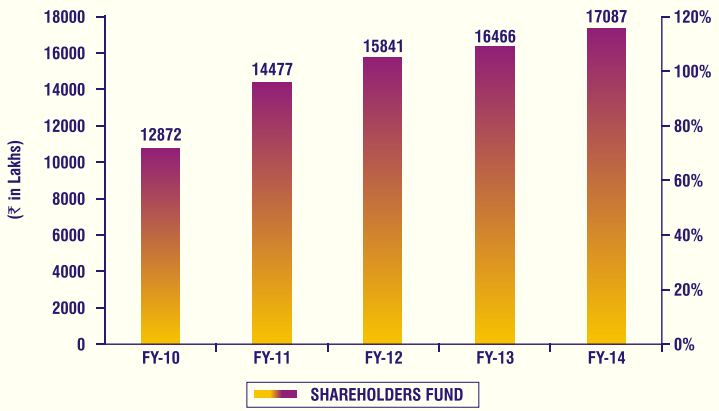
EARNINGS AND PROFITS



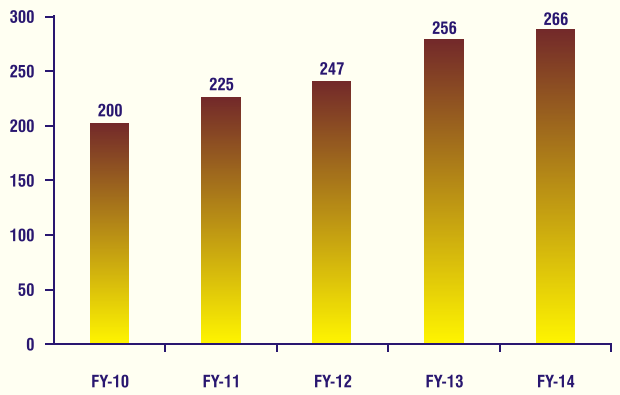
DIVIDEND (%), EPS AND PAYOUT RATIO



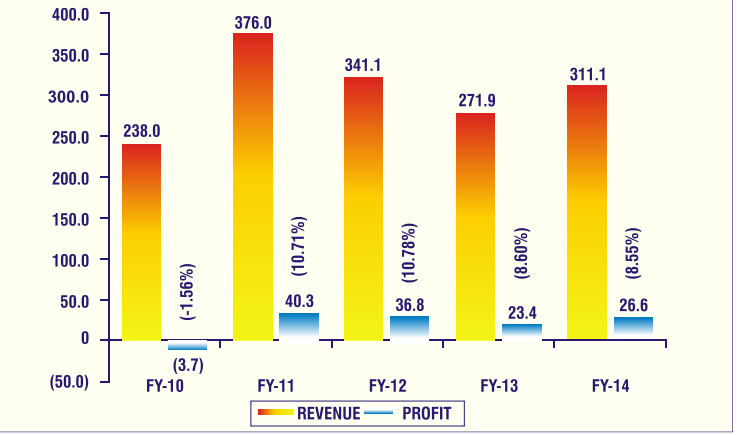
SHAREHOLDERS' FUNDS



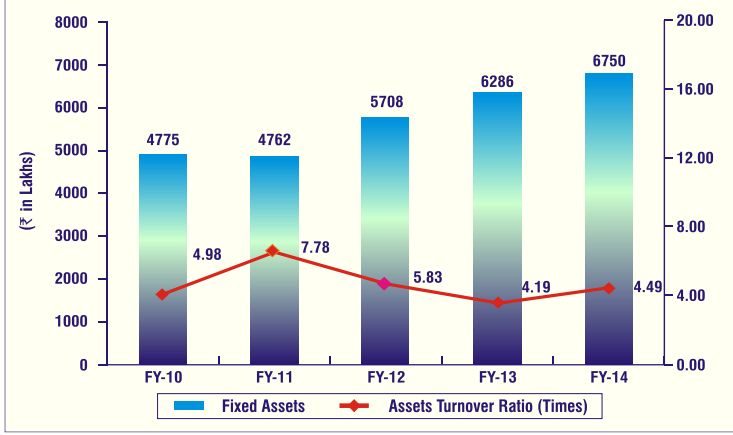
BOOK VALUE PER SHARE (₹)



REVENUE & PROFIT (₹ in Crs.)



FIXED ASSETS AND ASSET TURNOVER RATIO



BOARD OF DIRECTORS

S. V. Salgaocar
Chairman

Steven A. Pinto
Director

P. F. X. D'Lima
Director

R. Ramakrishnan
Director (w.e.f. 20.06.2013)

A. A. Gajendragadkar
Director

S. B. Borwankar
Director

V. Krishnamurthi
Managing Director

COMPANY SECRETARY

Pravin Satardekar
(upto 11.08.2013)

Archana Bhangle
(w.e.f.12.08.2013)

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 LLP

Cost Auditors
S. J. Karve & Associates

Registered Office
Honda, Sattari, Goa 403 530

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

34th ANNUAL GENERAL MEETING
4th June, 2014
3.30 p.m.
at Honda, Sattari, Goa - 403 530

BOARD OF DIRECTORS



S. V. Salgaocar
Chairman



Steven A. Pinto
Director



P. F. X. D'Lima
Director



R. Ramakrishnan
Director



A. A. Gajendragadkar
Director



S. B. Borwankar
Director



V. Krishnamurthi
Managing Director

Message From Chairman



Mr. S. V. Salgaocar

Dear Shareholders,

As you are all aware, the nation has been passing through a long period of slowdown and recession especially in the manufacturing sector. GDP growth continues to be dismal with inflationary trends and interest regime not showing any respite. The industry continues to face challenges of higher input costs combined with lower demand. The year gone by was very tough and challenging for the automobile industry as a whole including for trucks and buses. Demand for commercial vehicles declined during the year and almost all giants in this sector vied to retain their market leadership, exploring innovative ideas to survive, minimise losses and hoping for some signs of light at the end of the tunnel.

Your company could not have remained insulated from the difficult macro-economic environment in the country and did face tough times in terms of shrinking and fluctuating demand month after month. Company's Pressings Division continued to face adverse effects of recessionary trend in the OEM segment. The Management is focusing on expanding its customer base by adding components and assemblies to utilize its idle capacities at Jejuri and Dharwad. Realizing the need not only to survive but to outperform peers in the bodybuilding industry, the management strengthened its own Marketing function to vigorously seek bus orders from private customers whether small or big. The internal marketing effort has resulted in obtaining twice the value of orders as compared to 2012-13

In this backdrop, I must proudly say that your company has done extremely well on all counts be it the number of buses sold or the profits earned. In comparison with other bodybuilders – some of whom are well established names - your company is the only one which has made over Rs 127 Cr of profits in the last four years. It is also the only company which has consistently declared sizeable dividends to the shareholders year after year. Keeping with its tradition of meeting expectations of all its stakeholders, your company has fulfilled its corporate social responsibility through its initiatives in this area; spend on these initiatives over last few years has crossed a figure of Rs 100 lakhs. Similarly, the company has contributed over Rs 78 crores to the State and Central exchequer during 2013-14.

Your company surpassed the profit figure reported in the previous year. I am sure you would agree with me that the Management Team has done well in these difficult times when other units in similar business have been trimming their operations in order to survive.

I must, on my own behalf and on behalf of the entire Board commend efforts of the Management Team under the leadership of Mr V Krishnamurthi who have achieved excellent results in today's challenging situation.

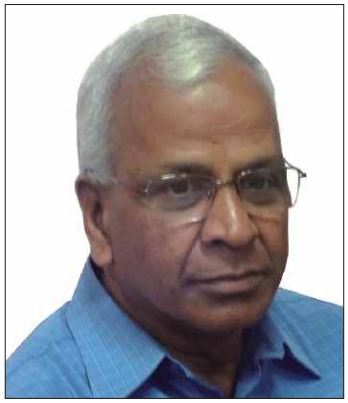
I thank you for your support and understanding and look forward to meeting all of you at the Annual General Meeting.

Sincerely,

S V Salgaocar

Goa, 30th April, 2014

Message From
Managing Director



Mr. V. Krishnamurthi

Dear Shareholders,

Let me begin with words of congratulations. Year 2013-14 has been another good year for your company. The year also marked successful completion of 25 years in bus bodybuilding business. Many milestones were crossed during this long journey. Commencing in 1988 in technical collaboration with a Japanese company, your company produced and sold over 42,000 buses in the last 25 years. On the mark of its silver jubilee celebrations, your company introduced new model of buses with front and rear face in galvanised iron with an option for aluminium. The traditional FRP faces have been resisted by the customers for many years and we have come out with a new concept. Unlike FRP, the sheet metal front and rear faces are of modular construction and are easily repairable even at roadside garages. We expect that due to its superiority in terms of cost and quality, the new models will evince good response from customers and a shift towards products of your company.

In the challenging times that we face today with a dynamic, ever evolving external environment, your company has pursued relentlessly to build a strong marketing foundation for itself in the competitive world. This foundation infuses in us the courage to face adversities and strive for the best.

Your company remains focussed on reassessing our strategies at every juncture and will not hesitate to bring in new dimensions to the growth story. We have taken a quantum leap in our expansion plans and remain committed to stretching over to Dharwad and make use of the investments made there. I would say that today's ACGL is competitively placed across its business segments.

The growth story of ACGL, especially in the last 3-4 years, has been possible only due to the unstinted and painstaking efforts of its entire workforce right across all levels. It would be in the right earnest that I thank each one of them and reaffirm your company's commitment in making workplaces safe and environment friendly.

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

Sincerely,

V. Krishnamurthi

Goa, 30th April, 2014

Notice

NOTICE is hereby given that the 34th Annual General Meeting of the Members of AUTOMOBILE CORPORATION OF GOA LIMITED will be held on Wednesday, the 4th June, 2014 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, 2014 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.

2. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:

   "RESOLVED that Mr S B Borwankar, a Director liable to retire by rotation, who does not seek re-election, be not re-appointed a Director of the Company."

   "RESOLVED FURTHER that the vacancy, so created on the Board of Directors of the Company, be not filled."

3. To declare Dividend for the year ended March 31, 2014.

4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To appoint Independent Director in place of Mr. S V Salgaocar who being eligible has offered himself for reappointment.

   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 V Salgaocar be and is hereby appointed as an Independent Director of the Company with effect from 1st April, 2014 for a term of five years pursuant to Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and Clause 49 of Listing Agreement as amended or re-enacted from time to time."

6. To appoint Independent Director in place of Mr. S A Pinto who being eligible has offered himself for reappointment.

   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 A Pinto be and is hereby appointed as an Independent Director of the Company with effect from 1st April, 2014 for a term of five years pursuant to Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and Clause 49 of Listing Agreement as amended or re-enacted from time to time."