



36th Annual Report
2015-2016

AUTOMOBILE CORPORATION OF GOA LIMITED

www.acglgoa.com

Employees at work



Transportation of Input Chassis - Chassis Yard - Final Product



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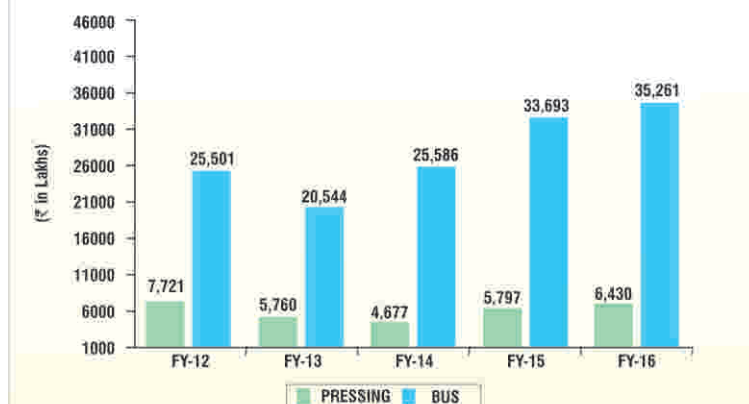
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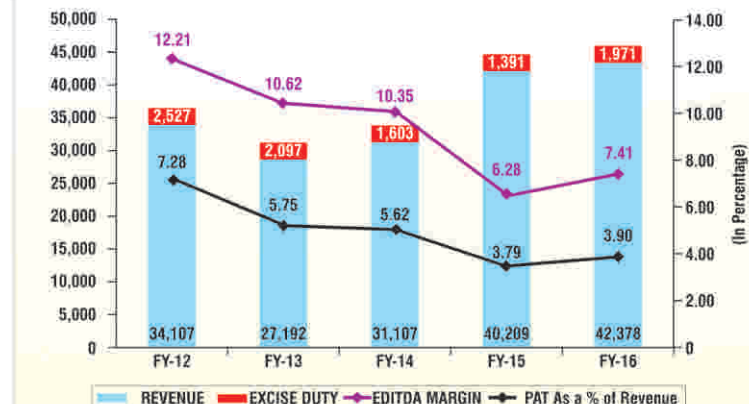
Classic Bus



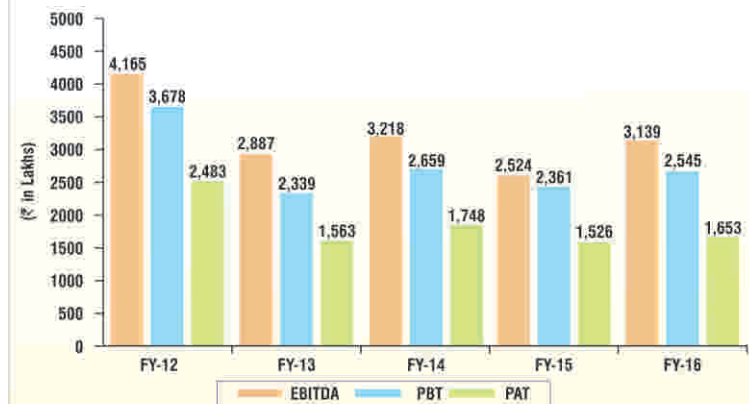
SEGMENT TURNOVER



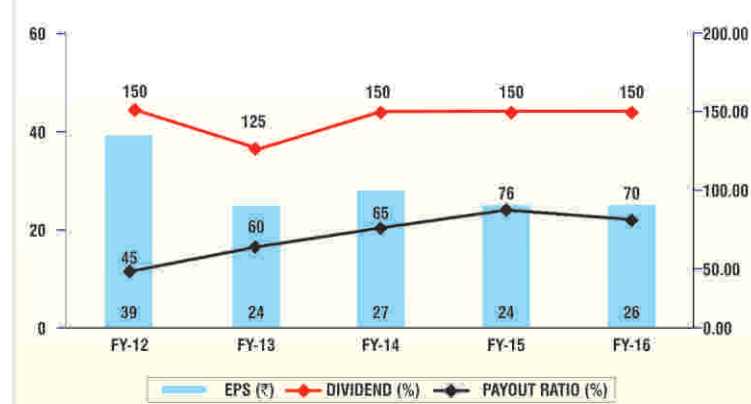
REVENUE, EBIDTA AND PAT AS % REVENUE



EARNINGS AND PROFITS

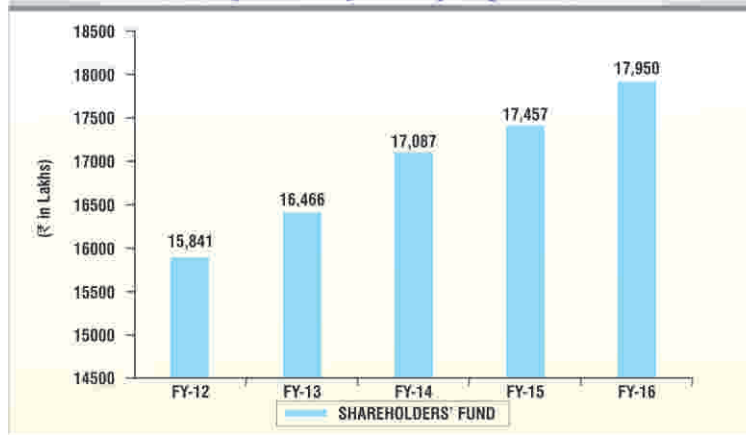


DIVIDEND (%), EPS AND PAYOUT RATIO

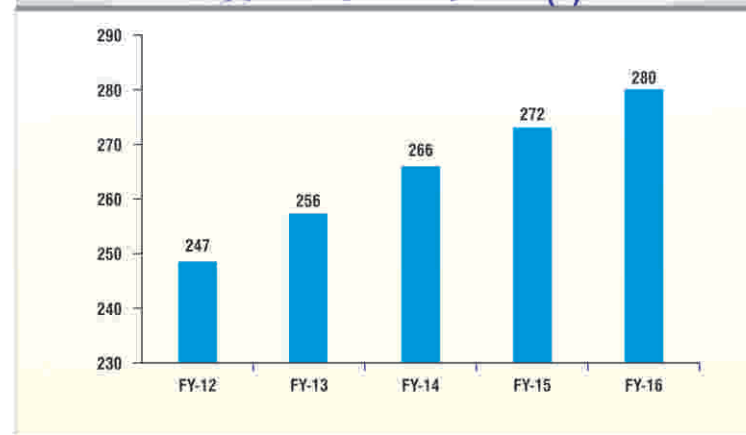




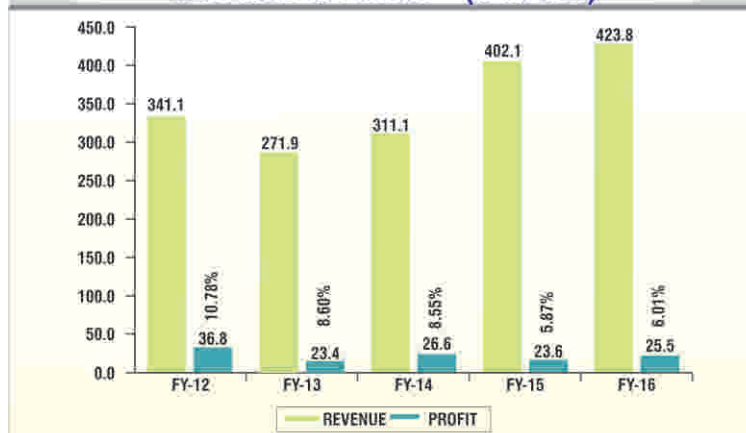
SHAREHOLDERS' FUND



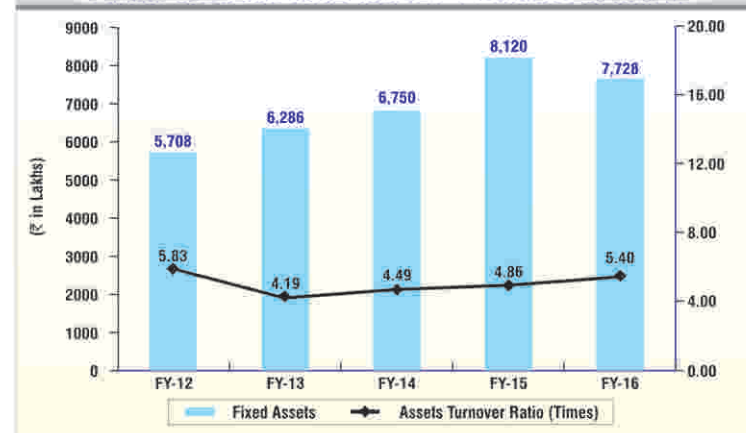
BOOK VALUE PER SHARE (₹)



REVENUE & PROFIT - (₹ in Crs.)



FIXED ASSETS AND ASSET TURNOVER RATIO



CORPORATE INFORMATION



BOARD OF DIRECTORS

Mr S V Salgaocar

Chairman - Independent Director (upto 29.10.2015)

Mr Shrinivas Dempo

Chairman - Independent Director (w.e.f. 29.10.2015)

Mr R Pisharody

Non Executive Director

Mr Steven Pinto

Independent Director

Mr P F X D'Lima

Independent Director

Mr A Gajendragadkar

Non Executive Director

Mr R Ramakrishnan

Non Executive Director

Dr Vijayanti Pandit

Independent Director

Mr O V Ajay

CEO & Executive Director

OTHER SENIOR EXECUTIVES

Mr Raghwendra Singh Butola

Chief Financial Officer (w.e.f 21.10.2015)

Mr Mahesh Pawaskar

Sr General Manager - Sheet Metal Pressing

Mr Christie Gomes

General Manager - Proto/PPTI

Mr Dilip Desai

Dy General Manager – Design

Mr Deepak Kadkade

Dy General Manager – Quality

Mr Y B Joshi

Dy General Manager – Production

36th ANNUAL GENERAL MEETING

August 1, 2016

3.30 p.m.

Honda, Sattari, Goa - 403 530.

Company Secretary

Mr Pravin Satardekar

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)

Chief Internal Auditor

Mr Suraj Singh

Secretarial Auditors

Mr Shivaram Bhat

Practicing Company Secretary

(Membership No 10454)

Works

Honda (Goa)

Jejuri (Maharashtra)

Bhuimpal (Goa)

Dharwad (Karnataka)

BOARD OF DIRECTORS



SHRINIVAS DEMPO
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 Shrinivas V Dempo

Dear Shareholders,

I am glad to take this opportunity for the first time to connect with you while appraising the performance of ACGL in the year that went by and share with you your company's aspirations for the future.

It will be hard to fill the vacuum created by separation of Mr S V Salgoacar, who served as the company's Chairman for over 3 decades; however, with all humility, I shall make endeavors to carry on the good work that has happened under his leadership and try to lead the company to even greater heights with the support of everybody in the company.

With over 1.25 billion population, bus transportation in India is always referred to as a 'last-mile connectivity'. Bus is the primary mode of public transport catering to almost 90% of passengers in Indian cities and serving as an economical and convenient mode of transport for all classes of people. With production and sales touching a hundred thousand units per year, the Indian bus industry is reckoned one of the largest in the world and an important part of the automobile industry of the country. In 2015, India outgrew Brazil to become the fifth-largest auto market.

Over the last few years, though volatile, the bus industry has been growing, with significant changes being introduced in terms of technology, safety, passenger comfort, etc. The mounting number of commuters, rapid economic growth, development of infrastructure in small cities and different Government schemes introduced in the bus segment have led to growth in demand for world-class bus transportation in the country.

In order to raise the bus technology to international standard, the Government has taken several measures, particularly in the area of safety. It has come out with the 'Bus Code' that offers ultimate safety for every passenger. India has already emerged one of the major destinations for mass production of buses. Several international bus manufacturers have set up operations in India not only to support the fastest growing bus transport system in the country but also to export vehicles to other regions. All this is in view of the fact that India has now been identified as a major centre for low-cost production.

Many state transport undertakings have also acquired a fleet of luxury coaches, catering to the burgeoning demand from passengers, most of who do not mind paying a premium for travelling in relative comfort.

In view of the above, the Government of India, in its finance budget 2016-17 also provided for a "Scheme for Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicle in India-FAME-India". Through this scheme, Department has taken initiative for introducing Electric/Hybrid transportation in the country under National Electric Mobility Mission Plan (NEMMP) Scheme 2020 to provide clean mobility solutions to the people while reducing the country's dependence on fossil fuel. Plan provision has been kept for the implementation of this Scheme.

Message From Chairman



We are keeping track of all these changes and no stone will be left unturned in our endeavor to be successful in this competitive era. While addressing the challenge to compete on costs with our competitors, the Board also understands the importance of formulating various Strategies to enhance the product profiles wherein the Company could offer innovative applications for our designs which will prove useful and relevant to our customers. As the country adopts stricter regimes of quality and safety regulation, your Company is all set to be at the forefront to be able to meet the necessary requirements.

I am happy to mention that during the year under review, Your Company has shown a commendable performance -We manufactured the highest number of buses (4960 numbers) so far in any financial year. This year can be marked as a special one since your Company also reached a remarkable landmark of "50,000 buses sold" since inception of the bus business. The Sheet Metal business witnessed an improvement of 11% during the same period. There is no doubt that the Management team has done an admirable job that does credit to Your Company.

Your Company continues to invest in numerous brand building initiatives to understand market dynamics which will help strengthening the dealer and customer connects.

As part of its CSR, the Company has undertaken many major laudable initiatives in the areas of women empowerment, support of the differently abled, education, public health and the environment.

We have continued our practice to consistently reward our shareholders. Your Company has proposed declaration of 150% dividend in line with the best dividends declared in last few years.

Summing up, I believe your Company has maintained its growth momentum last year setting new records of operational performance. Given the present economic indications and the plans developed for the future, I am confident that your Company will continue to better its performance in the coming years.

I would like to express my sincere appreciation for the confidence reposed in us by the shareholders and thank our employees, our principal shareholders on the Tata Group, the Government of Goa, 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 continued support and guidance to the Company's management, which certainly encourages the management in meeting the challenges in the Company's growth journey.

Sincerely,
Shrinivas Dempo

Message From Director



Mr Ravindra Pisharody

Dear Shareholders,

I am happy to connect with you through ACGL board and speak about the performance of your Company in view of the Industry scenario.

As you may be aware, the Bus industry is the backbone of our public transport system and a vital element of the Indian economy. Positive automobile growth is linked to larger community well being and has a constructive influence in the overall economic growth of the country.

The current Bus Market size is around 82,000 Units in India which is expected to be double by 2025. Your Company delivered a strong performance during 2015-16 and also achieved few remarkable landmarks. The total industry volume of medium & heavy duty commercial vehicles grew by 30% over the previous year in which the trucks grew by 32% and buses by 19%. Your Company achieved a sales figure in bus segment of 4960 vehicles - registering the highest number for any financial year so far. In the international markets, the sales volume in the medium & heavy segment declined marginally over last year due to economic slowdown in many target countries. However, the light commercial vehicle volumes showed some improvement.

Indian Bus Market is becoming more competitive and customer expectations in terms of product quality and performance is increasing. New standards of luxury and comfort are also being set in the market place. In line with the guidelines from the Governments (both state and the Centre), the STUs are in the process of implementing new initiatives in their fleet operations. Going forward, an optimum combination of Design, Safety, Comfort and Technology at the right price is going to be the key differentiator in the Bus Industry. Your Company needs to be geared to meet these challenges and strike a balance between product features and price to remain an attractive proposition for the customer.

The focus of the government on infrastructure development through massive up-gradation of national highways and the construction of a network of expressways linking important cities will give a boost to the coach-building industry in India and will drive the demand for luxury buses. The development of Smart cities is expected to create additional demand for urban buses. The Management is actively exploring the possibility of increasing the market share in these segments.

New products introduced by your company, especially in the school bus segment, contributed significantly to the overall volume growth. The 4T School Bus received positive response in the domestic market and the Elanza bus was well received in the Middle East.

You may be aware that in the recently held Auto Expo in Delhi, Tata Motors showcased the ACGL built Tata Hybrid Bus which received an overwhelming response from the visitors. Tata Starbus Diesel Series Hybrid Electric Buses are provided with Full Low floor configuration. Uniquely engineered for ease of operations, this bus can run without external charging infrastructures, due to integration of on-board charging, via a BS-IV compliant engine and energy storage through advanced Lithium Ion Nano-Phosphate Batteries. While the batteries are re-charged by running of the Diesel powertrain, the system also regenerates braking energy through advanced electronic braking system. Tata Motors has decided to partner with ACGL for executing one of its orders with the said Product. This is likely to be the first commercial delivery of hybrid buses in India. This is a very crucial and prestigious assignment for your Company.

With the bus industry showing signs of revival and growth, the future is bright but challenging for your company, where the key success factors would be rapid introduction of feature rich products, customization, agility in addressing customer concerns and right pricing.

I would like to thank all the stakeholders for their support and encouragement during the year.

Yours Truly,
Ravindra Pisharody