



# AUTOMOBILE CORPORATION OF GOA LIMITED

39TH ANNUAL REPORT | 2018 - 2019



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

**30**  
YEARS  
OF MANUFACTURING  
BUS BODIES

# ACGL PRODUCT RANGE IN BUS SEGMENT



JOY



AGILE



ELANZA



NOVA



COMFORT



JUPITER

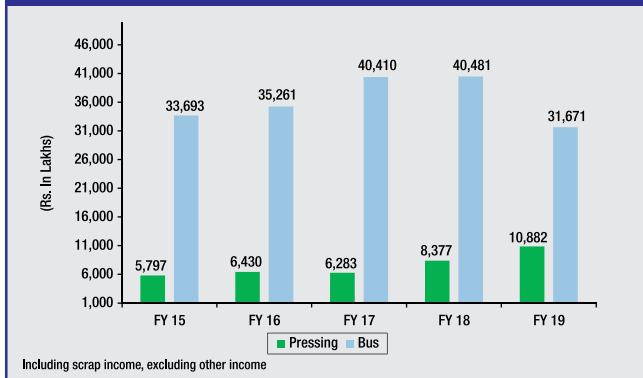
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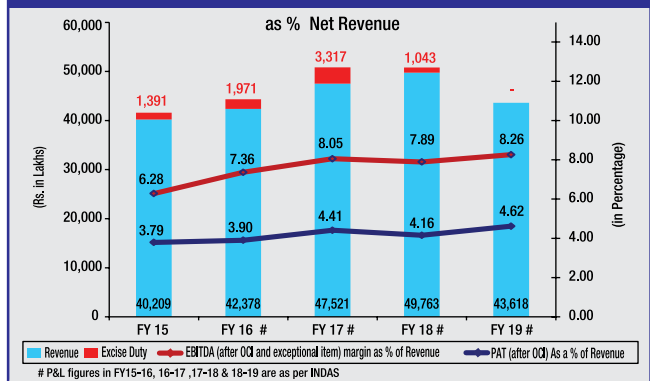


## Financial Trends

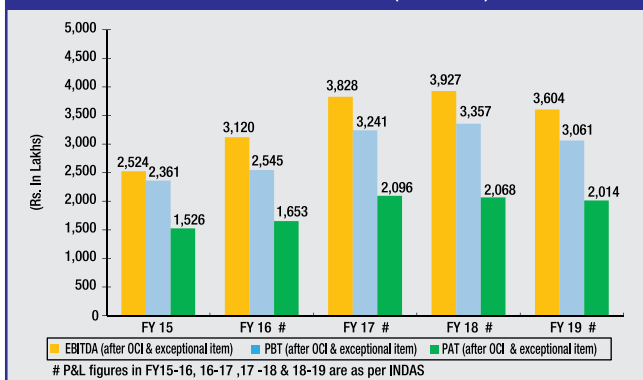
### SEGMENT TURNOVER (Net of Duty and Taxes)



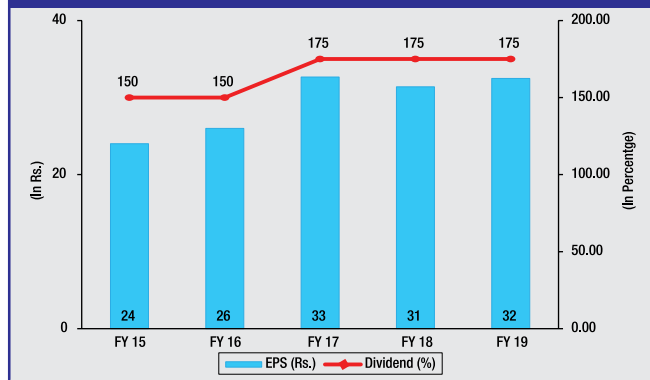
### Net Revenue (inclgd. Other Income), EBITDA And PAT (after OCI & exceptional item)



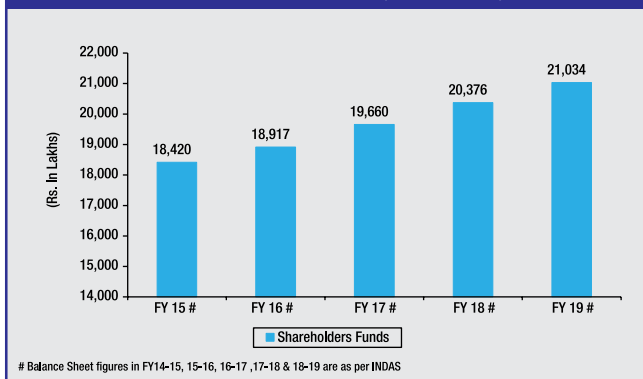
### EARNINGS AND PROFITS (after OCI)



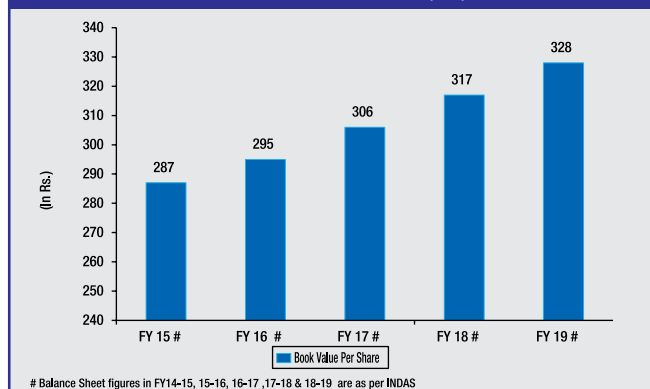
### DIVIDEND (%) AND EPS (Rs.)



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

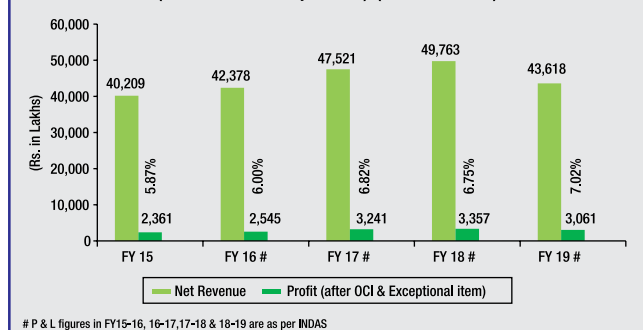


### BOOK VALUE PER SHARE (Rs.)

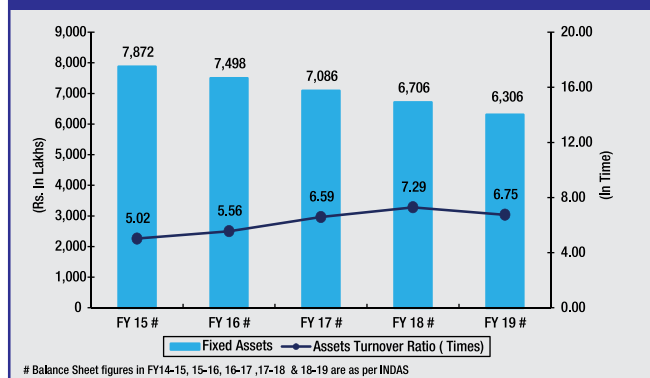


### Net Revenue (excluding Excise Duty) and Profit

#### (after OCI & Excp. item) (Rs. in Lakhs)



### FIXED ASSETS AND ASSET TURNOVER RATIO





#### BOARD OF DIRECTORS

**Mr Shrinivas Dempo**

Chairman - Independent Director

**Mr R Pisharody (up to 28.07.2018)**

Non Executive Director

**Mr Steven Pinto**

Independent Director

**Mr R Ramakrishnan (up to 28.07.2018)**

Non Executive Director

**Dr Vaijayanti Pandit**

Independent Director

**Mr. Yatin Kakodkar**

Independent Director

**Mr. Abhay Bawale**

Non Executive Director

**Mr Girish Wagh**

Non Executive Director

**Mr Rohit Srivastava**

Non Executive Director

**Mr O V Ajay**

CEO & Executive Director

#### OTHER SENIOR EXECUTIVES

**Mr Raghwendra Singh Butola**

Chief Financial Officer

**Mr Mahesh Pawaskar**

Sr General Manager - Sheet Metal Pressing

**Mr Prakash Awati**

General Manager – Sheet Metal Pressing

**Mr Christie Gomes**

General Manager - Operations

**Mr Dilip Desai**

Dy. General Manager – Design

**Mr. Deepak Kulkade**

Dy. General Manager – Quality

**Mr Y B Joshi**

Dy. General Manager – Production

#### COMPANY SECRETARY

**Mrs. Manisha Naik Shirgaonkar**

#### 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**

#### SHARE REGISTRARS

**TSR DARASHAW CONSULTANTS PRIVATE LIMITED**

(formerly known as 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

**BSR & CO. LLP**

(Registration No. 101248W/W-100022)

#### SECRETARIAL AUDITORS

**Mr Shivaram Bhat**

Practicing Company Secretary

(Membership No 10454)

#### CHIEF INTERNAL AUDITOR

**Mr Suraj Singh**

#### WORKS

**Honda (Goa)**

**Jejuri (Maharashtra)**

**Bhuimpal (Goa)**

**Dharwad (Karnataka)**

**39<sup>th</sup> ANNUAL GENERAL MEETING**

June 27, 2019

10.00 a.m.

Honda, Sattari, Goa - 403 530.

## BOARD OF DIRECTORS



SHRINIVAS DEMPO  
Chairman



STEVEN PINTO  
Director



GIRISH WAGH  
Director



YATIN KAKODKAR  
Director



DR VAIJAYANTI PANDIT  
Director



ABHAY BAWALE  
Director



ROHIT SRIVASTAVA  
Director



O V AJAY  
CEO & EXECUTIVE  
DIRECTOR



## Message from Chairman

Dear Shareholders,

It is a privilege to write to you and inform you regarding the exciting and challenging journey your company had embarked upon during the financial year 2018-19, to arrive at delivering yet another good performance and thus creating value for its stakeholders. We continue to sustain the ongoing structural shift in the Auto Industry arising from technological dynamics, evolving customer preferences, fierce competition coupled with market cyclicity and regulatory norms.

At the outset, I congratulate the company and its workforce on completing glorious 30 years of manufacturing bus bodies and compliment all the cohesive efforts put forth, for not only achieving this milestone, but also for continuously striving to persist this noteworthy journey in the years to come. Today AGL not only provides ample employment opportunity in the backward areas of the state, but also provides support to its local business partners, suppliers and the community at large, for an inclusive growth in the true sense.

India with its growing GDP has cemented its position as one of the fastest growing economies of the world, powered by a recovery in consumption demand & accompanied by an upswing in private capital investment. Under the 'National Automotive Testing and R&D Infrastructure Project' (NATRiP), the Government of India is setting up R&D centers to enable the industry to be on par with global standards. Government initiatives like Make in India and Digital India have made India a very attractive FDI destination. The Government aims to develop India as a Global Manufacturing Centre and a R&D hub. With India being the emerging market for FDI, building operational capacities rapidly in the background of technological innovation has become imperative.

India's Auto sector is positioned for growth, given the current low penetration, rising incomes and increasing affordability. In addition, with various government policies supporting auto growth, smart city initiatives, GST and the National Electric Mobility Mission Plan, by 2026 India is expected to be the third largest automotive market in the world. However challenges including adapting to the structural shift towards electric vehicles (EVs), a pan-India shift to Bharat Stage-VI emission by 2020 and enhanced safety norms will have to be faced and tackled with a more agile and future-ready response.

This year your company has sold 5775 buses, totaling to 70,091 buses since the year it first sold its bus in the year 1989. Further, while facing multifold challenges, your Company achieved a profit before tax of Rs. 31.73 crores, after an exceptional expense of Rs 4.17 Crore related to VRS and before other comprehensive income, as against Rs.32.77 Crores in the preceding financial year.

During the financial year, the twofold action plan of your company for achieving profits in the light of a challenging industrial scenario was firstly, overall cost management wherein every endeavor was directed to ensure cost efficiency in its purchases & operations and secondly, enhancing its designing capabilities to be in a position to offer new products to the market entailing contemporary styling using 3D tools. Operational efficiency is well imbibed in your company's competencies and efforts were channelized to enhance the same to meet the market demand. Further with the successful VRS implementation, the Company expects to propel its productivity.

The regulatory environment of India is more comprehensive than ever, be it the safety regulations & GST regimes

directly affecting your company's product pricing, emission norms which may affect your company's future volumes or robust corporate laws including myriad amendments to the Companies Act & Rules, SEBI Regulations etc. Your company has ensured that good corporate governance practices are imbibed in your company's work culture and ethics, to its true letter and spirit.

Your company has always been passionate about its CSR activities. The true long term performance of a company is always reflected in the sustainable value it creates for its surroundings, communities and environment. The CSR Policy of the Company is designed on the basis of local requirements. Inclusive education and addressing the needs of special children, along with empowering various classes for better employment opportunities were the core focus areas of your Company in terms of its CSR Project for FY 18-19. We have equipped schools in the surrounding areas of our factories with modern educative tools and facilities and continue to provide a school bus to the most deserving special school. I am pleased to inform you that we achieved an overall positive feedback from the past beneficiaries of our CSR projects, thereby encouraging us to shape our CSR activities more zealously.

For the ensuing financial year, your Company remains committed to a goal driven approach with a strategy which

complements cost efficiencies, enhancement of operational capacities and improvements in craftsmanship to develop bus models in to newer segments, which are endearing to the changing customer expectations.

I would like to acknowledge the contributions made by all the Directors and valuable insights they have lent the company in shaping a grand vision. This year Mr. Pisharody separated from the Board and I, on behalf of the company place ample gratitude for enriching the company with his rich experience in the industry. We have been joined by Mr. Rohit Srivastava as a Non Executive Director, who brings his industrial and marketing expertise to the Board, making him another valuable asset for the Company.

I will like to congratulate the management and all the employees of the company for facing the challenges valorously and securing yet another profitable year. I urge the workforce to keep up the high spirit in the years ahead. We continue to seek the patronage of our shareholders and shall strive to create maximum value for all our partners & stakeholders. I would also like to thank our principal stakeholder Tata Motors Limited and the Government of Goa for their support.

Sincerely

Shrinivas Dempo





## Message from Director

Dear Shareholders,

It gives me great pleasure to note that your company has steadily forged ahead, while keeping its customers at the core of its business, in an era where the Indian Auto Industry is rapidly transforming and is geared up to meet challenges with renewed aspirations.

A developing India is at the cusp of making a transition to newer and more efficient mobility solutions. The framework of India's transportation system has evolved with emerging technologies and competitive business models, to meet the expectations of the customers and regulators, while sustaining global competition. It is imperative to adopt fundamentally innovative technologies to provide clean, cost-effective and premium mobility solution that is safe, convenient and has the least environmental footprint.

The Indian bus Industry continues to be under penetrated as compared to global bus markets with a market size of 1.6 buses per 1000 passengers, against a global average of 10-12 buses per 1000 passengers. While the government is strengthening its road infrastructure, there has been an evident shift in customer preferences. In the backdrop of greater rural connectivity, shared mobility permeating the urban landscape and proliferation of private players in STUs, the Bus Industry has potential to grow, with contemporary products based on emerging trends and increasing per capita income. However, the Industry is fairly dependent on Government Policies leading to market volatilities, when viewed from a short term perspective.

Electrification of public transportation is the key enabler for sustainable mobility. In line with the National Electric Mobility Mission Plan 2020, which aims to achieve electrification of city buses by 2020, the Union Cabinet of India has approved the proposal for the implementation of Phase II of 'Faster Adoption and Manufacturing of Hybrid and Electric Vehicles' (FAME). A high degree of localization including the energy storage space is an imperative for electric vehicles in India, in order to secure sustained growth and low dependence on import. Your company is embracing this 'e-opportunity' by channelizing a part of its development efforts towards building bodies for Electric and Hybrid Buses.

As it transforms, the Industry is witnessing multifold challenges. The deteriorating air quality calls for certain stringent norms and collegial efforts. The Indian Auto Industry is now working towards a transition from BSIV to BSVI emission norms, within a period of 3 years, which is a challenging task, given that most developed markets have taken much longer for such transition. For auto manufacturers, this will translate into a surge in technological investments. The Indian commercial vehicle industry is experiencing muted demand in the last few months due to a variety of headwinds. The industry is likely to pick up speed during the second half of the year and experience better demand environment, aided by the anticipated pre-buying effect. Moreover, AIS140 & AIS153 have also been introduced and your company's product portfolio adheres to these, and will do so for any future regulatory norms, within the stipulated time frame. Your company will continue to respond to these challenges with a robust plan.

Your company's focus has been on carrying forward its 30 years of lineage in bus body building, while integrating 3D technology and making way for sustainable innovations, thus ensuring cost optimization and product enhancements to combat the highly competitive market. Craftsmanship, Comfort and Convenience are becoming increasingly important attributes for customers, and your company has been working towards it by improving its entire product range, to improve competitiveness in the marketplace. Your company continues to focus on enhancing its design & engineering capabilities and is paying close attention to ever changing customer preferences and product attributes, in order to boost its presence in domestic and export markets.

I would like to take this opportunity to congratulate the company and its workforce on a good performance by maintaining profits through meticulous cost management and value engineering, despite the reduction in sales volume arising out of a challenging market scenario. I am certain the company will strive to put in its best efforts to overcome any future business headwinds.

Best Regards,  
Girish Wagh



## Message from CEO & Executive Director

Dear Shareholders,

It gives me great pleasure to connect with you on this momentous occasion when your company has completed 30 years in the business of manufacturing bus bodies. We recall that ACGL had started its commercial production in the year 1989 and 34 buses were produced during the financial year 1989-90, consisting of variants built on a "TELCO" chassis. It is indeed overwhelming to note that we have come such a long way since then, with the trust reposed in us by all our stakeholders and the sincere efforts of our employees.

According to World Economic Forum (WEF), with an annual GDP growth rate of 7.0% India is currently the world's sixth largest economy. The automotive industry is a pillar of Indian economy and a key driver of macroeconomic growth and technological advancement. The government continues to accelerate its efforts towards shaping India into a global manufacturing hub and this envisages rapid economic development, ongoing urbanization and supportive regulations & policies.

The industry in which your company operates is exposed to large cyclicity as the volumes have sizeable dependency on government policies, changing customer expectations, competition from major OEMs and passenger preferences towards other modes of transport. In a business environment where the bus industry has seen a single digit growth, your company has yet again, demonstrated a good performance by maintaining profits notwithstanding tough market conditions. While the bus segment continues to be the larger revenue earner, you will be happy to note the performance of our Pressing Segment, which touched a significant milestone of Rs. 100 Crores in sales. This was possible mainly due to increase in volumes of existing products coupled with addition of new products for our major customers.

Your Company sold 5775 buses as compared to 5734 sold in the financial year 2017-18, with total revenue including other income (net of taxes) of Rs 436.18 Crore, which reflects a decline of 12.35% over the previous financial year, which is mainly due to the product portfolio tilted towards buses with lower cost. However, with rigorous cost management and value engineering efforts your company was able to maintain profits close to that of the previous financial year. Your company's profit before tax during the financial year 2018-19 was at Rs.31.73 crores (before other comprehensive income)

as against Rs.32.77 crores in the preceding financial year. Net profit after tax stood at Rs. 20.14 crores, compared to Rs.20.68 crores in the preceding financial year.

Your company is aware of the highly competitive market it operates in and realizes that regular introduction of new products is one way to keep up the market excitement contributing to increased sales. In order to reduce the development cycle and provide products with greater refinement we adopted 3D design last year, and our new school bus 'Zeal' is fully designed using this technology. On the same lines, we are developing a bus for export application which has received a good response from a section of our customers who previewed the prototype. Going forward, advancements in design process, coupled with upgraded manufacturing infrastructure will deliver the quality our customers expect from us.

On the CSR front, we continue with our mission to actively participate in enriching communities around ACGL. Your company genuinely believes that success cannot be achieved in isolation and will always ensure the inclusive growth of communities through its CSR Projects. This year we have defined projects for some of the major areas in which we conduct our CSR activities namely inclusive education opportunities, promoting employability and initiatives for special children.

The challenges faced by your company continue to be increasing competition, rapid technological advances, changing customer expectations, workmen productivity and operating cost. The VRS scheme offered to some of the company's employees was an effort directed towards improving the future productivity of the company, and improving cost efficiencies. To mitigate each of these challenges your company has worked out long term strategic plans.

I would like to take this opportunity to thank the Board for their active support to the company in its endeavor to perform to the stakeholder's expectations. I would also like to place my gratitude to our shareholders and business partners for their confidence in the company and thank our engaging workforce for all their unified efforts to strive towards greater performance in the coming years.

Sincerely,  
O V Ajay



## NOTICE

### [PURSUANT TO SECTION 101 OF THE COMPANIES ACT, 2013]

Dear Members,

NOTICE is hereby given that the 39<sup>th</sup> Annual General Meeting of the Members of AUTOMOBILE CORPORATION OF GOA LIMITED will be held on Thursday, June 27, 2019 at 10:00 a.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 Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To approve the payment of Interim Dividend of Rs. 5.00 per Equity Share and declare a Final Dividend of Rs. 12.50 per Equity Share for the year ended March 31, 2019.
3. To appoint a Director in place of Mr Abhay Bawale (DIN 07859752), who retires by rotation and does not seek re-appointment.

#### SPECIAL BUSINESS

4. Re-Appointment of Mr Steven A Pinto (DIN 00871062) as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Code of Governance Guidelines on Board Effectiveness, Mr. Steven Pinto (DIN:00871062), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office with effect from 1st April, 2019 to 28<sup>th</sup> November, 2020, as per the recommendation of the Board and Nomination and Remuneration Committee.”

5. Re-Appointment of Dr Vaijayanti Pandit (DIN 06742237) as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Code of Governance Guidelines for the Board adopted by the Company, Dr Vaijayanti Pandit (DIN:06742237), Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office, for a term of 5 consecutive years, with effect from 20<sup>th</sup> October 2019 to 19<sup>th</sup> October 2024, as per the recommendation of the Board and Nomination and Remuneration Committee.”

6. Payment of Commission to Non-Executive and Independent Directors.

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

“RESOLVED THAT pursuant to Section 197 (1) (ii) (A) of the Companies Act, 2013 and Regulation 17(6) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Articles of Association of the Company, in addition to the sitting fees for attending the meetings of the Board of Directors and its Committees thereof, the consent of the Company be and is hereby accorded to pay a commission upto 1% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 to be paid to and distributed amongst the directors other than the CEO & whole-time directors of the Company or some or any of them in such amounts or proportions and in such manner as may be directed by the Board of Directors for the Financial Year 2019-20 during the said term.”

7. Approval for the Material Related Party Transactions with Tata Motors Limited.

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

“RESOLVED THAT pursuant to Regulation 23 (4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (LODR) (including any statutory modifications or amendments or re-enactments thereof, for the time being in force) and the Company’s Policy on ‘Materiality and Dealing with Related Party Transactions’, the approval of the Members of the Company be and is hereby accorded to the Material Related Party Transactions (including transactions, contracts and other arrangements) with Tata Motors Limited, for the Financial Year 2019-20 aggregating to Rs. 57,200.40 Lakhs.

Resolved further that the Board of Directors of the Company be and are hereby authorized to perform and execute all such deeds, matters and things (including delegation of such authority) as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.”

8. Approval for the Material Related Party Transactions with Tata Cummins Pvt Ltd.

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

“RESOLVED THAT pursuant to Regulation 23 (4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (LODR) (including any statutory modifications or amendments or re-enactments thereof, for the time being in force) and the Company’s Policy on ‘Materiality and Dealing with Related Party Transactions’, the approval of the Members of the Company be and is hereby accorded to the Material Related Party Transactions (including transaction, contracts and arrangements) with Tata Cummins Pvt Ltd for the Financial Year 2019-20 aggregating to Rs. 4,342.00 Lakhs.

Resolved further that the Board of Directors of the Company be and are hereby authorized to perform and execute all such deeds, matters and things (including delegation of such authority) as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.”

**Notes:**

(a) The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item No. 4, 5, 6, 7 and 8 above is annexed hereto. The relevant details of the Directors seeking re-appointment/appointment under Item Nos. 4 and 5 pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) are annexed.

**(b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.** A person can act as a proxy on behalf of members not exceeding fifty and in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The Proxy forms should be lodged with the Company at its Registered Office at least 48 hours before commencement of the meeting. Proxies/Representation letter submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization.

Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.

(c) A route map giving directions to reach the venue of the 39th Annual General Meeting is given at the end of the Annual Report.

**(d) Register of Members and Share Transfer Books of the Company will be closed from Friday, 21<sup>st</sup> June, 2019 to Monday, 24<sup>th</sup> June, 2019 (both days inclusive).**

(e) Dividend as recommended by the Board of Directors, if approved at the meeting, will be paid/dispatched on or before 08<sup>th</sup> July, 2019 as under:

- 1) To all Beneficial Owners in respect of shares held in electronic form, as per the data made available by the National Securities Depositories Limited and The Central Depository Services (India) Limited, as of the close of business hours on 20<sup>th</sup> June, 2019.
- 2) To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of requests lodged with the Company on or before the close of business hours on 20<sup>th</sup> June, 2019.

(f) Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, ECS mandates, Nominations, Power of Attorney, Change of Address/name etc. to their Depository Participant only and not to the Company or Company’s Registrar and Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company’s records which will help the Company and the Registrar & Transfer Agent to provide efficient service to the members.

(g) Members holding Share Certificates under different folio numbers but in the same order of names are requested to apply for consolidation of such folios and send relevant Share Certificates to the Registrar and Transfer Agent of the Company. Also Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company’s Share Registrars and Transfer Agents for assistance in this regard.



## (h) Nomination Facility:

As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. Members holding shares in physical form are requested to submit the forms to the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

- (i) Member's attention is particularly drawn to the "Corporate Governance" section in respect of unclaimed and unpaid dividend.
- (j) Members desiring any relevant information on the accounts at the Annual General Meeting are requested to write to the Company well in advance to ensure that such requests reach the Company at least seven days before the date of the Annual General Meeting, so as to enable the Company to keep the information ready.
- (k) Relevant documents and registers will be available for inspection by the members at the registered office of the Company on the date of AGM.
- (l) As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar & Transfer Agent.

## (m) Remote e-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL)

During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the Cut-Off Date of 20<sup>th</sup> June, 2019, may cast their vote electronically. The e-Voting period for the Members who hold shares as on cut-off date commences on **Monday 24<sup>th</sup> June, 2019 (9:00 am)** and ends on **Wednesday 26<sup>th</sup> June, 2019 (5:00 pm)**. The e-voting module shall be disabled by CDSL for voting thereafter.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on **Monday 24<sup>th</sup> June, 2019 (9:00 am)** and ends on **Wednesday 26<sup>th</sup> June, 2019 (5:00 pm)**. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **20<sup>th</sup> June, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - (a) For CDSL: 16 digits beneficiary ID,
  - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

|  |  | For Members holding shares in Demat Form and Physical Form   |
|--|--|--|
| PAN  |  | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB) |  | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>  |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant **Automobile Corporation of Goa Limited** on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**General instructions/ information for Members for voting on the Resolutions:**

- (a) **Facility of voting through Poll Paper shall also be made available at the Meeting. Members attending the meeting, who have not already cast their vote by Remote e-voting, shall be able to exercise their right at Meeting.**
- (b) Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting, but shall not be entitled to vote again at the AGM.
- (c) The voting rights of the shareholders (for voting through remote e-voting or by Poll paper at the Meeting) shall be in proportion to their share of the paid-up equity share capital of the Company as on **20<sup>th</sup> June, 2019 (“Cut-Off Date”)**. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- (d) Any person who acquires Shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. 20<sup>th</sup> June, 2019, may obtain the login Id and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using “Forgot User Details/ Password” option available on [www.evotingindia.com](http://www.evotingindia.com)
- (e) Mr. Shivaram Bhat, Practicing Company Secretary (ICSI Membership No.A10454) has been appointed by the Board of Directors of the Company as Scrutinizer for scrutinizing the remote e-voting process as well as voting through poll paper at the Meeting, in a fair and transparent manner.
- (f) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 48 hours from the conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against the resolutions, invalid votes, if any and whether the Resolution(s) has/have been carried or not, to the Chairman or a person authorised by him in writing who shall counter sign the same.
- (g) The results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.acglgoa.com](http://www.acglgoa.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited, where the securities of the Company are listed.
- (h) Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM, i.e. 27<sup>th</sup> June, 2019.

By order of the Board of Directors

Dated: May 10, 2019

**Registered Office:**  
Honda, Sattari, Goa – 403 530.

**Manisha Naik Shirgaonkar**  
Company Secretary

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

**Item No. 4**

Mr. Steven Pinto first joined the Company as an Independent Director in the year 2010. Pursuant to the Companies Act 2013, Mr. Pinto, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto 31st March, 2019, by the Members of the Company in the 34<sup>th</sup> AGM held on 4<sup>th</sup> June, 2014 pursuant to Sections 149 and 152 and other applicable provisions, of the Companies Act, 2013 and Clause 49 of Listing Agreement as amended or re-enacted from time to time.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company. However, the Code of Governance Guidelines on Board Effectiveness prescribes the retirement age of Independent Directors to be 75 years.

As on date, Mr. Pinto holds the following positions in the Company:

- Member of Board of Directors
- Chairperson of Audit Committee
- Chairperson of Nomination and Remuneration Committee
- Chairperson of Capital Investment Committee
- Member of the Risk Management Committee

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Pinto, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director, until he attains the age of 75 years. Accordingly, Mr. Pinto is proposed to be re-appointed as an Independent Director for a period from 1<sup>st</sup> April 2019 to November 29, 2020.

Apart from 250 number of equity shares of the Company, held by Mr. Pinto in his own name, he does not hold shares for any other person on a beneficial basis.

In the opinion of the Board, Mr. Pinto fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr Steven Pinto as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (8:00 am to 4:30 pm) on any working day, except Sunday, upto and including the date of AGM of the Company.

Based on the performance evaluation, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr Steven Pinto as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr Steven Pinto as an Independent Director for a period from 1st April, 2019 to 29<sup>th</sup> November, 2020, for the approval by the shareholders of the Company.

Except Mr. Steven A. Pinto, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Mr. Pinto is not related to any Director of the Company.

**Item No. 5**

Dr. Vaijayanti Pandit first joined the Company as an Independent Director on 20<sup>th</sup> October 2014. Pursuant to the Companies Act 2013, Dr. Pandit, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto 19<sup>th</sup> October, 2019, by the Members of the Company in the 35<sup>th</sup> AGM held on 31<sup>st</sup> July 2015 pursuant to Sections 149 and 152 and other applicable provisions, of the Companies Act, 2013 and Clause 49 of Listing Agreement as amended or re-enacted from time to time.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company. As on date, Dr. Pandit holds the following positions in the Company:

- Member of Board of Directors
- Chairperson of Corporate Social Responsibility Committee
- Member of the Stakeholders' Relationship Committee





Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Dr. Pandit, being eligible for re-appointment as an Independent Director and offering herself for re-appointment, is proposed to be re-appointed as an Independent Director for a period from 20<sup>th</sup> October 2019 to 19<sup>th</sup> October 2024.

Dr. Pandit does neither hold any equity shares of the Company herself nor for any other person on a beneficial basis.

In the opinion of the Board, Dr. Vaijayanti Pandit fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for her re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr Vaijayanti Pandit as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (8:00 am to 4:30 pm) on any working day, except Sunday, upto and including the date of AGM of the Company.

Based on the performance evaluation, the Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr Vaijayanti Pandit as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Dr Vaijayanti Pandit as an Independent Director for another term of five consecutive years with effect from 20<sup>th</sup> October 2019 to 19<sup>th</sup> October, 2024, for the approval by the shareholders of the Company.

Except Dr. Vaijayanti Pandit, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Dr. Pandit is not related to any Director of the Company.

#### **Item No. 6**

The Non-Executive Directors and the Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas and play an important role of laying down policies and providing direction for conduct of the Company's business. By the valued contribution made by these Directors, through their active participation in the meetings of the Board and its Committees, the Company has been progressing over the years.

The Board is of the view that it is necessary that adequate compensation be given to the Non-Executive Directors and the Independent Directors, so as to compensate them for their time and efforts. The shareholders of the Company at the AGM held on 28.07.2018, had accorded their consent for payment of commission on profits to the Non-Executive Directors and the Independent Directors of the Company at a rate not exceeding 1 per cent of the net profits of the Company for the financial year 2018-19.

For financial year 2019-20, the payment of commission on profits is proposed at a rate not exceeding 1 per cent of the net profits of the Company in accordance with the provisions of Section 197 (1) (ii) (A) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, computed in the manner provided in Section 198 of the Companies Act, 2013, in the proportion as decided and recommended by the Board of Directors. Payment of commission to Non-Whole-Time Directors requires approval of the members by means of an Ordinary Resolution.

With the exception of the Company's Chairman, Mr. Shrinivas Dempo who has opted not to receive any such commission, all the Non-Executive Directors and the Independent Directors of the Company are concerned or interested financially in the resolution because the resolution relates to payment of commission to self. Save and except these persons, no other Director or KMP of the Company or their relatives are, in any way, concerned with or interested in, financially or otherwise.

The Board commends the Ordinary Resolution set out at Item no. 6 of this notice for approval by the Members.

#### **Item No. 7**

The Company was jointly promoted by Tata Motors Limited ('TML') and EDC Limited in 1980. TML presently alongwith its group companies holds 47.19% of the paid up equity capital of the Company. The Company is an associate Company to Tata Motors Limited.

The Companies (Amendment) Act 2017, in clause 2 (76), sub-clause (viii), has been added to include '(C) an investing Company or the venturer of the Company' [i.e. a body corporate whose investment in the Company would result in the Company becoming an associate Company of the body corporate] in the definition of Related Party, thus making TML a Related Party under Companies Act. Further, in terms of IndAS, TML is an enterprise exercising significant influence.

The Company is engaged in the business of manufacturing of pressed parts, components, sub-assemblies and assemblies for various ranges of automobiles and bus bodies with component parts for which TML is the single largest customer contributing around 86% of the total basic sales of the Company.

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Material Related Party Transactions shall require an approval of the Shareholders through ordinary resolution.

The said Regulation further provides a definition of the term 'Material' as follows:

“A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.”

Further, the materiality threshold limits defined by the Board of Directors, in its Policy on 'Materiality of Related Party Transactions (RPT) and on Dealing with Related Party Transactions' is in line with the said Regulation i.e. ten percent of the annual consolidated turnover

Now, Tata Motors Limited being a related party under Section 2(76) of the Companies Act 2013, read with Companies (Amendment) Act, 2017, Regulation (2) (1) (zb) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Indian Accounting Standard (Ind AS) 24, an approval is sought from the shareholders, pursuant to Regulation 23 (4) of SEBI (LODR) Regulations, 2015 by way of an Ordinary Resolution for 'Material Related Party Transactions' entered with Tata Motors Limited for FY 2019-2020 aggregating to Rs.57,200.40 Lakhs

Past Value of Transactions:

| <b>Financial Year</b> | <b>Aggregate Value of all transactions<br/>( Rs. in lakhs)</b> |
|-----------------------|--|
| 2017-2018             | 63,122.72  |
| 2018-2019             | 46,494.64  |

The Particulars of the Contracts/arrangements/transactions are as under:

| <b>Particulars</b>   | <b>Information</b>  |
|--|---|
| Name of Related Party  | Tata Motors Limited   |
| Nature of relationship   | Enterprise exercising significant influence/ Investing Company  |
| Name of Director(s) or Key Managerial Personnel who is related, if any | None of the Directors or Key Managerial Personnel, are concerned/interested in this resolution.   |
| Nature of related party transactions with Tata Motors Limited ('RPTs') | The following transactions are in the ordinary course of business and are conducted on an arm's length basis:<br>Sale and purchase of goods, Services rendered/received, Interest Expense/ Income, Recoveries/Bad Debts, Payment of dividend, Sale/Purchase of equipments, Reimbursement of expenses, CENVAT/GST benefit transactions, Deputation charges, Royalty payment, Inter Corporate Deposit transactions. |
| Material terms of the Contracts / arrangements / transactions          | Terms and Conditions for transaction in ordinary course of business and arm's length:<br><ul style="list-style-type: none"> <li>• Manufacturing activities are carried out as per the specifications provided by TML</li> <li>• Pricing –Profit linked approach, Business/Commercial reasons and Comparable rates/quotations.</li> <li>• Indirect Taxes as applicable</li> <li>• Currency – Rupees</li> </ul>     |
| Duration of these RPTs   | These transactions have been undertaken since inception of the Company from time to time as per the needs of business.  |

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in this Resolution.

The Board commends the Ordinary Resolution set forth in Item No. 7 of the Notice for the approval of the Members in terms of Regulation 23 of SEBI LODR Regulations, 2015.



### Item No. 8

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions shall require prior approval of the Audit Committee and all Material Related Party Transactions shall require approval of the Shareholders through an Ordinary Resolution.

The said Regulation further provides a definition of the term 'Material' as follows: "A transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company."

Further, the materiality threshold limits defined by the Board of Directors, in its Policy on 'Materiality of Related Party Transactions (RPT) and on Dealing with Related Party Transactions' is in line with the said Regulation i.e. ten percent of the annual consolidated turnover.

The Company is engaged in the business of manufacture and sale of sheet metal fabricated parts like Oil Pans having automobile application to Tata Cummins Private Limited, who uses the same towards manufacture and sale of internal combustion engines having industrial, automobile, genset applications. The revenue contributed from the Pressings Segment has significantly increased over the years, owing to increase in sale volumes majorly to Tata Cummins Private Limited, which is likely to increase considerably in the coming years.

Now, Tata Cummins Private Limited being a related party under Section 2(76)(iv) of the Companies Act 2013, Regulation (2) (1) (zb) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, an approval is sought from the shareholders, pursuant to Regulation 23 (4) of SEBI (LODR) Regulations, 2015 by way of an Ordinary Resolution for 'Material Related Party Transactions' entered with Tata Cummins Private Limited for FY 2019-2020 amounting to Rs.4,342.00 Lakhs.

Trend of past 2 years of transactions:

| Financial Year | Aggregate Value of all transactions<br>(Rs. in lakhs) |
|----------------|---|
| 2017-2018      | 3,001.89  |
| 2018-2019      | 3,618.27  |

The Particulars of the Contracts/arrangements/transactions are as under:

| Particulars   | Information  |
|---|--|
| Name of Related Party   | Tata Cummins Private Limited ('TCPL')  |
| Nature of relationship  | 2(76)(iv)- A private Company in which a director, manager or his relative is a member or director.<br>Mr. Girish Wagh, non-executive non independent director is a non-executive non independent director on the Board of TCPL   |
| Name of Director (s) or Key Managerial Personnel who is related, if any         | Mr. Girish Wagh serves a non-executive non independent director on the Board of both the Companies.  |
| Nature of related party transactions with Tata Cummins Private Limited ('RPTs') | The following transactions are in the ordinary course of business and are conducted on an arm's length basis:<br>1. Sale of Pressing & Assembly Components.  |
| Material terms of the Contracts/arrangements/transactions                       | <ul style="list-style-type: none"> <li>• Manufacturing activities are carried out as per the specifications provided by Tata Cummins Private Limited with Production Part Approval Process (PPAP) Certification and Engineering Source Approval.</li> <li>• Amortization of tooling cost by TCPL.</li> <li>• Pricing based on available drawings, volume projections and subject to commercial discussions between the parties on the transaction on pro tempore/transitional basis.</li> <li>• Standard TCPL warranty terms for Automotive and Power Generation Genset Applications.</li> <li>• Bailment Contract for dies produced exclusively for manufacturing TCPL products, upon full payment of the said dies.</li> <li>• Indirect Taxes as applicable.</li> <li>• Currency – Rupees</li> </ul> |
| Duration of these RPTs  | These transactions have been undertaken since 1995, from time to time as per the needs of business. The current approval sought is however for a period of 1 year.   |

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, except Mr. Girish Wagh as aforesaid, is concerned or interested, financially or otherwise, in this Resolution.

The Board commends the Ordinary Resolution set forth in Item No. 8 of the Notice for the approval of the Members in terms of Regulation 23 of SEBI LODR Regulations, 2015.

By order of the Board of Directors

Dated: May 10, 2019

**Registered Office:**  
Honda, Sattari, Goa – 403 530.

**Manisha Naik Shirgaonkar**  
Company Secretary



## Annexure I

## Details of Directors seeking appointment / re-appointment at this Annual General Meeting

## [Pursuant to SEBI Listing Regulation and Secretarial Standard - 2 on General Meetings]

| Particulars                            | Mr Steven A Pinto   | Dr Vaijayanti Pandit   |
|--|---|--|
| Director Identification Number (DIN)   | 00871062  | 06742237   |
| Date of Birth & Age                    | 29 <sup>th</sup> November, 1945, 73 years   | 12 <sup>th</sup> January, 1953, 66 years   |
| Appointed on                           | 1 <sup>st</sup> April, 2014   | 20 <sup>th</sup> October, 2014   |
| Qualifications                         | Economics Honors graduate (B.A.), Masters in Management Studies (MMS)   | Ph. D in Management Studies from JBIMS, Diploma Journalism and Mass Communications, Master of Arts in Political Science with specialization in International Relations.  |
| Expertise in Specific functional areas | <p>Mr. Pinto commenced his career as a Management Trainee with Philips Gloeilampen Fabrieken Philips, the Dutch global conglomerate, at its Indian subsidiary. In a career spanning 17 years. He made an unconventional move into Banking, joining Citibank India in 1985 as Vice President &amp; Marketing Director for their nascent Consumer Banking initiative. He later did stints in Citibank Korea (Vice President - Chief of Staff and Marketing Director, 2 years), Citibank Oman (CEO, 4 years), and Citibank Singapore - CEEMEA Region (Regional Marketing Director, 2 years). In 1997 he assumed the position of CEO of Commercial Bank of Oman. In 2000, he was appointed CEO of Osool Finance Co. and concurrently Head of Retail Banking at Mashreq Bank, Dubai, UAE, post a profitable divestiture in Oman. He also did a brief stint as CEO, Abu Dhabi Commercial Bank, India prior to accepting the current position.</p> <p>He has attended multiple training programs covering Strategic Leadership, Corporate and Consumer Credit, Treasury, Retail Banking and Customer Service, and was Lead Trainer at Citibank Global Advanced Marketing Programs. He was on the Citibank Global Branding &amp; Agency Recruitment Task Force as also the Global Service Excellence Task Force. His significant achievements include the establishment of Retail Banking in India and Korea for Citibank, a business turnaround for Citibank Oman, the expansion of Citibank Credit Cards footprint across CEEMEA geography, the merger of 3 banks to form Combank Oman, and the country's first ever global syndicated USD 100 million loan for Combank Oman and subsequent profitable divestiture, and a business turnaround for Osool Finance and a significant expansion of Mashreq Bank's Retail franchise. More recently, he has driven the creation of a best-in class Finance and Insurance organization for Toyota/Honda/ Chrysler/ Dodge/Jeep brands in the UAE.</p> | <p>Dr. Pandit excels in building strategic linkages and partnerships with Government and industry for business development. Acknowledged as one of the Gender studies and Women Entrepreneurship development experts globally.</p> <p>Senior Director, Federation of Indian Chambers of Commerce and Industry (FICCI) from 2006-2012. FICCI is India's leading apex industry body with domestic and overseas offices. Sectoral expertise in Gems and Jewellery, Wellness, Technical Textiles, Sustainability, Nutraceuticals, Brand Protection, Design and Maharashtra state issues. Her work included influencing policy change, researching trends, tracking new sectors, liaising with central and state governments for projects, building up conferences and buyer-seller meets, mounting business delegations abroad, corporate communications, media relations and brand building.</p> <p>1999-2006- Secretary, Indian Merchants' Chamber, handled Trade Fairs and Business Promotion, International Trade Missions and Policy issues having a direct impact on Business and Industry. Professional skills acquired while being hands on in this position led to stepping up two way trade between India and various countries with whom IMC had signed MoU's. Organized Trade Fairs in Japan, Australia and New Zealand.</p> <p>1982-99 built up a vibrant organization of women entrepreneurs, managers, professionals that has grown exponentially as the largest in India.</p> <p>1992- Was commissioned by ILO Geneva for a project on "Integrating Women in Economic and Social Development". This project was on empowering women through the Employers' Organizations and Chambers of Commerce PAN India.</p> <p>1993- Was invited by ILO for a fellowship to Geneva to set up a database of women entrepreneurs in India.</p> <p>1994 - Invited to present a paper at ILO's inter country meeting in Chiang Mai Thailand on Women, Population and Development</p> <p>She also was ILO's National co-ordinator for projects on Mainstreaming women in 1994 and 1997. Further, she authored a chapter on Employers' Perspectives on Women Workers Rights in ILO's manual on Women Workers Rights in 1997-98</p> <p>Research Papers and Publications-Authorized Business@ Home published by Vikas Publication in 2002. Everyday Yoga by Silver leaf an imprint of Himalaya Publishing House in 2011, Ford Foundation Project on Professionalizing Police.</p> |

| <b>Particulars</b>  | <b>Mr Steven A Pinto</b>  | <b>Dr Vaijayanti Pandit</b>   |
|---|---|---|
| Directorships held in other Companies   | Adlabs Entertainment Limited<br>Centrum Retail Services Limited<br>Club 7 Holidays Limited<br>Walkwater Properties Private Limited<br>Catholic Gymkhana Limited | Indo Count Industries Limited<br>Banswara Syntax Limited<br>IG Petrochemicals Limited<br>TML Distribution Co. Limited<br>HPCL- Mittal Energy Limited<br>HPCL- Mittal Pipelines Limited<br>Tata Marcopolo Motors Limited   |
| Memberships/ Chairpersonships of Audit and Stakeholders' Relationship Committees across public companies (including ACGL) | Chairman of Audit Committee :<br>- Automobile Corporation of Goa Limited<br>- Adlabs Entertainment Limited  | Member of Stakeholder Relationship Committee :<br>- Automobile Corporation of Goa Ltd<br>- Indo Count Industries Limited<br>Member of Audit Committee :<br>- IG Petrochemicals Limited<br>- TML Distribution Co. Limited<br>- HPCL- Mittal Energy Limited<br>- HPCL- Mittal Pipelines Limited |
| Shareholding in the Company   | 250   | Nil   |

None of the Directors are related to each other or to the other Directors of the Company. For other details, such as number of meetings of the Board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of the above directors, please refer to the Board's Report and the Corporate Governance Report.



## DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company takes great pleasure in presenting to you their 39<sup>th</sup> Annual Report and the audited statement of accounts for the year ended March 31, 2019.

### FINANCIAL PERFORMANCE SUMMARY (As per INDAS)

Rs. in Lakhs

| A. FINANCIAL RESULTS:   | FY 2018-19       | FY2017-18       |
|---|------------------|-----------------|
| Revenue for Operations (Excluding Duties)   | 42,617.30        | 48,941.66*      |
| Total Expenditure   | 39,484.40        | 46,062.97*      |
| Operating Profit  | 3,132.90         | 2,878.69        |
| Other Income  | 1,000.26         | 821.75          |
| Earnings before Interest, Tax, OCI, Exceptional item, Depreciation and Amortization | 4,133.16         | 3,700.44        |
| Finance Cost  | 14.41            | 38.54           |
| Cash Profit   | 4,118.75         | 3,661.90        |
| Provision for Depreciation & Amortization   | 528.61           | 531.61          |
| Profit before exceptional item, OCI and Tax   | 3,590.14         | 3,130.29        |
| Exceptional item (net)  | (417.02)         | 147.07          |
| Profit before tax (before OCI)  | 3,173.12         | 3,277.36        |
| Provision for tax (net)   | 1,086.63         | 1,261.74        |
| Profit after tax (before OCI)   | 2,086.49         | 2,015.62        |
| Other comprehensive income ( net of taxes)  | (72.81)          | 52.07           |
| Total comprehensive income for the year   | 2,013.68         | 2,067.69        |
| Balance in P & L A/c brought forward from the previous year                         | 9,924.62         | 9,209.50        |
| Profit available for appropriation  | 11,938.30        | 11,277.19       |
| <b>B. APPROPRIATIONS:</b>   |                  |                 |
| <b>Equity Dividend</b>  |                  |                 |
| Interim   | 321.08           | 321.08          |
| Final   | 802.70           | 802.70          |
| Tax on Dividend   | 231.04           | 228.79          |
|   | <b>10,583.48</b> | <b>9,924.62</b> |

Balance carried to retained earnings

\* Figures are restated excluding excise duty

### TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve out of the amount available for appropriations.

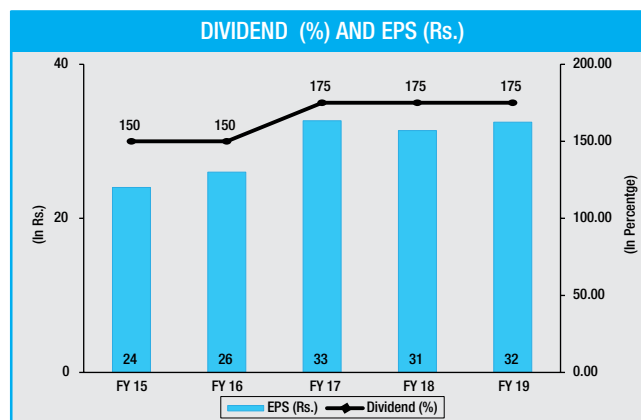
### DIVIDEND

Your Company has paid an Interim Dividend of 50% (Rs. 5/- per Equity Share) to the shareholders on March 01, 2019.

The Board of Directors has recommended a Final Dividend of 125% (Rs 12.50 per equity share) to the Equity shareholders.

Thus, the aggregate dividend for the year works out to 175% (Previous year 175%).

The said dividend, if approved by the members, would involve a total cash outflow of Rs. 1,354.82 lakhs (inclusive of Interim Dividend, Final Dividend and Dividend Distribution Tax thereon) for the FY 2018-19 and result in a payout of 67% of the current profit after tax (Previous year 65%).



### SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 was Rs 642.16 lakhs. During the year under review, the Company has not issued any shares or debentures.

### OPERATIONS

The bus segment has maintained its dominance in contributing to your Company's revenue and profit. Proportion of bus division's revenue in total revenue of the Company clocked 74% during the year under review. Large portion of our workforce is operating in the bus segment at Goa. Revenue from Pressing segment has shown a significant improvement as compared to last year mainly due to increase in the volumes from Tata Motors and Tata Cummins. In addition your Company has also added new components to its portfolio in pressing segment which has contributed to this growth.

Your Company's Product Sales (with other income) for the financial year 2018-19 was Rs 436.18 Crores as against Rs. 497.63 Crores (net of duties) in the preceding financial year. The Company's profit before tax during the financial year 2018-19 was at Rs.31.73 crores (after exceptional expense of Rs 4.17 Crore related to VRS and before other comprehensive income) as against Rs.32.77 Crores in the preceding financial year. Net profit after tax stood at Rs.20.14 Crores as compared to Rs.20.68 Crores in the preceding financial year. During FY 2018-19, your Company sold 5,775 buses.

Operations of the Company and business overview have been discussed in more detail in the Management Discussion and Analysis forming a part of this report.

#### Bus Body Segment

Revenue from product sale in Bus Segment reduced by 22.00% at Rs. 317 Crores (net of duties and excluding other income) in FY 2018-19, as compared Rs. 405 crores in the preceding financial year. In FY 2018-19, 5,775 buses were sold as compared to 5,734 buses in preceding financial year which is increase of 41 buses. Out of the 5,775 buses sold during the financial year 2018-19, 1,951 buses were towards Export Application which was higher by 4%, as compared to the preceding financial year.

The reduction in Product Sales primarily owes to change in product mix in bus segment due to reduction in MCV buses this year catering to Domestic and International Markets which has resulted in reduction in average sale price realization per bus. Another factor for lesser volume growth in Fully Built Bus Segment of OEM's was attributed to GST difference of 10% between OEM supplied bus body and bus body supplied directly by the Bus Body Builder.

#### Pressings Segment

Revenue from Press Segment increased significantly to Rs 109 Crores (net of duties and excluding other income) in FY 2018-19, as compared Rs 84 crores in the preceding financial year.

This increase in the revenue is a result of introduction of new products in the segment coupled with increase in the volume in commercial vehicle segment.

### HUMAN RESOURCE

The employee cost remains at 10.73% of total revenue (net of taxes and duties) notwithstanding increase in salaries, long term settlement provision for bargainable permanent workers and reduction in sales value. The strength of permanent employees reduced to 556 as on 31st March 2019 against 567 on 31st March 2018. Industrial Relations with staff and workmen across the Plants at Goa, Jejuri and Dharwad continue to be cordial.

### CORPORATE SOCIAL RESPONSIBILITY

The key focus areas of the ACGL's CSR program are education (EDUNITY), empowering towards employability (UTKARSH), special needs (UDAAN) for aiding & supporting special children, and Environment Sustainability. These projects are in accordance with Schedule VII of the Companies Act, 2013. The details thereof are stated in Annexure I of this report.

#### Brief outline of the CSR Policy:

In ACGL, Corporate Social Responsibility (CSR) philosophy revolves around engagements in socially relevant activities for the under-privileged sections of the society. The Company believes in inclusive growth to facilitate creation of a value-based and empowered society through continuous and purposeful engagement of communities around it. Our commitment to CSR is focused on initiatives that make an inclusive and constructive contribution to the community and encourage sustainable development.

A policy on CSR has been formulated by the Corporate Social Responsibility Committee (CSR Committee) and adopted by the Board of Directors. The contents of this policy are available on the website of the Company.





Your Company is committed to allocate at least 2% of its average Net Profits made during the three immediately preceding financial years calculated in accordance with the provisions of the Act and the Rules made thereunder towards Corporate Social Responsibility projects. The Company would undertake one or more of the activities which relate to schedule VII of the Act as its projects for CSR activities.

#### Composition of the Committee:

As per Section 135 (1) of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The composition of the Committee as on date is as under:

|                      |          |
|----------------------|----------|
| Dr Vaijayanti Pandit | Chairman |
| Mr Shrinivas V Dempo | Member   |
| Mr Yatin Kakodkar    | Member   |
| Mr O V Ajay          | Member   |

The Annual Report on CSR activities for FY 2018-19 is annexed as "Annexure A".

#### CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Directors' Report and Auditors' certificate regarding compliance of conditions of Corporate Governance have been included in the Annual Report.

#### FINANCE

Borrowings of the Company in the form of Cash Credits as at end March, 2019 stood at Nil (previous year Rs. 593.29 lakhs). Cash and bank balance including earmarked balances stood at Rs. 365.95 lakhs (previous year Rs. 210.26 lakhs).

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### Appointment, Resignation and Retirement of Directors:

Mr Ravindra Pisharody (DIN01875848) resigned from the Board effective July 28, 2018 due to personal reasons. The Board hereby places its appreciation for the outstanding contribution made by Mr Ravindra Pisharody during his tenure.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management. Further, the independent Directors have complied with the code for independent Directors prescribed in schedule IV of the Act.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr Abhay Bawale retires by rotation and is eligible for re-appointment. However he has opted not to be re-appointment at this AGM. The Board hereby places its appreciation for the contributions made by Mr. Bawale during the tenure of his directorship.

Further, the Board recommends the re-appointment of its Independent Directors, Mr. Steven Pinto and Dr. Vaijayanti Pandit who being eligible have offered themselves for re-appointment. Both the directors are resourceful and add tremendous value to the Board.

Members are requested to refer to Item No. 3, 4 and 5 of the Notice of the Annual General Meeting for details.

##### Key Managerial Personnel:

In terms of Section 203 of the Act, The following are the Key Managerial Personnel (KMP) of the Company;

| Sr No | Name of the KMP          | Designation              |
|-------|--------------------------|--------------------------|
| 1     | O V Ajay                 | CEO & Executive Director |
| 2     | Raghwendra Singh Butola  | Chief Financial Officer  |
| 3     | Manisha Naik Shirgaonkar | Company Secretary        |

##### Governance Guidelines:

The Board of the Company has adopted Governance Guidelines on Board Effectiveness. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director Term, Retirement Age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director Remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

The Company has formulated a Code of Conduct for Directors and senior management personnel, and the Directors and the senior management are in compliance of the same.

### Procedure for Nomination and Appointment of Directors:

The Nomination and Remuneration Committee (NRC) is responsible for identifying and developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis and indulges into deliberations regarding succession planning to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

### Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of the LODR.

**Independence:** In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Act and Regulation 16 (1)(b) of the LODR(as amended).

**Qualifications:** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

**Positive Attributes:** In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

### Annual Evaluation of Board Performance and Performance of its Committees and of Directors:

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the all the Directors as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The criterion for the performance evaluation of the Board of Directors includes aspects such as the Board of Directors' composition and structure, and the effectiveness of the Board processes, information flow and functioning. The criteria for the performance evaluation of the individual Directors includes aspects such as the Director's contribution to our Board of Directors and Committee meetings, including preparation on the issues to be discussed, meaningful and constructive contribution and input during meetings. In addition, the Chairperson is evaluated on the key aspects of his role. Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The NRC also reviewed the performance of the Board, its Committees and of the Directors.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

### Remuneration Policy

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Listing Regulations.

The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The NRC has considered the following factors while formulating the Policy:

- i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and



- iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company. Details of the Remuneration Policy are given in the Corporate Governance Report.

#### Board and Committee Meetings

The Meeting dates are circulated in advance to the Directors. During the year, Five Board Meetings and Four Audit Committee Meetings were convened and held. There have been no instances during the year where recommendations of the Audit Committee were not accepted by the Board.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

Accordingly, pursuant to Section 134 (3) (c) and 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) They have prepared the annual accounts on a going concern basis;
- v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

(This does not include advances against supply of spare parts and scrap arising in the ordinary course of business, not appropriated against supply of goods or provision of services within a period of 365 days from the date of acceptance of such advance).

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans/guarantees/investments, if any have been disclosed in the financial statements. The said loans/guarantees/investments are within the limits stipulated in the Section 186 (2) of the Companies Act, 2013.

#### PARTICULARS OF EMPLOYEES AND REMUNERATION:

The information required under Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as "Annexure B". The information required under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report.

#### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGOINGS:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed as "Annexure C".

**AUDITORS**

**(1) Statutory Auditors**

The Company had appointed M/s B S R & Co. LLP, Chartered Accountants, (ICAI firm registration no. 101248W/W-100022) (BSR), as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of 37<sup>th</sup> AGM till the conclusion of 42<sup>nd</sup> AGM to be held in the calendar year 2022.

As per the amendment in the Act, the appointment of BSR & Co. LLP is no longer required to be ratified at the Annual General Meeting.

**(2) Cost Audit**

Cost audit for the financial year 2018-19 is not applicable to the Company.

**(3) Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Mr Shivaram Bhat, a Practising Company Secretary – Membership no. 10454 to undertake the Secretarial Audit of the Company for FY 2018-19. The Report of the Secretarial Auditor is annexed herewith as “Annexure D”.

The Statutory Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2019 do not contain any qualification, reservation, adverse remark or disclaimer.

**SECRETARIAL STANDARDS**

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from October 1, 2017. The Company has devised proper systems to ensure compliance with its provisions and is in compliance with the same.

**INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to Section 124(5) of the Companies Act, 2013, Unpaid Dividend amount of the company which remained unpaid or unclaimed for a period of seven years from the date of such transfer has been transferred to the Investor Education and Protection Fund (IEPF) established under sub-section (1) of section 125.

Further, in line with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('Principal Rules') and General Circular No.12/2017 dated 16.10.2017 issued by MCA the Company has transferred the shares by way of 'corporate action' to the IEPF authority

The details of Dividend and shares transferred to IEPF for the FY 2018-19 is given below:

| Details of the transfer/s to the IEPF made during the year: |  |           |
|---|--|-----------|
| i.  | Amount of unclaimed/unpaid dividend (In Rs.) | 1,820,353 |
| ii.   | Corresponding shares (Nos)                   | 9,219     |

**THE EXTRACT OF THE ANNUAL RETURN FILED WITH MCA**

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT 9 is annexed as “Annexure E”.

Annual Return of the Company is uploaded on the Company's website at the web link: [http://acglgoa.com/wp-content/uploads/2019/05/MGT-9-2019-v1\\_-24.4.19.pdf](http://acglgoa.com/wp-content/uploads/2019/05/MGT-9-2019-v1_-24.4.19.pdf)

**POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2018-19.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a whistle blower policy to deal with instances of fraud and mismanagement, if any. The details of this Policy are explained in the Corporate Governance Report and also posted on the website of the Company. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

**MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION**

There are no material changes affecting the financial position of the Company subsequent to the close of the Financial year 2018-19 till the date of this report.



## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

However, Members attention is drawn to the Statement on Contingent Liability, forming part of the Financial Statement.

## RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Listing Regulations.

Tata Motors Limited (TML) is a "Related Party" of the Company under the Companies Act, 2013 (pursuant to the Companies (Amendment) Act, 2017) and the SEBI Listing Regulations. The transactions with TML exceed the materiality threshold of 10% of the total turnover of the Company, as prescribed under regulation 23 of LODR. The Members, at their 38<sup>th</sup> Annual General Meeting held on July 28, 2018 have accorded their approval to the Board of Directors to enter into such material contracts/arrangements/transactions with Tata Motors Limited for the financial year 2018-19. Similarly a fresh approval is also sought for proposed estimated transactions for the next financial year FY 2019-20.

Further, Tata Cummins Private Limited (TCPL) is likely to exceed the materiality threshold as prescribed under regulation 23 of LODR in FY 2019-20. Approval is also sought from the members for entering to such material contracts/arrangements/transactions with Tata Cummins Private Limited for the next financial year FY 2019-20.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is put in place for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Board recommends both the ordinary resolutions related to material related party transactions to the shareholders for their approval.

## REVISED POLICY ON MATERIALITY AND DEALING WITH RELATED PARTY TRANSACTIONS

The Company has adopted a revised Related Party Transactions Policy in line with Notification issued by SEBI on 9<sup>th</sup> May 2018 on SEBI LODR (AMENDMENT) Regulations, 2018 wherein Regulation 23(1) required listed entities to formulate a policy on materiality of related party transactions (RPT) and on dealing with related party transactions, including clear threshold limits duly approved by the board of directors.

The revised Policy has been approved by the Board on the recommendation of the Audit Committee and is uploaded on the Company's website at the web link: <http://acglgoa.com/wp-content/uploads/2019/02/Revised-Materiality-of-Related-Party-and-dealing-with-Related-Party-Transactions-policy.pdf>. Details of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC 2.

## RISK MANAGEMENT

The Board has laid down a clear Risk Policy to identify potential business risks and install effective mitigation processes to protect Company's assets and business risks. Risk Assessment and minimization plan are reviewed by the Risk Management Committee of the Board on a periodic basis.

Risk Management Committee meeting was held on 27.04.2018 to discuss on Enterprise Risk Management Plan with a Mitigation plan for 10 major Enterprise risks associated with the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report as required under Listing Regulations, is provided as an Annexure to this Report.

## ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere appreciation for the support and assistance extended by the Company's suppliers, bankers and business associates. Your Directors are thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its Management. The Directors wish to place on record their appreciation for the support and guidance provided by its parent company, Tata Motors.

The Directors place on record their sincere thanks for the help and support received from Government of Goa and related Government and semi-Government agencies. Your Directors acknowledge the unstinted service rendered by the employees of the Company at all levels towards its overall success.

**On behalf of the Board of Directors**

Place : Panaji, Goa.  
Date : May 10, 2019

**Shrinivas Dempo**  
Chairman

ANNEXURE A TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

|   |   |   |
|---|---|---|
| 1 | A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs                                    | <p>ACGL has been an early adopter of Corporate Social Responsibility initiatives. In ACGL, Corporate Social Responsibility (CSR) philosophy revolves around engagements in socially relevant activities for the under-privileged sections of the society. The Company believes in inclusive growth to facilitate creation of a value-based and empowered society through continuous and purposeful engagement of society around. Our commitment to CSR is focused on initiatives that make a constructive contribution to the community and encourage sustainable development.</p> <p>A policy on CSR has been formulated by the Corporate Social Responsibility Committee (CSR Committee) and adopted by the Board of Directors. The contents and overview of CSR projects and programs alongwith the CSR policy are available on the website of the Company at the following weblink <a href="http://acglgoa.com/up-content-of-the-CSR-Policy-Jan-2017.pdf">http://acglgoa.com/up-content-of-the-CSR-Policy-Jan-2017.pdf</a>.</p> |
| 2 | The Composition of the CSR Committee (As on 31 <sup>st</sup> March, 2019)   | <p>Dr Vaijayanti Pandit      Chairman</p> <p>Mr Shrinivas Dempo      Member</p> <p>Mr Yatin Kakodkar      Member</p> <p>Mr O V Ajay      Member</p>   |
| 3 | Average net profit of the Company for last three financial years  | Rs 2,960.11 Lakhs   |
| 4 | Prescribed CSR Expenditure (not less than two percent of the amount as specified at item 3 above)   | Rs 59.20 Lakhs  |
| 5 | Details of CSR spent for the financial year:  |   |
|   | a) Total amount to be spent for the financial year  | Rs 52.00 Lakhs  |
|   | b) Amount committed but unspent, if any   | Rs. 7.20 Lakhs  |
|   | c) Manner in which the amount spent during the financial year is detailed below:  | Report annexed  |
| 6 | In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report | The unspent amount of Rs. 4.86 lakhs for FY 2017-18 and Rs. 1.74 Lakhs of FY 2016-17 has been spent for building of 2 nos School buses for special children of Lokvishwas Pratishthan during FY 2018-19.  |
| 7 | A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company  | The implementation and monitoring of CSR Policy is in compliance with CSR objectives and the Policy of the Company.   |

O V Ajay  
CEO & Executive Director

Dr Vaijayanti Pandit  
Chairman – CSR Committee

The manner of the CSR amount spent during the financial year is detailed as follows:

(Amount in Lakhs)

| Sr. No. | CSR Project Identified  | Agency                           | Amount given Directly OR through Implementing Agency | Amount spent for the Project |
|---------|---|----------------------------------|--|------------------------------|
| 1       | Distribution of laptops to meritorious students of Bhumika Higher Secondary, Paryem, Goa and Govt. High School, Bhuimpal, Goa                         | Direct                           | Direct   | Rs. 1.64                     |
| 2       | Promoting Education, Employment & Entrepreneurship for Women imparting livelihood skills for Women with lower income group from Sattari Taluka        | Sambhav Foundation               | Sambhav Foundation                                   | Rs. 7.67                     |
| 3       | School Bus for Keshav Seva Sadhana's School for Special Children, Valpoi, Sattari, Goa.   | Direct                           | Direct   | Rs. 13.68                    |
| 4       | Computer Laboratory with chairs to Sadguru Bhagwanmama Karadkar Pratisthan School, Phaltan, Satara, Maharashtra                                       | Direct                           | Direct   | Rs. 6.00                     |
| 5       | Smart Classroom and Computer Laboratory for Vasantao Dempo HSS of Arts, Science & Commerce, Cujira, Bambolim Goa.                                     | Direct                           | Direct   | Rs. 8.58                     |
| 6       | Computer and Science Laboratories for Pujya Sane Guruji Dnyanopasana Mandir's Radhakrishna Vidhyalaya, Bicholim, Goa                                  | Bicholim Rotary Charitable Trust | Bicholim Rotary Charitable Trust                     | Rs. 9.50                     |
| 7       | Providing 2 Garbage Vans to Village Panchayat, Honda for collection & transportation of wet & dry waste within Panchayat area of Honda, Sattari, Goa. | Direct                           | Direct   | Rs. 11.22                    |
| 8       | Contribution towards National Defense Fund  | Direct                           | Direct   | Rs. 0.91                     |
|         | <b>TOTAL</b>  |                                  |  | <b>Rs. 59.20</b>             |

Notes:

1. An amount of Rs.7.67 Lakhs has been committed under 'Promoting Education, Employment & Entrepreneurship for women' out of which a balance amount of Rs.3.83 lakhs shall be paid upon the completion of the 'Utkarsh' Project as per the MOU terms with the implementing agency in FY 2019-20.
2. An amount of Rs.13.68 Lakhs has been committed towards providing 1 School bus for special children of Keshav Seva Sadhana out of which Rs.3.37 lakhs shall be spent on building the bus body in FY 2019-20.



**ANNEXURE B TO DIRECTORS' REPORT**

**[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

- The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:

**(Explanation:** (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)

- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company for the full financial year and the percentage increase in remuneration of the Directors during the financial year 2018-19 are given below: (Also refer Corporate Governance Section on Remuneration to Directors for further details)

| Name of Directors                    | Remuneration Paid FY18-19 | Remuneration Paid FY17-18 | Ratio to Median | Percentage increase in Remuneration |
|--------------------------------------|---------------------------|---------------------------|-----------------|-------------------------------------|
| <b>Non Executive Directors@</b>      |                           |                           |                 |                                     |
| Mr Srinivas Dempo                    | 420,000                   | 400,000                   | 0.75:1          | 5.00%                               |
| Mr R Pisharody (upto 28.7.18 )       | 776,000                   | 1,183,000                 | 1.39:1          | NA                                  |
| Mr Steven A Pinto                    | 1,264,000                 | 1,313,000                 | 2.27:1          | -3.73%                              |
| Mr R Ramakrishnan (upto 28.7.18 )    | 434,000                   | 810,000                   | 0.78:1          | NA                                  |
| Mr PFX D'Lima (upto 6.12.16)         | -                         | 340,000                   | -               | NA                                  |
| Mr A Gajendragadkar (upto 30.11.16)  | -                         | 272,000                   | -               | NA                                  |
| Dr Vaijayanti Pandit                 | 649,000                   | 792,000                   | 1.17:1          | -18.05%                             |
| Mr Yatin Kakodkar                    | 997,000                   | 880,000                   | 1.79:1          | 13.30%                              |
| Mr Abhay Bawale (w.e.f. 26.06.17)    | 750,000                   | 355,000                   | 1.35:1          | NA                                  |
| Mr Girish Wagh (w.e.f. 30.10.17)     | 635,000                   | 100,000                   | 1.14:1          | NA                                  |
| Mr Rohit Srivastava (w.e.f 27.04.18) | 185,000                   | -                         | 0.33:1          | NA                                  |
| <b>CEO &amp; Executive Director#</b> |                           |                           |                 |                                     |
| Mr O V Ajay                          | 13,975,050                | 13,656,981                |                 | 2.33%                               |

**Key Managerial Personnel\$**

|   |           |           |  |        |
|---|-----------|-----------|--|--------|
| Mr Raghwendra Singh Butola-CFO                      | 6,572,127 | 5,736,125 |  | 14.57% |
| Mr Pravin Satardekar - CS* (upto 30.09.17)          | -         | 1,187,101 |  | NA     |
| Ms Manisha Naik Shirgaonkar - CS* (w.e.f. 08.01.18) | 838,017   | 214,826   |  | NA     |

Incentive Remuneration for FY 2017-18, if any, is paid in FY 2018-19. Similar principle is applied for the previous year's figures.

\*Part of the year.

@ Remuneration paid to Non-Executive Directors includes sitting fees paid to them during FY 2018-19 and Commission for FY 2017-18 paid in FY 2018-19. The Commission for the FY 2018-19 will be paid in FY 2019-20. Similar principle is applied for the previous year's figures. The remuneration to Non-Executive Directors is within overall limits approved by the shareholders and within the limits defined under the Companies Act 2013.

# On deputation from Tata Motors Limited, Salary amount includes Deputation Charges paid through Tata Motors (exclusive of taxes) and Incentive remuneration paid directly by the Company. The remuneration to Executive Director is within overall limits approved by the shareholders and within the limits defined under the Company Act 2013.

\$ Remuneration payment to KMPs includes actual payment made during the financial year (excluding retiral benefits) including the requisite as per Income Tax Act 1961 and Variable Performance Linked Pay paid for FY 2017-18 in FY 2018-19.





3. The percentage increase in the median remuneration of employees in the financial year is 2.70% as compared to previous year's (3.66%). The percentage is higher than previous year, due to increase in VDA of associate workmen. For calculation of median remuneration, 556 permanent employees (Staff and Associates) who were on the rolls of the Company during the entire financial year have been considered. The Long Term Settlement and Bonus payable to associate workmen not considered while computing median remuneration for the financial year 2018-19 as same is under negotiation with Union and not paid during the year.
4. The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2019: 556.
5. The explanation on the relationship between average increase in remuneration and Company performance:  
Remuneration of staff employees has a close linkage with the performance of the Company and an Individual. The Performance Linked Payment (PLP), which is a variable component in the remuneration for all the staff employees, has a direct correlation with the Company's and an individual performance.  
Remuneration of associate employees has a linkage with Long Term Settlement signed between trade union and management after every 3 years. The basis of Long Term Settlement is driven by the productivity of associate employees, adherence to the terms agreed in past Long Term Settlement and performance of their business segment. The Long Term Settlement is under negotiation with Union which is due from 1st April 2018 for the period of 3 years.
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:  
The Total Revenue (net of duties) of the Company for the year 2018-19 was Rs. 436.18 crores. Profit before tax (after OCI and exceptional item) during 2018-19 was Rs. 30.61 crores, while Profit after Tax (after OCI and exceptional item) for the year stood at Rs.20.14 crores. The Company's performance and individual performance for the relevant financial year is considered while approving the variable pay and the increase in remuneration for the Key Managerial Personnel.
7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:  
The last public offer for the shares of the Company was a Right Issue made in the year 2007, for 14,81,913 fully paid Equity Shares of Rs 10/- each at a premium of Rs 465.00 per share. The market price of the Equity Shares of the Company as on March 31, 2019 was Rs 559.95 for shares of face value of Rs. 10/- each, an increase of 17.88 % over the period.  
The market capitalization of the Company based on closing rates in stock exchange as at March 31, 2019 is Rs. 359.58 crores, as against Rs. 727.92 crores as at March 31, 2018, a decrease of 50.60 % during the year under review. The price earnings ratio of the Company as at March 31, 2019 is 17.23, as against 36.11 as at March 31, 2018.
8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
The general increase in the salaries of staff other than the managerial personnel in the financial year 2018-19 is 5% (this increase computed on the employees present in the rolls of the Company in FY 2017-18 and FY 2018-19). In addition Performance Link Pay (PLP) paid to the staff based on Company and individual performance. There is an increase in the associate workers wages due to change in VDA rates. The general increment given to each individual staff is based on the consumer inflation rate, Company performance and benchmarked against a comparable basket of relevant companies in India. The Long Term Settlement is under negotiation with Union which is due from 1st April 2018 for the period of 3 years. The basis of Long Term Settlement is driven by the productivity of associate employees, adherence to the terms agreed in past Long Term Settlement and performance of their business segment.
9. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:  
The Total Revenue (net of duties) of the Company for the year 2018-19 was Rs. 436.18 crores. Profit before tax (after OCI and exceptional item) during 2018-19 was Rs. 30.61 crores, while Profit after Tax (after OCI and exceptional item) for the year stood at Rs.20.14 crores. Remuneration to the Key Managerial Personnel (KMPs) is reviewed in terms of the performance of the Company and individual performance and accordingly a market competitive increase in remuneration is provided to the KMPs.

10. The key parameters for any variable components of remuneration availed by the Directors:

The variable component of Non-Executive Directors' remuneration consists of commission. In terms of the Shareholders' approval obtained at the Annual General Meeting held on July 28, 2018, commission is paid at a rate not exceeding 1% per annum of the profits of the Company, computed in accordance with the provisions of the Companies Act, 2013. The distribution of commission among the Non-Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board. The commission is distributed on the basis of their attendance and contribution at the Board and Committee Meetings as well as guidance provided to senior management other than at meetings.

The Company pays remuneration by way of commission/incentive remuneration as variable component to the Managing Director/ Whole Time Director. Commission/ Incentive Remuneration is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year, based on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceilings stipulated in the Companies Act, 2013. Specific amount payable as commission/incentive remuneration is based on the performance criteria laid down by the Board, which broadly takes into account the profits earned by the Company for the year.

11. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

The highest paid Director is CEO & Executive Director. No employee has received remuneration in excess of the remuneration paid to CEO & Executive Director during the year.

12. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.



## ANNEXURE C TO DIRECTORS' REPORT

[Pursuant to Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8 (3) of The Companies (Accounts) Rules, 2014]

### A. Conservation of Energy

#### (i) Steps Taken or Impact on Conservation of Energy:

The Company has always tried to improve energy efficiency significantly. During the year under review the steps taken to conserve energy include:

- At its plants, the Company has carried out various actions to optimize energy consumption and reduce losses.
- In its Plants and Offices, the Company has replaced conventional light fixtures with energy efficient fixtures such as LED lights and tubes.
- Energy efficient motors installed in order to optimize use of power.
- Compressed air leakages checked periodically for the necessary repairs which had resulted in energy saving.
- Installation of Variable Frequency drive to Paint booth Blower Plant II :

|                                       |            |             |
|---------------------------------------|------------|-------------|
| Power Consumption before installation | 13KWH /Bus |             |
| Power Consumption after installation  | 7KWH/Bus   |             |
| Savings                               | 6KWH/BUS   | (Rs 42/Bus) |

- Implementation of Wet on Wet Painting process: Due to implementation of Wet On Wet (WOW) painting process, Bus baking cycle is reduced to half :

|                                      |             |              |
|--------------------------------------|-------------|--------------|
| Power Consumption before WOW process | 30KWH/Bus   |              |
| Power Consumption after WOW process  | 15KWH/Bus   |              |
| Savings                              | 15 KWH /Bus | (Rs 105/Bus) |

#### (ii) Steps taken by the Company for utilizing alternate sources of Energy:

The Company has always been conscious of the need for conservation of energy. Energy conservation measures have been implemented at all its plants.

- Various workshop and awareness programs conducted for power usage reduction through general awareness like switching of lights, fans and other electric equipment during lunch, tea other breaks.
- Provided Polycarbonate translucent sheets on the roof of manufacturing shops which enhances natural illumination and has resulted in power saving during the day time.
- Close monitoring of energy consumption for necessary action in the relevant areas of high consumption.

#### (iii) Capital Investment on Energy Conservation Equipments:

The Energy Conservation Equipment are procured on basis of need. There was no significant capital investment made for Energy Conservation Equipment during the year under consideration.

### B. Absorption of Technology

#### • Efforts made towards Technology Absorption:

The Company has undertaken the following initiatives for Technology Absorption during the FY 2018-19.

- Development of new bus model for Middle East Market with Optimised Structure and improved features meeting GSO requirement.
- Development of new model for ILCV and LCV Segment for Domestic Market meeting AIS 140 and AIS 153 requirement.
- Development of all new bus model for domestic and export with 3D Designing.

#### • Benefits derived from R & D and future plan of action:

The Company has received in-house R&D Recognition from the Department of Scientific and Industrial Research (DSIR) for a period of 3 years starting from 28.10.2016.

The Company is focusing on the innovation and technology development to enhance the value of the products and manufacturing procedures in order to cater varied market demands. Further during the financial year the Company received a tax benefit of Rs. 35 lakhs due to the said R&D unit of the Company.

- **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

Not Applicable

#### 4. Expenditure on Research and Development:

|                                      |                  |
|--------------------------------------|------------------|
| a) Capital                           | Rs. 8.77 lakhs   |
| b) Recurring                         | Rs. 174.80 lakhs |
| c) Total                             | Rs. 183.57 lakhs |
| d) Total as a percentage of turnover | 0.43%            |

#### C. Foreign Exchange earnings and outgo:

- Earnings:
- On export of goods calculated on FOB basis - Rs. 51.75 Lakhs
  - The Company has exported bus bodies and component parts thereof through a merchant exporter – Rs.15,604.50 Lakhs (excluding duty)
- Outgo :
- Travelling expenses – Rs. 8.39 Lakhs
  - Procurement of raw material – Rs. 58.59 Lakhs

On behalf of the Board of Directors

Place : Panaji, Goa.  
Date : May 10, 2019

**Shrinivas Dempo**  
Chairman



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Automobile Corporation of Goa Limited,**  
Honda, Sattari,  
Goa- 403 530.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Automobile Corporation of Goa Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 (hereinafter referred to as the "Audit Period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (*provisions of external commercial borrowing and Overseas Direct Investment not applicable to the Company during the Audit Period*);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the audit period*);
  - d) The Securities and Exchange Board of India (Share based Employee Benefits) regulations, 2014 (*Not applicable to the Company during the audit period*);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*Not applicable to the Company during the audit period*);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*Not applicable to the Company during the audit period*); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not applicable to the Company during the audit period*).

- vi. The Motor Vehicles Act, 1988 and rules made thereunder (the law, which is applicable specifically to the Company, being manufacturer/dealer of Automobile products and related components).

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement(s) entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and SEBI (Listing Obligations and Disclosure requirements) (Amendment) Regulation, 2018.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **I further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as prescribed. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes during the audit period.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Panaji, Goa  
Date : May 10, 2019

**Shivaram Bhat**  
**Practising Company Secretary**  
**ACS No. 10454 & CP No. 7853**

This Report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



### 'ANNEXURE A'

(My report of even date is to be read along with this Annexure.)

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Panaji, Goa  
Date : May 10, 2019

**Shivaram Bhat**  
**Practising Company Secretary**  
**ACS No. 10454 & CP No. 7853**

**ANNEXURE E TO DIRECTORS' REPORT**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on March 31, 2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

|   |  |
|---|--|
| CIN   | L35911GA1980PLC000400  |
| Registration Date   | September 1, 1980  |
| Name of the Company   | Automobile Corporation of Goa Limited  |
| Category/Sub-Category of the Company                              | Public Company/Limited by Shares   |
| Address of the Registered office and contact details              | Honda, Sattari, Goa – 403 530.<br>Tel : 0832 2383018, Fax : 0832 2383062<br>E-mail: <a href="mailto:sectl@acglgoa.com">sectl@acglgoa.com</a><br>Website: <a href="http://www.acglgoa.com">www.acglgoa.com</a>  |
| Whether listed Company  | Yes  |
| Name, Address and Contact details of Registrar and Transfer Agent | TSR DARASHAW LTD.<br>6-10 Haji Moosa Patrawala Industrial Estate,<br>20 Dr. E. Moses Road,<br>Mahalaxmi, Mumbai 400 011.<br>Tel. No.: 91 22 6656 8484<br>Fax No.: 91 22 6656 8494<br>E-mail: <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a><br>Website: <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a> |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services   | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1       | Bus Bodies and component parts thereof   | 29201                            | 74                                 |
| 2       | Pressed sheet metal parts/ components/Sub assemblies and assemblies there from for various aggregates of automobiles | 29209                            | 26                                 |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

| Sl. No. | Name and Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---------------------------------|---------|-------------------------------|------------------|--------------------|
| NIL     |                                 |         |                               |                  |                    |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

| Category code<br>(I)     | Category of Shareholder<br>(II)      | Number of shares held at the beginning of the year 1st April, 2018 |          |                  |                  | Number of shares held at the end of the year 31st March, 2019 |          |                  |                  | % Change during the year |
|--------------------------|--------------------------------------|--|----------|------------------|------------------|---|----------|------------------|------------------|--------------------------|
|                          |                                      | Demat  | Physical | Total            | % of Total Share | Demat   | Physical | Total            | % of Total Share |                          |
| (A)                      | <b>Promoters</b>                     |  |          |                  |                  |   |          |                  |                  |                          |
| (1)                      | <b>Indian</b>                        |  |          |                  |                  |   |          |                  |                  |                          |
| (a)                      | Individuals / Hindu Undivided Family | 0  | 0        | 0                | 0.00             | 0   | 0        | 0                | 0.00             | 0.00                     |
| (b)                      | Central Government                   | 0  | 0        | 0                | 0.00             | 0   | 0        | 0                | 0.00             | 0.00                     |
| (c)                      | State Government(s)                  | 0  | 0        | 0                | 0.00             | 0   | 0        | 0                | 0.00             | 0.00                     |
| (d)                      | Bodies Corporate                     | 3,435,831  | 0        | 3,435,831        | 53.50            | 3,435,831   | 0        | 3,435,831        | 53.50            | 0.00                     |
| (e)                      | Banks / Financial Institutions       | 0  | 0        | 0                | 0.00             | 0   | 0        | 0                | 0.00             | 0.00                     |
| (f)                      | Any Other (specify)                  | 0  | 0        | 0                | 0.00             | 0   | 0        | 0                | 0.00             | 0.00                     |
|                          | - Trust                              | 0  | 0        | 0                | 0.00             | 0   | 0        | 0                | 0.00             | 0.00                     |
| <b>Sub-Total (A) (1)</b> |                                      | <b>3,435,831</b>   | <b>0</b> | <b>3,435,831</b> | <b>53.50</b>     | <b>3,435,831</b>  | <b>0</b> | <b>3,435,831</b> | <b>53.50</b>     | <b>0.00</b>              |





| Category code<br>(I)                                      | Category of Shareholder<br>(II)   | Number of shares held at the beginning of the year 1st April, 2018 |                |                  |                  | Number of shares held at the end of the year 31st March, 2019 |                |                  |                  | % Change during the year |
|---|---|--|----------------|------------------|------------------|---|----------------|------------------|------------------|--------------------------|
|   |   | Demat  | Physical       | Total            | % of Total Share | Demat   | Physical       | Total            | % of Total Share |                          |
| <b>(2)</b>  | <b>Foreign</b>  |  |                |                  |                  |   |                |                  |                  |                          |
| (a)   | NRIs - Individuals  | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (b)   | Other Individuals   | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (c)   | Bodies Corporate  | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (d)   | Banks / Financial Institutions  | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (e)   | Qualified Foreign Investor  | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (f)   | Any Other (specify)   | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| <b>Sub-Total (A) (2)</b>                                  |   | <b>0</b>   | <b>0</b>       | <b>0</b>         | <b>0.00</b>      | <b>0</b>  | <b>0</b>       | <b>0</b>         | <b>0.00</b>      | <b>0.00</b>              |
| <b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b> |   | <b>3,435,831</b>   | <b>0</b>       | <b>3,435,831</b> | <b>53.50</b>     | <b>3,435,831</b>  | <b>0</b>       | <b>3,435,831</b> | <b>53.50</b>     | <b>0.00</b>              |
| <b>(B)</b>  | <b>Public Shareholding</b>  |  |                |                  |                  |   |                |                  |                  |                          |
| <b>(1)</b>  | <b>Institutions</b>   |  |                |                  |                  |   |                |                  |                  |                          |
| (a)   | Mutual Funds  | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (b)   | Banks / Financial Institutions  | 0  | 150            | 150              | 0.00             | 0   | 150            | 150              | 0.00             | 0.00                     |
| (c)   | Central Government  | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (d)   | State Government(s)   | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (e)   | Venture Capital Funds   | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (f)   | Insurance Companies   | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (g)   | Foreign Institutional Investors   | 0  | 650            | 650              | 0.01             | 0   | 650            | 650              | 0.01             | 0.00                     |
| (h)   | Foreign Venture Capital Investors   | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (i)   | Any Other (specify)   | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| <b>Sub-Total (B) (1)</b>                                  |   | <b>0</b>   | <b>800</b>     | <b>800</b>       | <b>0.01</b>      | <b>0</b>  | <b>800</b>     | <b>800</b>       | <b>0.01</b>      | <b>0.00</b>              |
| <b>(2)</b>  | <b>Non-Institutions</b>   |  |                |                  |                  |   |                |                  |                  |                          |
| (a)   | Bodies Corporate  |  |                |                  |                  |   |                |                  |                  |                          |
| I   | Indian  | 398,363  | 2,396          | 400,759          | 6.24             | 380,640   | 2,286          | 382,926          | 5.96             | -0.28                    |
| II  | Overseas  | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| (b)   | Individuals -   |  |                |                  |                  |   |                |                  |                  |                          |
| I   | Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 1,016,438  | 278,248        | 1,294,686        | 20.15            | 1,046,406   | 246,961        | 1,293,367        | 20.14            | -0.01                    |
| II  | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 1,219,005  | 0              | 1,219,005        | 18.98            | 1,224,913   | 0              | 1,224,913        | 19.07            | 0.09                     |
| (c)   | Any Other (Specify)   |  |                |                  |                  |   |                |                  |                  |                          |
|   | IEPF Account  | 69,216   | 0              | 69,216           | 1.08             | 78,435  | 0              | 78,435           | 1.22             | 0.14                     |
|   | FPI- Corps  | 975  | 0              | 975              | 0.02             | 5,000   | 0              | 5,000            | 0.08             | 0.06                     |
|   | Trust   | 100  | 0              | 100              | 0.00             | 100   | 0              | 100              | 0.00             | 0.00                     |
|   | Directors & their Relatives   | 250  | 0              | 250              | 0.00             | 250   | 0              | 250              | 0.00             | 0.00                     |
| <b>Sub-total (B) (2)</b>                                  |   | <b>2,704,347</b>   | <b>280,644</b> | <b>2,984,991</b> | <b>45.37</b>     | <b>2,735,744</b>  | <b>249,247</b> | <b>2,984,991</b> | <b>46.48</b>     | <b>0.01</b>              |
| <b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>      |   | <b>2,704,347</b>   | <b>281,444</b> | <b>2,985,791</b> | <b>46.50</b>     | <b>2,735,744</b>  | <b>250,047</b> | <b>2,985,791</b> | <b>46.50</b>     | <b>0.00</b>              |
| <b>TOTAL (A)+(B)</b>                                      |   | <b>6,140,178</b>   | <b>281,444</b> | <b>6,421,622</b> | <b>100.00</b>    | <b>6,171,575</b>  | <b>250,047</b> | <b>6,421,622</b> | <b>100.00</b>    | <b>0.00</b>              |

| Category code<br>(I)           | Category of Shareholder<br>(II)           | Number of shares held at the beginning of the year 1st April, 2018 |                |                  |                  | Number of shares held at the end of the year 31st March, 2019 |                |                  |                  | % Change during the year |
|--------------------------------|---|--|----------------|------------------|------------------|---|----------------|------------------|------------------|--------------------------|
|                                |   | Demat  | Physical       | Total            | % of Total Share | Demat   | Physical       | Total            | % of Total Share |                          |
| (C)                            | Shares held by Custodians for GDRs & ADRs | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| 1                              | Promoter and Promoter Group               | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| 2                              | Public                                    | 0  | 0              | 0                | 0.00             | 0   | 0              | 0                | 0.00             | 0.00                     |
| <b>GRAND TOTAL (A)+(B)+(C)</b> |   | <b>6,140,178</b>   | <b>281,444</b> | <b>6,421,622</b> | <b>100.00</b>    | <b>6,171,575</b>  | <b>250,047</b> | <b>6,421,622</b> | <b>100.00</b>    | <b>0.00</b>              |

**(ii) Shareholding of Promoters**

| SI No. | Shareholder's Name          | Shareholding at the beginning of the year 01 April, 2018 |                                  |  | Share holding at the end of the year 31 March, 2019 |                                  |  | % change in share holding during the year |
|--------|-----------------------------|--|----------------------------------|--|---|----------------------------------|--|---|
|        |                             | No. of Shares  | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| 1      | Tata Motors Ltd             | 2,982,214  | 46.44                            | 0.00   | 2,982,214   | 46.44                            | 0.00   | 0.00                                      |
| 2      | EDC Limited                 | 405,302  | 6.31                             | 0.00   | 405,302   | 6.31                             | 0.00   | 0.00                                      |
| 3      | Tata Motors Finance Limited | 48,315   | 0.75                             | 0.00   | 48,315  | 0.75                             | 0.00   | 0.00                                      |
|        | <b>Total</b>                | <b>3,435,831</b>   | <b>53.50</b>                     | <b>0.00</b>                                      | <b>3,435,831</b>                                    | <b>53.50</b>                     | <b>0.00</b>                                      | <b>0.00</b>                               |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| Serial no | PAN                  | Folio/Beneficiary Account no | Name of the Shareholder     | Date        | Reason                       | Shareholding at the beginning of the year 01.04.2018 | Cumulative Shareholding during the year |               |                                  |
|-----------|----------------------|------------------------------|-----------------------------|-------------|------------------------------|--|---|---------------|----------------------------------|
|           |                      |                              |                             |             |                              | No. of Shares  | % of total Shares of the company        | No. of Shares | % of total Shares of the company |
| 1.1       | AAACT2727Q           | IN30047641072687             | Tata Motors Limited         | 01-Apr-2018 | At the beginning of the year | 2,982,214  | 46.44                                   | 2,982,214     | 46.44                            |
| 1.1       |                      |                              |                             | 31-Mar-2019 | At the end of the year       | 0  | 0.00                                    | 2,982,214     | 46.44                            |
| 1         | Total for AAACT2727Q |                              |                             |             | Pan Total :                  | 2,982,214  | 46.44                                   | 2,982,214     | 46.44                            |
| 2.1       | AAACE4614K           | IN30047640903772             | EDC Limited                 | 01-Apr-2018 | At the beginning of the year | 405,302  | 6.31                                    | 405,302       | 6.31                             |
| 2.1       |                      |                              |                             | 31-Mar-2019 | At the end of the year       | 0  | 0.00                                    | 405,302       | 6.31                             |
| 2         | Total for AAACE4614K |                              |                             |             | Pan Total :                  | 405,302  | 6.31                                    | 405,302       | 6.31                             |
| 3.1       | AAECS0591F           | IN30154915719100             | Tata Motors Finance Limited | 01-Apr-2018 | At the beginning of the year | 48,315   | 0.75                                    | 48,315        | 0.75                             |
| 3.1       |                      |                              |                             | 31-Mar-2019 | At the end of the year       | 0  | 0.00                                    | 48,315        | 0.75                             |
| 3         | Total for AAECS0591F |                              |                             |             | Pan Total :                  | 48,315   | 0.75                                    | 48,315        | 0.75                             |



## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Serial no | PAN                        | Folio/Beneficiary Account no | Name of the Share Holder   | Date        | Reason                       | Shareholding at the beginning of the year 01.04.2018 |                                  | Cumulative Shareholding during the year |                                  |
|-----------|----------------------------|------------------------------|--|-------------|------------------------------|--|----------------------------------|---|----------------------------------|
|           |                            |                              |  |             |                              | No. of Shares  | % of total Shares of the company | No. of Shares                           | % of total Shares of the company |
| 1.1       | ABNPN8096M                 | IN30028010658340             | Arun Nahar   | 01-Apr-2018 | At the beginning of the year | 298,285  | 4.65                             | 298,285                                 | 4.65                             |
| 1.1       |                            |                              |  | 31-Mar-2019 | At the end of the year       | 0  | 0.00                             | 298,285                                 | 4.65                             |
| 1         | Total for ABNPN8096M       |                              |  |             | Pan Total :                  | 298,285  | 4.65                             | 298,285                                 | 4.65                             |
| 2.1       | ABWPR0544B                 | IN30281412714996             | Diana Dhun Ratnagar  | 01-Apr-2018 | At the beginning of the year | 80,000   | 1.25                             | 80,000                                  | 1.25                             |
| 2.1       |                            |                              |  | 31-Mar-2019 | At the end of the year       | 0  | 0.00                             | 80,000                                  | 1.25                             |
| 2         | Total for ABWPR0544B       |                              |  |             | Pan Total :                  | 80,000   | 1.25                             | 80,000                                  | 1.25                             |
| 3.1       | 1204720013676780           | 1204720013676780             | Investor Education And Protection Fund Authority Ministry Of Corporate Affairs | 01-Apr-2018 | At the beginning of the year | 69,216   | 1.08                             | 69,216                                  | 1.08                             |
| 3.1       |                            |                              |  | 02-NOV-2018 | Increase                     | 2,943  | 0.05                             | 72,159                                  | 1.12                             |
| 3.1       |                            |                              |  | 29-Mar-2019 | Increase                     | 6,276  | 0.10                             | 78,435                                  | 1.22                             |
| 3.1       |                            |                              |  | 31-Mar-2019 | At the end of the year       | 0  | 0.00                             | 78,435                                  | 1.22                             |
| 3         | Total for 1204720013676780 |                              |  |             | Pan Total :                  | 69,216   | 1.08                             | 78,435                                  | 1.22                             |
| 4.1       | ABUPN0368B                 | IN30014210200799             | B N Nagamani   | 01-Apr-2018 | At the beginning of the year | 60,000   | 0.93                             | 60,000                                  | 0.93                             |
| 4.1       |                            |                              |  | 31-Mar-2019 | At the end of the year       | 0  | 0.00                             | 60,000                                  | 0.93                             |
| 4         | Total for ABUPN0368B       |                              |  |             | Pan Total :                  | 60,000   | 0.93                             | 60,000                                  | 0.93                             |
| 5.1       | AAACR2495M                 | IN30154953154265             | Rachna Credit Capital Private Limited  | 01-Apr-2018 | At the beginning of the year | 58,500   | 0.91                             | 58,500                                  | 0.91                             |
| 5.1       |                            |                              |  | 31-Mar-2019 | At the end of the year       | 0  | 0.00                             | 58,500                                  | 0.91                             |
| 5         | Total for AAACR2495M       |                              |  |             | Pan Total :                  | 58,500   | 0.91                             | 58,500                                  | 0.91                             |
| 6.1       | AADCJ8555D                 | 1202200000093861             | Jyoni Consultancy Private Limited  | 01-Apr-2018 | At the beginning of the year | 56,000   | 0.87                             | 56,000                                  | 0.87                             |
| 6.1       |                            |                              |  | 31-Mar-2019 | At the end of the year       | 0  | 0.00                             | 56,000                                  | 0.87                             |
| 6         | Total for AADCJ8555D       |                              |  |             | Pan Total :                  | 56,000   | 0.87                             | 56,000                                  | 0.87                             |
| 7.1       | AASHS9974D                 | IN30048413527572             | Sanjay Agarwal   | 01-Apr-2018 | At the beginning of the year | 0  | 0.00                             | 0                                       | 0.00                             |
| 7.1       |                            |                              |  | 25-Jan-2019 | Increase                     | 6,500  | 0.10                             | 6,500                                   | 0.10                             |
| 7.1       |                            |                              |  | 01-Feb-2019 | Increase                     | 19,756   | 0.31                             | 26,256                                  | 0.41                             |
| 7.1       |                            |                              |  | 08-Feb-2019 | Increase                     | 744  | 0.01                             | 27,000                                  | 0.42                             |
| 7.1       |                            |                              |  | 15-Mar-2019 | Increase                     | 2,630  | 0.04                             | 29,630                                  | 0.46                             |
| 7.1       |                            |                              |  | 22-Mar-2019 | Increase                     | 14,170   | 0.22                             | 43,800                                  | 0.68                             |
| 7.1       |                            |                              |  | 29-Mar-2019 | Increase                     | 9,200  | 0.14                             | 53,000                                  | 0.83                             |
| 7.1       |                            |                              |  | 31-Mar-2019 | At the end of the year       | 0  | 0.00                             | 53,000                                  | 0.83                             |
| 7         | Total for AASHS9974D       |                              |  |             | Pan Total :                  | 0  | 0.00                             | 53,000                                  | 0.83                             |
| 8.1       | AADCT8291N                 | 1203730000003064             | Trishakti Power Holdings Private Limited                                       | 01-Apr-2018 | At the beginning of the year | 52,500   | 0.82                             | 52,500                                  | 0.82                             |
| 8.1       |                            |                              |  | 12-Oct-2018 | Decrease                     | -25,000  | -0.39                            | 27,500                                  | 0.43                             |
| 8.1       |                            |                              |  | 29-Mar-2019 | Increase                     | 25,000   | 0.39                             | 52,500                                  | 0.82                             |

| Serial no | PAN                  | Folio/Beneficiary Account no | Name of the Share Holder     | Date         | Reason                       | Shareholding at the beginning of the year 01.04.2018 |                                  | Cumulative Shareholding during the year |                                  |
|-----------|----------------------|------------------------------|------------------------------|--------------|------------------------------|--|----------------------------------|---|----------------------------------|
|           |                      |                              |                              |              |                              | No.of Shares   | % of total Shares of the company | No.of Shares                            | % of total Shares of the company |
| 8.1       |                      |                              |                              | 31-Mar-2019  | At the end of the year       | 0  | 0.00                             | 52,500                                  | 0.82                             |
| 8         | Total for AADCT8291N |                              |                              |              | Pan Total :                  | 52,500   | 0.82                             | 52,500                                  | 0.82                             |
| 9.1       | AAFHS4460P           | IN30154951847148             | Paresh Nandlal Sheth (HUF)   | 01-Apr-2018  | At the beginning of the year | 50,000   | 0.78                             | 50,000                                  | 0.78                             |
| 9.1       |                      |                              |                              | 31-Mar-2019  | At the end of the year       | 0  | 0.00                             | 50,000                                  | 0.78                             |
| 9         | Total for AAFHS4460P |                              |                              |              | Pan Total :                  | 50,000   | 0.78                             | 50,000                                  | 0.78                             |
| 10.1      | ALOPS0263N           | IN30154951841979             | Jagruti P Sheth              | 01-Apr-2018  | At the beginning of the year | 50,000   | 0.78                             | 50,000                                  | 0.78                             |
| 10.1      |                      |                              |                              | 31-Mar-2019  | At the end of the year       | 0  | 0.00                             | 50,000                                  | 0.78                             |
| 10        | Total for ALOPS0263N |                              |                              |              | Pan Total :                  | 50,000   | 0.78                             | 50,000                                  | 0.78                             |
| 11.1      | AADPR5438G           | IN30021421476040             | Trishla Rakyan               | 01-Apr-2018  | At the beginning of the year | 46,742   | 0.73                             | 46,742                                  | 0.73                             |
| 11.1      |                      |                              |                              | 20-Apr-2018  | Decrease                     | -463   | -0.01                            | 46,279                                  | 0.72                             |
| 11.1      |                      |                              |                              | 27-Apr-2018  | Increase                     | 90   | 0.00                             | 46,369                                  | 0.72                             |
| 11.1      |                      |                              |                              | 04-May-2018  | Increase                     | 366  | 0.01                             | 46,735                                  | 0.73                             |
| 11.1      |                      |                              |                              | 25-May-2018  | Increase                     | 79   | 0.00                             | 46,814                                  | 0.73                             |
| 11.1      |                      |                              |                              | 01-Jun-2018  | Increase                     | 83   | 0.00                             | 46,897                                  | 0.73                             |
| 11.1      |                      |                              |                              | 15-Jun-2018  | Increase                     | 100  | 0.00                             | 46,997                                  | 0.73                             |
| 11.1      |                      |                              |                              | 10-Aug-2018  | Increase                     | 150  | 0.00                             | 47,147                                  | 0.73                             |
| 11.1      |                      |                              |                              | 12-Oct-2018  | Decrease                     | -6,500   | -0.10                            | 40,647                                  | 0.63                             |
| 11.1      |                      |                              |                              | 19-Oct-2018  | Increase                     | 1,229  | 0.02                             | 41,876                                  | 0.65                             |
| 11.1      |                      |                              |                              | 26-Oct-2018  | Increase                     | 85   | 0.00                             | 41,961                                  | 0.65                             |
| 11.1      |                      |                              |                              | 14-Dec-2018  | Increase                     | 6,500  | 0.10                             | 48,461                                  | 0.75                             |
| 11.1      |                      |                              |                              | 31- Mar-2019 | At the end of the year       | 0  | 0.00                             | 48,461                                  | 0.75                             |
| 11        | Total for AADPR5438G |                              |                              |              | Pan Total :                  | 46,742   | 0.73                             | 48,461                                  | 0.75                             |
| 12.1      | AAACB2009H           | IN30115121939659             | Blue Moon Properties Pvt Ltd | 01-Apr-2018  | At the beginning of the year | 47,000   | 0.73                             | 47,000                                  | 0.73                             |
| 12.1      |                      |                              |                              | 31-Mar-2019  | At the end of the year       | 0  | 0.00                             | 47,000                                  | 0.73                             |
| 12        | Total for AAACB2009H |                              |                              |              | Pan Total :                  | 47,000   | 0.73                             | 47,000                                  | 0.73                             |
| 13.1      | AAPFP7724D           | IN30021417497136             | Mukul Agrawal                | 01-Apr-2018  | At the beginning of the year | 46,000   | 0.72                             | 46,000                                  | 0.72                             |
| 13.1      |                      |                              |                              | 15-Jun-2018  | Decrease                     | -46,000  | -0.72                            | 0                                       | 0.00                             |
| 13.1      |                      |                              |                              | 31-Mar-2019  | At the end of the year       | 0  | 0.00                             | 0                                       | 0.00                             |
| 13.2      |                      | IN30021421970553             | Mukul Mahavir Agrawal        | 01-Apr-2018  | At the beginning of the year | 0  | 0.00                             | 0                                       | 0.00                             |
| 13.2      |                      |                              |                              | 15-Jun-2018  | Increase                     | 46,000   | 0.72                             | 46,000                                  | 0.72                             |
| 13.2      |                      |                              |                              | 22-Jun-2018  | Decrease                     | -46,000  | 0.72                             | 0                                       | 0.00                             |
| 13.2      |                      |                              |                              | 31-Mar-2019  | At the end of the year       | 0  | 0.00                             | 0                                       | 0.00                             |
| 13.3      |                      | IN30021421972952             | Mukul Mahavir Agarwal        | 01-Apr-2018  | At the beginning of the year | 0  | 0.00                             | 0                                       | 0.00                             |
| 13.3      |                      |                              |                              | 22-Jun-2018  | Increase                     | 46,000   | 0.72                             | 46,000                                  | 0.72                             |
| 13.3      |                      |                              |                              | 31-Mar-2019  | At the end of the year       | 0  | 0.00                             | 46,000                                  | 0.72                             |
| 13        | Total for AAPFP7724D |                              |                              |              | Pan Total :                  | 46,000   | 0.72                             | 46,000                                  | 0.72                             |
| 14.1      | AADPR5435M           | IN30021421344025             | Pankaj Rakyan                | 01-Apr-2018  | At the beginning of the year | 35,281   | 0.55                             | 35,281                                  | 0.55                             |
| 14.1      |                      |                              |                              | 06-Apr-2018  | Increase                     | 10   | 0.00                             | 35,291                                  | 0.55                             |
| 14.1      |                      |                              |                              | 13-Apr-2018  | Increase                     | 263  | 0.00                             | 35,554                                  | 0.55                             |



| Serial no | PAN                  | Folio/Beneficiary Account no | Name of the Share Holder | Date         | Reason                       | Shareholding at the beginning of the year 01.04.2018 |                                  | Cumulative Shareholding during the year |                                  |
|-----------|----------------------|------------------------------|--------------------------|--------------|------------------------------|--|----------------------------------|---|----------------------------------|
|           |                      |                              |                          |              |                              | No.of Shares   | % of total Shares of the company | No.of Shares                            | % of total Shares of the company |
| 14.1      |                      |                              |                          | 20-Apr-2018  | Increase                     | 38   | 0.00                             | 35,592                                  | 0.55                             |
| 14.1      |                      |                              |                          | 25-May-2018  | Increase                     | 437  | 0.01                             | 36,029                                  | 0.56                             |
| 14.1      |                      |                              |                          | 29-Jun-2018  | Increase                     | 350  | 0.01                             | 36,379                                  | 0.57                             |
| 14.1      |                      |                              |                          | 13-Jul-2018  | Increase                     | 922  | 0.01                             | 37,301                                  | 0.58                             |
| 14.1      |                      |                              |                          | 27-Jul-2018  | Increase                     | 100  | 0.00                             | 37,401                                  | 0.58                             |
| 14.1      |                      |                              |                          | 03-Aug-2018  | Increase                     | 429  | 0.01                             | 37,830                                  | 0.59                             |
| 14.1      |                      |                              |                          | 10-Aug-2018  | Increase                     | 170  | 0.00                             | 38,000                                  | 0.59                             |
| 14.1      |                      |                              |                          | 31-Aug-2018  | Increase                     | 21   | 0.00                             | 38,021                                  | 0.59                             |
| 14.1      |                      |                              |                          | 14-Sep-2018  | Increase                     | 56   | 0.00                             | 38,077                                  | 0.59                             |
| 14.1      |                      |                              |                          | 28-Dec-2018  | Increase                     | 50   | 0.00                             | 38,127                                  | 0.59                             |
| 14.1      |                      |                              |                          | 15-Mar-2019  | Increase                     | 200  | 0.00                             | 38,327                                  | 0.60                             |
| 14.1      |                      |                              |                          | 22-Mar-2019  | Increase                     | 60   | 0.00                             | 38,387                                  | 0.60                             |
| 14.1      |                      |                              |                          | 31-Mar-2019  | At the end of the year       | 0  | 0.00                             | 38,387                                  | 0.60                             |
| 14.2      |                      | IN30327010403871             | Pankaj Rakyen            | 01-Apr-2018  | At the beginning of the year | 5,020  | 0.08                             | 5,020                                   | 0.08                             |
| 14.2      |                      |                              |                          | 31-Mar-2019  | At the end of the year       | 0  | 0.00                             | 5,020                                   | 0.08                             |
| 14        | Total for AADPR5435M |                              |                          |              | Pan Total :                  | 40,301   | 0.63                             | 43,407                                  | 0.68                             |
| 15.1      | AFXPA4955L           | IN30002011711809             | Priti Agarwal            | 01-Apr-2018  | At the beginning of the year | 53,000   | 0.83                             | 53,000                                  | 0.83                             |
| 15.1      |                      |                              |                          | 25-Jan -2019 | Decrease                     | -14,000  | -0.22                            | 39,000                                  | 0.61                             |
| 15.1      |                      |                              |                          | 01-Feb-2019  | Decrease                     | -13,000  | -0.20                            | 26,000                                  | 0.40                             |
| 15.1      |                      |                              |                          | 08-Mar-2019  | Increase                     | 12,200   | 0.19                             | 38,200                                  | 0.59                             |
| 15.1      |                      |                              |                          | 15-Mar-2019  | Decrease                     | -5,000   | -0.08                            | 33,200                                  | 0.52                             |
| 15.1      |                      |                              |                          | 22-Mar-2019  | Decrease                     | -13,000  | -0.20                            | 20,200                                  | 0.31                             |
| 15.1      |                      |                              |                          | 29-Mar-2019  | Decrease                     | -4,200   | -0.07                            | 16,000                                  | 0.25                             |
| 15.1      |                      |                              |                          | 31-Mar-2019  | At the end of the year       | 0  | 0.00                             | 16,000                                  | 0.25                             |
| 15.2      |                      | IN30048412630452             | Priti Agarwal            | 01-Apr-2018  | At the beginning of the year | 0  | 0.00                             | 0                                       | 0.00                             |
| 15.2      |                      |                              |                          | 15-Feb-2019  | Increase                     | 4,773  | 0.07                             | 4,773                                   | 0.07                             |
| 15.2      |                      |                              |                          | 20-Feb-2019  | Increase                     | 1,770  | 0.03                             | 6,543                                   | 0.10                             |
| 15.2      |                      |                              |                          | 22-Feb-2019  | Increase                     | 1,457  | 0.02                             | 8,000                                   | 0.12                             |
| 15.2      |                      |                              |                          | 01-Mar-2019  | Increase                     | 8,000  | 0.12                             | 16,000                                  | 0.25                             |
| 15.2      |                      |                              |                          | 08-Mar-2019  | Decrease                     | -16,000  | -0.25                            | 0                                       | 0.00                             |
| 15.2      |                      |                              |                          | 31-Mar-2019  | At the end of the year       | 0  | 0.00                             | 0                                       | 0.00                             |
| 15        | Total for AFXPA4955L |                              |                          |              | Pan Total :                  | 53,000   | 0.83                             | 16,000                                  | 0.25                             |

## (v) Shareholding of Directors and Key Managerial Personnel:

| Serial no | PAN                  | Folio/Beneficiary Account no | Name of the Shareholder | Date        | Reason                       | Shareholding at the beginning of the year 01.04.2018 |                                  | Cumulative Shareholding during the year |                                  |
|-----------|----------------------|------------------------------|-------------------------|-------------|------------------------------|--|----------------------------------|---|----------------------------------|
|           |                      |                              |                         |             |                              | No.of Shares   | % of total Shares of the company | No.of Shares                            | % of total Shares of the company |
| 1.1       | AIHPP2373C           | 1201220000095671             | Steven Angelo Pinto     | 01-Apr-2018 | At the beginning of the year | 250  | 0.00                             | 250                                     | 0.00                             |
| 1.1       |                      |                              |                         | 31-Mar-2019 | At the end of the year       | 0  | 0.00                             | 250                                     | 0.00                             |
| 1         | Total for AIHPP2373C |                              |                         |             | Pan Total :                  | 250  | 0.00                             | 250                                     | 0.00                             |

Except above mentioned Director, none of the Directors and KMPs held shares at the beginning nor brought any shares during the FY 2018-19.

V. INDEBTEDNESS

(Amount in Rs.)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| Particulars   | Secured Loans excluding deposits* | Unsecured Loans | Deposits** | Total Indebtedness |
|---|-----------------------------------|-----------------|------------|--------------------|
| Indebtedness at the beginning of the financial year | 59,328,940                        | Nil             | 379,817    | 59,708,757         |
| Change in Indebtedness during the financial year    | (59,328,940)                      | Nil             | (284,817)  | (59,613,757)       |
| Indebtedness at the end of the financial year       | -                                 | Nil             | 95,000     | 95,000             |

\*Loans from Banks on Cash Credit accounts, secured by hypothecation of stocks, stores, work-in-progress, finished goods, book debts and receivables, investment both present and future.

\*\*Advances against supply of spare parts and scrap not appropriated against supply of goods or provision of services within a period of 365 days from the date of acceptance of such advance.

VI. REMUNERATION (PAID/PAYABLE) TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration  | Mr O V Ajay CEO & ED* (Rupees) |
|---------|--|--------------------------------|
| 1       | Gross salary   |                                |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Note: Deputation Charges paid through Tata Motors exclusive of Taxes) | 71,13,219                      |
|         | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961   | 8,42,760                       |
|         | (c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961   | -                              |
| 2       | Stock Options  | -                              |
| 3       | Sweat Equity   | -                              |
| 4       | Commission   |                                |
|         | - As a% of Profit  | -                              |
|         | - Incentive Remuneration#  | 6,000,000                      |
| 5       | Others (Telephone Expenses)  | 19,072                         |
|         | <b>Total</b>   | <b>13,975,051</b>              |

\*Mr O V Ajay is on deputation from Tata Motors Limited. Out of the above, the remuneration which is directly paid by Tata Motors Limited is charged back to the Company as Deputation charges plus taxes (cenvatable) as may be applicable from time to time.

# Incentive Remuneration is paid directly by the Company. Incentive Remuneration amounting to Rs Fifty Seven Lakhs for FY 2017-18 is paid in FY 2018-19. The Incentive Remuneration amounting to Rs Sixty Lakhs for FY 18-19 will be paid in FY 19-20.

B. Remuneration to other directors:

(Amount in Rs.)

| Independent Director |                      |  |   |          |
|----------------------|----------------------|--|---|----------|
| Sl. No.              | Name of the Director | Fees for attending Board/Committee Meetings paid in FY 18-19 | Commission for FY 18-19 payable in FY 19-20 | Others   |
| 1                    | Mr Shrinivas V Dempo | 420,000  | NIL*  | -        |
| 2                    | Mr Steven Pinto      | 560,000  | 600,000                                     | -        |
| 3                    | Dr Vaijayanti Pandit | 265,000  | 450,000                                     | -        |
| 4                    | Mr Yatin Kakodkar    | 485,000  | 450,000                                     | -        |
|                      | <b>Total (B1)</b>    | <b>1,730,000</b>   | <b>1,500,000</b>                            | <b>-</b> |

\*Mr Shrinivas Dempo voluntarily opted not to accept the Commission.

(Amount in Rs.)

| Other Non-Executive Director |   |  |   |          |
|------------------------------|---|--|---|----------|
| Sl. No.                      | Name of the Director                    | Fees for attending Board/Committee Meetings paid in FY 18-19 | Commission for FY 18-19 payable in FY 19-20 | Others   |
| 1                            | Mr Ravindra Pisharody (upto 28.07.2018) | 200,000  | Nil   | -        |
| 2                            | Mr R Ramakrishnan (upto 28.07.2018)     | 50,000   | Nil   | -        |
| 3                            | Mr Abhay Bawale                         | 430,000  | 450,000                                     | -        |
| 4                            | Mr Girish Wagh                          | 315,000  | 600,000                                     | -        |
| 5                            | Mr Rohit Srivastava (w.e.f. 27.04.2018) | 185,000  | 450,000                                     | -        |
|                              | <b>Total (B2)</b>                       | <b>1,180,000</b>   | <b>15,00,000</b>                            | <b>-</b> |
|                              | <b>Total B = B1+B2</b>                  | <b>2,910,000</b>   | <b>30,00,000</b>                            | <b>-</b> |


**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

(Amount in Rs.)

| Sl. No | Particulars of Remuneration <sup>5</sup>  | Raghwendra Singh Butola - CFO | Manisha Naik Shirgaonkar<br>Company Secretary | Total     |
|--------|---|-------------------------------|---|-----------|
| 1      | Gross salary  |                               |   |           |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 6,378,208                     | 823,283                                       | 7,201,491 |
|        | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | 368,071                       | -   | 368,071   |
|        | (c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961      | -                             | -   | -         |
| 2      | Stock Options   | -                             | -   | -         |
| 3      | Sweat Equity  | -                             | -   | -         |
| 4      | Commission  | -                             | -   | -         |
|        | - As a% of Profit   | -                             | -   | -         |
|        | - Incentive Remuneration  | -                             | -   | -         |
| 5      | Others (Telephone Exp+ others)  | 18,494                        | 14,734  | 33,228    |
|        | Total   | 6,764,773                     | 838,017                                       | 7,602,790 |

\$ Remuneration to KMPs includes Performance Linked Payment (PLP) for FY 2017-18 which is paid in FY 2018-19. The PLP for FY 18-19 will be paid in FY 19-20.

**VII Penalties / Punishment/ Compounding of Offences:**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/ NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                             |                                    |
| Penalty                             |                              |                   | None   |                             |                                    |
| Punishment                          |                              |                   |  |                             |                                    |
| Compounding                         |                              |                   |  |                             |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                             |                                    |
| Penalty                             |                              |                   | None   |                             |                                    |
| Punishment                          |                              |                   |  |                             |                                    |
| Compounding                         |                              |                   |  |                             |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                             |                                    |
| Penalty                             |                              |                   | None   |                             |                                    |
| Punishment                          |                              |                   |  |                             |                                    |
| Compounding                         |                              |                   |  |                             |                                    |

# SOME OF THE CSR INITIATIVE







## MANAGEMENT DISCUSSION AND ANALYSIS

### Indian Economy Overview:

India's GDP Growth is estimated to be 7.00 per cent in financial year 2018-19.

### Recent Economic Development

#### • FDI in India

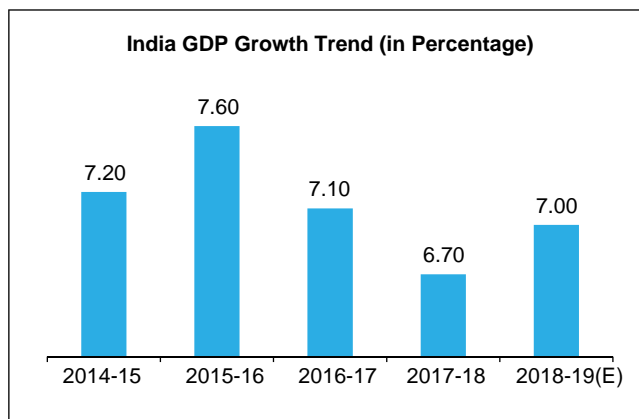
- ✓ India has been ranked 11th in the Global FDI Confidence Index 2018, making it the 2nd highest ranked emerging market for FDI.
- ✓ FDI equity inflows to India reached US\$ 33.49 billion during 2018-19 while the cumulative FDI equity inflows to the country from April 2000 to December 2018 reached US\$ 409.15 billion.

#### • Some of the important recent developments in the Indian economy are as follows:

- ✓ During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US\$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US\$ 185.51 billion.
- ✓ Net direct tax collection for 2018-19 had crossed Rs 10 trillion (US\$ 144.57 billion) by March 2019, while goods and services tax (GST) collection stood at Rs 10.70 trillion (US\$ 154.69 billion) as of February 2019.
- ✓ Proceeds through Initial Public Offers (IPO) in India reached US\$ 5.5 billion in 2018 and US\$ 0.9 billion in Q1 2018-19.
- ✓ India's Foreign Direct Investment (FDI) equity inflows reached US\$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- ✓ India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).
- ✓ Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.
- ✓ Net employment generation in the country reached a 17-month high in January 2019.
- ✓ India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

#### • Key Government Initiatives

- ✓ Total expenditure for 2019-20 is budgeted at Rs 2,784,200 crore (US\$ 391.53 billion), an increase of 13.30 per cent from 2018-19 (revised estimates).
- ✓ Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.
- ✓ In February 2019, the Government of India approved the National Policy on Software Products – 2019, to develop the country as a software hub.
- ✓ The National Mineral Policy 2019, National Electronics Policy 2019 and Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME II) have also been approved by the Government of India in 2019.
- ✓ Village electrification in India was completed in April 2018. Universal household electrification is expected to be achieved by March 2019 end.
- ✓ The Government of India released the maiden Agriculture Export Policy, 2018 which seeks to double agricultural exports from the country to US\$ 60 billion by 2022.
- ✓ Around 1.29 million houses have been constructed up to December 2018, under Government of India's housing scheme named Pradhan Mantri Awas Yojana (Urban).



- ✓ Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 755.36 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).

Source : Economic Data Source-IBEF.org, established by Ministry of Commerce & Industry, Gov of India

## INDIAN AUTOMOBILE INDUSTRY

### Production

The industry produced a total 30,915,420 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle in April-March 2019 as against 29,094,447 in April-March 2018, registering a growth of 6.26 percent over the same period last year.

Your Company mainly caters to the Bus Segment and Sheet Metal Assemblies in the Industry. The Bus Industry is one of the vital integral segments of the Indian Automotive Industry. It is a common widespread means of public transport in India. Owing to the development of infrastructure and roads, connecting to remote places has become easier due to which more and more people are availing of bus services. This has greatly contributed to the growth of the Bus Industry.

### Domestic Sales

The sale of Passenger Vehicles grew by 2.70 percent in April-March 2019 over the same period last year. Within the Passenger Vehicles, the sales of Passenger Cars, Utility Vehicle & Vans grew by 2.05 percent, 2.08 percent and 13.10 percent respectively in April-March 2019 over the same period last year.

The overall Commercial Vehicles segment registered a growth of 17.55 percent in April- March 2019 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) increased by 14.66 percent and Light Commercial Vehicles grew by 19.46 percent in April-March 2019 over the same period last year.

Three Wheelers sales increased by 10.27 percent in April-March 2019 over the same period last year. Within the Three Wheelers, Passenger Carrier sales registered a growth of 10.62 percent and Goods Carrier grew by 8.75 percent in April-March 2019 over April-March 2018.

Two Wheelers sales registered a growth at 4.86 percent in April-March 2019 over April-March 2018. Within the Two Wheelers segment, Scooters declined by (-) 0.27 percent, whereas Motorcycles and Mopeds grew by 7.76 percent and 2.41 percent respectively in April-March 2019 over April-March 2018.

### Exports

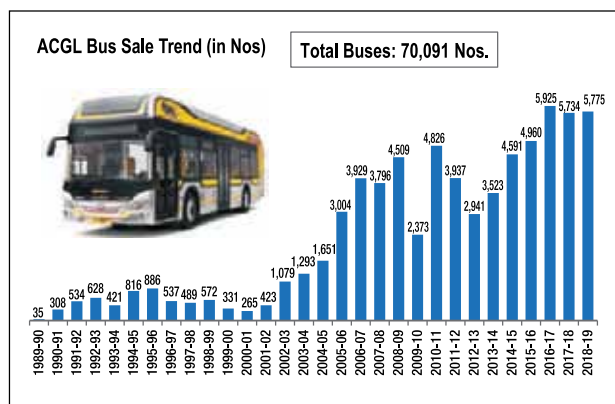
In April-March 2019, overall automobile exports grew by 14.50 percent. While Passenger Vehicles exports declined by (-) 9.64 percent, Commercial Vehicles, Three Wheelers and Two Wheelers registered a growth of 3.17 percent, 49.00 percent and 16.55 percent respectively in April-March 2019 over the same period last year.

Source: Indian Automobile Industry Statics Source-SIAM

## COMPANY PERFORMANCE

Your Company's Sales (with other income) for the financial year 2018-19 was **Rs 436.18 Crores** as against Rs. 497.63 Crores (net of duties) in the preceding financial year. The Company's profit before tax during the financial year 2018-19 was at **Rs.31.73 crores** (after exceptional expense of Rs 4.17 Crore related to VRS and before other comprehensive income) as against Rs.32.77 Crores in the preceding financial year. Net profit after tax stood at **Rs.20.14 Crores** as compared to Rs.20.68 Crores in the preceding financial year. During FY 2018-19, your Company sold 5,775 buses.

The reduction in Product Sales of your Company primarily owes to change in product mix in bus segment due to reduction in MCV buses this year catering to Domestic and International Markets which has resulted in reduction of average sale price realisation per bus. Another factor for lesser volume growth in Fully Built Bus Segment of OEM's was attributed to GST difference of 10% between OEM supplied bus body and bus body supplied directly by the Bus Body Builder. However your Company was able to mitigate the impact of reduction in sale and achieve a profit after tax nearly as much as last financial year as a result of rigorous cost reduction efforts in the area of direct and indirect cost.





The Government Policy on the Emission Norms, Road & Infrastructure, Electric Vehicles, Bus Body Code and Replacement of the Old Vehicles may stimulate the demand in next few years and in addition, the customer base is also expected to grow at an appreciable rate.

### Segment Overview

The bus segment has maintained its dominance in contributing to your Company's revenue and profit. Proportion of bus division's revenue in total revenue of the Company clocked 74% during the year under review. Large portion of our workforce is operating in the bus segment at Goa. Revenue from Pressing segment has shown a significant improvement as compared to last year mainly due to increase in the volumes from Tata Motors and Tata Cummins. In addition your Company has also added new components to its portfolio in pressing segment which has contributed to this growth.

## 1. Segment Review and Developments

### A. BUS SEGMENT

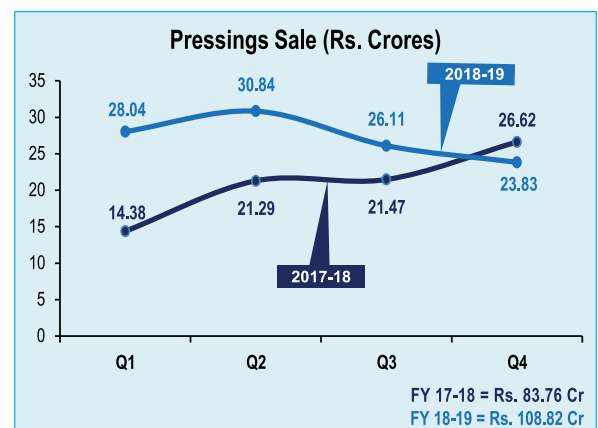
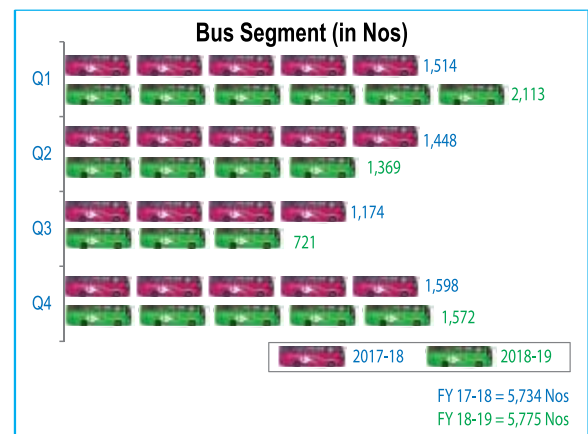
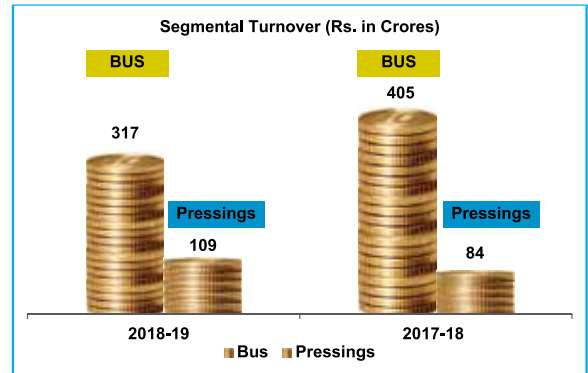
Revenue from product sale in Bus Segment reduced by **22.00%** at **Rs. 317 Crores** (net of duties and excluding other income) in FY 2018-19, as compared **Rs. 405 crores** in the preceding financial year. In FY 2018-19, **5,775** buses were sold as compared to **5,734** buses in preceding financial year which is increase of **41** buses. Out of the 5,775 buses sold during the financial year 2018-19, 1,951 buses were towards Export Application which was higher by 4%, as compared to the preceding financial year.

The reduction in Product Sales primarily owes to change in product mix in bus segment due to reduction in MCV buses this year catering to Domestic and International Markets which has resulted in reduction in average sale price realisation per bus. Another factor for lesser volume growth in Fully Built Bus Segment of OEM's was attributed to GST difference of 10% between OEM supplied bus body and bus body supplied directly by the Bus Body Builder.

### B. PRESSING SEGMENT

Sheet metal business follows the cyclicity of OEM's business for which your Company is a key supplier. The segment is necessarily capital intensive and capacity utilization drives the profitability in this segment. Revenue from product sale (exclusive of other income and duties) from this segment has shown an increase from Rs 84 crores (in FY 2017-18), to Rs 109 crores in the given financial year due to introduction of new products in the segment coupled with increase in the volume in commercial vehicle segment.

Share of pressings business in the overall revenue of the Company has increased from 17% in FY 2017-18 to 26% in FY 2018-19, which helped better capacity utilization and hence improvement of margins in the pressing segment of your Company.



### 2. Technology Initiatives

Your Company achieved In-house R&D recognition from the Department of Scientific and Industrial Research (DSIR) for a period of 3 years starting from 26<sup>th</sup> October 2016. Your Company is focussing on the innovation and utilization of technology to enhance value of its products and manufacturing processes.

Your Company is channelizing its efforts on product up-gradation by enhancing design capability and implementing modern design tools incorporating 3D design methodology, while continuously benchmarking its products with competition offerings.

### 3. Entry into New segment

Your Company is making efforts to gain entry into bus body manufacturing of electric buses which would be the future technology in the passenger mobility.

Your Company is continuously upgrading its existing models to meet market expectations and changing regulations, and is concurrently developing new models for school and staff segment, to provide novelty in its product offerings.

### 4. Awards, Certification & Recognition

Your Company was awarded the IATF 16949 QMS Certification for its Goa and Jejuri plants by Bureau Veritas this year as well, and in addition it also achieved ISO 9001 certification for the Dharwad plant.

Your Company has also complied with product regulations of the markets, where its buses are sold, namely GSO certification for Bus Body sold in the Middle East and AIS 140, AIS 153 and other Body code certifications for the domestic market.

### 5. Risks, Opportunities and Threats

#### Risks and Concerns

Any significant downtrend in industry volume may adversely affect the profitability and performance of your Company. Tata Motors is the major customer of your Company. ACGL caters to both its business requirements of international as well as the domestic markets. In view of the challenges faced by the economy of the Middle East due to increased terror perceptions, fluctuating oil prices and foray of Chinese Buses which are very aggressively priced, your Company is facing new challenges in growing the volumes in its export business.

In order to mitigate this risk, efforts are being made to increase the share of business of the domestic market including enhancing ACGL's market share with the launch of new models. It is the long term strategy of the Company to be present in all tonnages and passenger segments of Buses so that it can buffer the impact of market cyclicality. Your Company is developing new models for the international and domestic markets to remain competitive. Also your Company is making effort to gain entry into manufacturing of hybrid and electric bus bodies in order to remain future ready, considering the government thrust on the electric buses. Further, your Company is focusing on enhancing the sales in its pressing segment to mitigate any adverse impact in the sales volume of the bus segment. Your Company is also augmenting its engineering capabilities to meet the enhanced market requirements of contemporary designing.

Investments at Dharwad in terms of lease-hold land from Karnataka Industrial Area Development Board (KIADB) and a factory shed is still underutilized. The Management is exploring possible new business opportunities in Dharwad to make our investments sustainable, with additional business for major components like Cowl and Door Assembly from TML & TMML at Dharwad.

The GST rate difference of 10% between OEM supplied bus body and body directly supplied by the bus body builder on the chassis of customer is hampering the fully built vehicle growth of the OEM suppliers which is also affecting the growth of your Company as large number of bus body volumes comes from the OEM. The OEMs have already taken this matter with the GST council seeking for tax uniformity and are following the same rigorously.

#### Opportunities

Your Company has adequate production capacity to meet any surge in demand. A large pie of the market is dominated by the unorganised sector but with the introduction of the bus code in the current fiscal year, the Organized Coach Building sector will be at an advantage due to mandatory accreditation. ACGL through TML's support has already started obtaining ARAI certifications as per bus codes for all its current and future models.

Some of the positive factors like Government Policy on pollution control through BS emission norms, Government Policy on replacement of old vehicles, Consistent GDP growth, Advent of smart cities, Government focus on Road and Infrastructure, expected growth in service sector and staff hiring, more focus on transportation post the GST Implementation and implementation of Bus Body Code (AIS 140 / AIS 153) will fuel the increase in demand of fully built buses in the future.



## Threats

Your Company is facing a challenge in maintaining margins due to increase in Material Cost, Minimum wages, Increasing Fixed Cost due to YOY increase in the employee cost as a result of Staff increment, Long Term Settlement with bargainable category workers and low productivity of workers in the bargainable category.

Your Company is working aggressively on cost saving initiatives like Value Engineering, enhancing procurement efficiencies and rigorous cost management to reduce the impact of the increased cost due to Raw Material, Labour Cost etc. Your Company is also working on the recommendations given by National Productivity Council (NPC) on the productivity enhancement. In order to reduce fixed cost your Company has also implemented a VRS Scheme in Mar'19 which was successfully concluded.

Rapidly changing technology and increasing presence of multinationals in the bus domain requires Technical up-gradation of products and processes by introducing new designs and process automation for meeting the expectations of the customers in future. Your Company has started using new upgraded tools of designing i.e. 3D Designing and is regularly benchmarking its product with the competition for enhancing the value of its product.

## 6. Internal Control System

The Company has adequate internal control systems in place and also has reasonable assurance on authorizing, recording and reporting transactions of its operations in all material respects and on providing protection and safeguard against misuse or loss of assets of the Company. The Company has in place, well documented procedures covering financial and operational functions commensurate with the size and complexities of the organisation. Some of the salient features of the internal control system in place are:-

- i. Following statutory and applicable Accounting Standards and Policies.
- ii. Preparation of annual budget for operation functions and monitoring the same with actual performance at regular intervals.
- iii. All assets are properly recorded and procedures have been put in place to safeguard against any loss or unauthorized use or disposal.
- iv. Internal audit department carries out periodic audit at all locations and functions.
- v. The observations arising out of internal audit are periodically reviewed at the Audit Committee meetings along with follow up action.
- vi. Periodic presentations are made to the Audit Committee on various operational and financial risks faced by the Company and action plan to mitigate the same.
- vii. Company has implemented system of Internal Financials Controls over Financial Reporting (ICOFR) and formed three members team for the continuous assessment.
- viii. Statutory Auditors of Company have conducted Test of Design (TOD) and Test of Effectiveness (TOE) under the purview of Internal Financial Controls over Financial Reporting (ICOFR) and found same operating effectively.

## 7. Financial and Operational Performance

Company's Total Revenue including Other Income (net of duties) stood at Rs 436 crores, as against Rs 498 Crores in the previous year. Correspondingly, profit before tax (after OCI and exceptional item) marginally reduced to Rs 30.61 Crores (after exceptional expense of Rs 4.17 Crore related to VRS) as compared to Rs 33.57 Crores in last financial year. Earnings per equity share marginally increased to Rs 32.49 as compared to Rs.31.39 in last financial year.

| Financial and Operational Performance:<br>Particulars           | Percentage of Sales   |       |
|---|-----------------------|-------|
|   | Year ended 31st March |       |
|   | 2019                  | 2018  |
| <b>Total Revenue (including Excise Duty &amp; Other Income)</b> | 100                   | 100   |
| <b>Expenditure:</b>   |                       |       |
| Material ( Including change in stock)                           | 63.10                 | 65.53 |
| Excise duty on sale of product #                                | -                     | 2.05  |
| Employee cost   | 10.73                 | 8.52  |
| Manufacturing Expenses  | 16.70                 | 16.62 |
| Total Expenditure   | 90.53                 | 92.72 |

| Financial and Operational Performance:<br>Particulars                | Percentage of Sales   |             |
|--|-----------------------|-------------|
|  | Year ended 31st March |             |
|  | 2019                  | 2018        |
| Profit before Interest, Depreciation, Exceptional Items, Tax and OCI | 9.47                  | 7.28        |
| Depreciation   | 1.21                  | 1.05        |
| Finance Cost   | 0.03                  | 0.08        |
| <b>Profit before, exceptional item OCI and Tax</b>                   | <b>8.23</b>           | <b>6.15</b> |
| Exceptional item (Net)   | (0.96)                | 0.29        |
| <b>Profit before tax before OCI</b>                                  | <b>7.27</b>           | <b>6.44</b> |
| Provision for Tax ( net) <b>before OCI</b>                           | (2.49)                | (2.48)      |
| Other Comprehensive Income (net of taxes)                            | (0.16)                | 0.11        |
| <b>Profit After Tax after OCI</b>                                    | <b>4.62</b>           | <b>4.07</b> |

# Excise Duty was applicable till the date of GST implementation (upto 30.06.17)

## 8. Human Resources

The Company's innovative human resource management strategies supported its business growth in a challenging environment. The focus has been to create an environment where performance is rewarded, individuals are respected and employees get opportunities to realise their potential.

The employee cost remains at 10.73% of total revenue (net of taxes and duties) notwithstanding increase in salaries, long term settlement provision for bargainable permanent workers and reduction in sales value. The strength of permanent employees reduced to 556 as on 31<sup>st</sup> March 2019 against 567 on 31<sup>st</sup> March 2018. Industrial Relations with staff and workmen across the Plants at Goa, Jejuri and Dharwad continue to be cordial.

## 9. Financial Ratios

The Key Financial ratios of the Company are given below with explanation in case of significant changes :

| Financial Ratio   | FY 2018-19 | FY 2017-18 | % Change in FY 2018-19 compared to FY 2017-18 | Reason for change   |
|---|------------|------------|---|---|
| Debtors Turnover (Days)   | 45         | 35         | +29%  | Delay in payment by key customer in March, 2019 due to technical issues in their bill processing system. Payment has been received in the subsequent weeks. |
| Inventory Turnover (Days)   | 41         | 38         | +8%   |   |
| Interest Coverage (Days)  | 213        | 88         | +142%   | Reduction in interest due to better fund management   |
| Current Ratio   | 2.99       | 2.53       | +18%  |   |
| Debt Equity Ratio   | 0.00       | 0.03       | -100%   | Payment of total cash credit outstanding loan amount on 31 <sup>st</sup> March 2019   |
| Operating Profit Margin (%) (EBIDTA after OCI and exceptional item/Total Revenue) | 8.26%      | 7.89%      | +5%   |   |
| Net Profit Margin (%) (PAT after OCI/Total Revenue)                               | 4.62%      | 4.16%      | +11%  |   |
| Return on Net Worth (%) (PAT after OCI/Net Worth)                                 | 9.57%      | 10.15%     | - 6%  |   |

### Cautionary Statement

**Statements in this Management Discussion and Analysis and Directors' messages describing the Company's objectives, expectations and predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, demand and pricing by the Company's major customers, changes in the Government regulations, Tax regimes, economic developments and other incidental factors.**



## CORPORATE GOVERNANCE REPORT

[Report on Corporate Governance pursuant to SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Automobile Corporation of Goa Limited is committed to following best global corporate governance practices in all its pursuits. The guiding principle for the Company always has been to achieve shareholders' satisfaction and maximize shareholder value by following best corporate governance norms in true letter and spirit. The Company aims at achieving this objective, by ensuring transparency in its functioning by truthful and complete communication to all its stakeholders and by inculcating a culture of ethical business conduct in all its operations. The Company is in full compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

### 2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the Company's Management and directs, supervises and controls performance of the Company. The present strength of the Board as on 31 March 2019 is Eight Directors. The Board comprises of one Executive Director who is the Chief Executive Officer of the Company. There are Seven Non-Executive Directors of which four Directors including the Chairman are Independent Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

As per the requirements of Regulation 26(1) of LODR, none of the Directors on the Board is a member of more than ten committees or Chairperson of more than five committees (Committees being Audit Committee and Stakeholders Relationship Committee), across all companies in which he/she is a director. Neither of the Directors are related to each other nor holds the office of Director in more than twenty companies and in more than Eight public limited companies. All Directors are also in compliance of the limit on Independent Directorship of listed Companies as prescribed in Regulation 25(1) of the LODR. Necessary disclosures have been made by the Directors in this regard.

During the financial year ended 31 March 2019, Five Board Meetings were held on 03 April 2018, 27 April, 2018, 28 July 2018, 26 October 2018, and 4 February 2019; dates are fixed in consultation with all the Directors. The Agenda is circulated well in advance to the Board members, alongwith comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decision. The agenda and related information is circulated in electronic form through a highly secure web based application, which is accessible through iPads. This has reduced paper communication in addition to faster and secure dissemination of the information, thereby enhancing the sustainability efforts of the Company. Maximum time gap between any two consecutive meetings did not exceed the statutory period provided in the Companies Act, 2013 and LODR. The information as required under Part A of Schedule II to the LODR is made available to the Board. The Board also reviews the declarations made by the CEO & Executive Director and Chief Financial Officer regarding compliance with all applicable laws, on a quarterly basis.

Names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships/Committee Memberships held by them and shareholding as on 31 March 2019 in the Company are given below:

| Name of the Director             | Director Identification Number | Category                           | No. of Board Meetings attended in the year | Attendance at the last AGM | Directorship <sup>(1)</sup> (Including the Company) | Committee positions <sup>(2)</sup> |        | Shareholding in the Company (No of shares) |
|----------------------------------|--------------------------------|------------------------------------|--|----------------------------|---|------------------------------------|--------|--|
|                                  |                                |                                    |  |                            |   | Chairman                           | Member |  |
| Mr. Shrinivas Dempo              | 00043413                       | Non-Executive Independent-Chairman | 5  | Yes                        | 12  | 1                                  | Nil    | Nil  |
| Mr R Pisharody (upto 28.7.18)    | 01875848                       | Non-Executive Non-Independent      | 3  | Yes                        | NA  | NA                                 | NA     | NA   |
| Mr Steven Pinto                  | 00871062                       | Non-Executive Independent          | 5  | Yes                        | 6   | 2                                  | Nil    | 250  |
| Mr R Ramakrishnan (upto 28.7.18) | 03394401                       | Non-Executive Non-Independent      | 1  | No                         | NA  | NA                                 | NA     | NA   |
| Dr Vaijayanti Pandit             | 06742237                       | Non-Executive Independent          | 4  | Yes                        | 8   | Nil                                | 6      | Nil  |
| Mr Yatin Kakodkar                | 00001433                       | Non-Executive Independent          | 5  | Yes                        | 4   | 1                                  | 1      | Nil  |
| Mr Abhay Bawale                  | 07859752                       | Non-Executive Non-Independent      | 5  | Yes                        | 2   | Nil                                | 1      | Nil  |

| Name of the Director                  | Director Identification Number | Category                       | No. of Board Meetings attended in the year | Attendance at the last AGM | Directorship <sup>(1)</sup> (Including the Company) | Committee positions <sup>(2)</sup> |        | Shareholding in the Company (No of shares) |
|---------------------------------------|--------------------------------|--------------------------------|--|----------------------------|---|------------------------------------|--------|--|
|                                       |                                |                                |  |                            |   | Chairman                           | Member |  |
| Mr Girish Wagh                        | 03119361                       | Non-Executive Non- Independent | 5  | Yes                        | 4   | Nil                                | Nil    | Nil  |
| Mr Rohit Srivastava (w.e.f 27.4.2018) | 07910693                       | Non-Executive Non- Independent | 3  | No                         | 2   | Nil                                | Nil    | Nil  |
| Mr O V Ajay                           | 07042391                       | CEO & Executive Director       | 5  | Yes                        | 1   | Nil                                | 1      | Nil  |

Note: (1) Excludes Directorship in Foreign Companies, Associations, Government Bodies and Companies registered under section 8 of the Companies Act, 2013.

(2) Includes only Audit and Stakeholders Relationship Committees of Indian public companies, including ACGL.

**List of Listed entities where the person is a director and the category of directorship:**

| Sr No. | Name of the Director | Listed entity                 | Category of Director |
|--------|----------------------|-------------------------------|----------------------|
| 1      | Mr Shrinivas Dempo   | Hindustan Foods Limited       | Non Executive        |
|        |                      | Goa Carbon Limited            | Non Executive        |
| 2      | Mr Steven A Pinto    | Adlabs Entertainment Limited  | Independent          |
| 3      | Dr Vaijayanti Pandit | Banswara Syntex Ltd           | Independent          |
|        |                      | I G Petrochemicals Limited    | Independent          |
|        |                      | Indo Count Industries Limited | Independent          |

Mr Ravindra Pisharody and Mr R Ramakrishnan, Non-Executives Directors of the Company resigned from the Board effective 28 July 2018. The Board has placed on record its appreciation for the contributions made by Mr Pisharody and Mr R Ramakrishnan during their long association with the Company.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr Abhay Bawale retires by rotation at the 39<sup>th</sup> Annual General Meeting (AGM). However, he does not seek re-election.

Further, Mr. Pinto, who was appointed as an Independent Non-Executive Director to hold office for a term of 5 consecutive years, by the Members of the Company in the 34<sup>th</sup> AGM held on 4<sup>th</sup> June, 2014 being eligible offers himself for re-appointment, is proposed to be re-appointed at the upcoming AGM as an Independent Director, for a period from 1<sup>st</sup> April 2019 to November 29, 2020 in line with the Code of Governance Guidelines on Board Effectiveness which prescribes the retirement age of Independent Directors to be 75 years.

Similarly, Dr. Vaijayanti Pandit who was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto 19<sup>th</sup> October, 2019, by the Members of the Company in the 35<sup>th</sup> AGM held on 31<sup>st</sup> July 2015 being eligible, offers herself for re-appointment, is proposed to be re-appointed at the upcoming AGM as an Independent Director, for a period of 5 consecutive years from 20<sup>th</sup> October 2019 to 19<sup>th</sup> October 2024.

Information as required under Regulation 26 of the LODR about the persons seeking appointment/re-appointment at the Annual General Meeting (AGM) is annexed to the Notice of the AGM.

**Code of Conduct**

The Company’s Code of Conduct applicable to all the Board members, Senior Management and employees is available on the Company’s website at the following web link: <http://acglgoa.com/wp-content/uploads/2019/04/Revised-ACGL-Code-of-Conductv2.pdf>. All the Board members and Senior Management of the Company (as per Regulation 26(3) of LODR) have affirmed compliance with the code for the financial year ended 31 March 2019. Declaration to this effect signed by the CEO & Executive Director is annexed hereto.

**Independent Directors**

All Independent Directors of the Company have been appointed as per the provisions of the Act, LODR and the Governance Guidelines for Board effectiveness adopted by the Company. Formal letters of appointment have been issued to Independent Directors. The terms and conditions of their appointment are disclosed on the Company’s website at the following web link: <http://acglgoa.com/wp-content/uploads/2018/06/Terms-of-Appointment-of-Independent-Directors1.pdf>





### Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 27 April 2018 as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of LODR. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. Shrinivas Dempo, Mr. Steven Pinto, Mr. Yatin Kakodkar and Dr. Vaijayanti Pandit attended the Meeting of Independent Directors (IDs) held on 27 April 2018. The Meeting was chaired by Mr. Shrinivas Dempo.

### Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The familiarisation programme for Independent Directors is disclosed on the Company's website at the following web link: <http://acglgoa.com/wp-content/uploads/2017/06/FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS-.pdf>

### Expertise of Board of Directors

The Board at its meeting held on 10 May 2019, identified the core skills/expertise/competencies required for it to function effectively, in the context of its business and those actually available with the board

| Type of Skill, Expertise & Competences Identified | Whether required in context of business | Whether the skill, expertise available with Board |
|---|---|---|
| Management expertise                              | √                                       | √   |
| Financial expertise                               | √                                       | √   |
| Technical expertise                               | √                                       | √   |
| Sectoral/Business expertise                       | √                                       | √   |
| Industrial expertise                              | √                                       | √   |
| Strategic Expertise                               | √                                       | √   |
| Marketing expertise                               | √                                       | √   |

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in the Companies Act 2013 and SEBI (Listing Obligations And Disclosure Requirements) 2015 (as amended) and are independent of the management.

### Board and Director Evaluation and Criteria for Evaluation

Pursuant to provisions of regulation 17 (10) of SEBI Listing Regulation, 2015 along with the SEBI guidance note on Board Evaluation and the provisions of the act, the Board has carried out an annual evaluation of its own performance, performance of the Directors including the role of the chairman, as well as the evaluation of the working of its Committees for the FY 2018-19.

The Nomination and Remuneration Committee has defined the evaluation criteria and procedure for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter alia, degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director/Executive Director/CEO.

Criteria for evaluation of the Committees of the Board include degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

**3. COMMITTEES OF THE BOARD**

**A) Audit Committee**

The Composition of the Audit Committee and the meetings attended by each of the members, as on 31 March 2019 is given below. Four Audit Committee meetings were held on 27 April 2018, 28 July 2018, 26 October 2018 and 04 February, 2019 during the financial year 2018-19, under review.

| Name of the Director | Category                      | Position in the Committee | No. of meetings attended |
|----------------------|-------------------------------|---------------------------|--------------------------|
| Mr Steven Pinto      | Independent                   | Chairman                  | 4                        |
| Mr Yatin Kakodkar    | Independent                   | Member                    | 4                        |
| Mr Abhay Bawale      | Non Executive Non-Independent | Member                    | 4                        |

All members of the Audit Committee are financially literate and Mr. Abhay Bawale holds financial expertise.

Mr. Steven Pinto, Chairman of the Audit Committee was present at the last Annual General Meeting. The Statutory Auditors and Internal Auditors of the Company are invitees to the Audit Committee meetings. The Audit Committee holds discussion with the Statutory Auditors on the quarterly and yearly audit of the Company's accounts and other related matters. The scope and the report of the Internal Auditors are reviewed by the Audit Committee. The Chairman of the Committee briefs the Board Members about the significant discussions at the Audit Committee Meetings.

The present constitution of the Audit Committee meets the requirements of the regulation 18 of the LODR and Section 177 of the Companies Act, 2013.

**Terms of reference**

The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, inter alia, are as follows:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems.
- Evaluate internal financial controls and risk management systems.
- Scrutinize inter-corporate loans and investments.
- Discuss any significant findings with internal auditors and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters.
- Review the functioning of the Whistle Blower mechanism.



- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
- Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- And, generally, all items listed in Part C of Schedule II of LODR and in Section 177 of the Companies Act, 2013.

## B) Nomination and Remuneration Committee

Three Remuneration Committee meetings were held on 27 April 2018, 28 July 2018 and 4 February 2019 during the financial year 2018-19, under review.

Details of Composition of the Nomination and Remuneration Committee and the number of meetings attended by the members, as on 31 March 2019 are as under:

| Name of the Director | Category                         | Position in the Committee | No. of meetings attended |
|----------------------|----------------------------------|---------------------------|--------------------------|
| Mr Steven A Pinto    | Independent                      | Chairman                  | 3                        |
| Mr Shrinivas Dempo   | Independent                      | Member                    | 3                        |
| Mr R Pisharody       | Non-Executive<br>Non-Independent | Member (upto 28.07.2018)  | 2                        |
| Mr Girish Wagh       | Non-Executive<br>Non-Independent | Member (wef 27.04.2018)   | 2                        |

The Chairman of the Nomination and Remuneration Committee, Mr Steven A Pinto was present at the Annual General Meeting of the Company held on 28 July 2018.

Terms of reference of the Nomination and Remuneration Committee are as follows:

- Make recommendations regarding the composition of the Board, identify Independent Directors to be inducted to the Board from time to time and take steps to refresh the composition of the Board from time to time.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Devise a policy on Board Diversity.
- Provide guidance and direction in developing and implementing the reward philosophy of the Company.
- Evaluate and approve the appointment and remuneration of senior executives, including the Key Managerial Personnel, the Company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the Company, policies and programmes such as succession planning, employment agreements, severance agreements and any other benefits.
- Review progress on the Company leadership development programmes, including for promotion to the Board, employee engagement initiatives and employee surveys.
- Consider and approve matters relating to normal retirement plans, Voluntary Retirement and Early Separation Schemes for employees of the Company.
- Establish key performance metrics to measure the performance of the Managing Director, Key Managerial Personnel and the executive team including the use of financial, non-financial and qualitative measures.
- Evaluate executive team performance regularly to strengthen the cumulative annual assessment and to provide timely feedback to the assessed individuals.
- Developing a view on the human resources capability in the business by periodically engaging with levels below the executive team.

- Review and recommend to the Board the remuneration and commission to the Managing and Executive Directors and define the principles, guidelines and process for determining the payment of commission to Non-Executive Directors of the Company.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

### Remuneration Policy

The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The key principles governing the Company's Remuneration Policy are as follows:

### Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- Independent Directors ('ID') and Non-Independent Non-Executive Directors ('NED') may be paid sitting fees for attending the meetings of the Board and of Committees of which they may be members, and commission within regulatory limits, as recommended by the Nomination and Remuneration Committee ('NRC') and approved by the Board.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives. Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

### Remuneration for Managing Director ('MD')/ Executive Directors ('ED')/ Key Managerial Personnel ('KMP')/ rest of the Employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits as per defined Company Policy. The Company also provides all employees with a social security net subject to limits, by covering medical expenses and hospitalization through re-imbursments or insurance cover and accidental death and dismemberment through personal accident insurance. The Company provides retirement benefits as applicable.



- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ EDs such remuneration by way of commission/incentive remuneration, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the NRC and approved by the Board.
- The Company provides the non bargainable employees a performance linked variable payment. The performance linked payment is driven by the outcome of the performance appraisal process and the performance of the Company.
- The Company provides bargainable employees payment as per the long term settlement agreement signed between the Management and the Union. The drivers for Long Term Settlement are Company's operational performance, productivity and conditions laid in the Agreement.

### Remuneration to Directors

Non-Executive Directors:

Sitting fee payable to Non-Executive Directors has been revised at the Board Meeting held on 04 February 2019. The revised fees for attending Board Meeting is Rs. 60,000/-, Audit Committee Rs. 40,000/- and other Committee Meetings (including Independent Director Meeting) is Rs 30,000/- per meeting. A sitting fee of Rs. 25,000/- was also paid to the Independent Directors who attended the meeting of the Independent Directors held on 27 April 2018.

Remuneration Details of the Non-Executive Directors are as below;

(Rupees)

| Name of the Director                  | Commission for 2018-19<br>(payable during<br>FY 2019-20) | Commission for 2017-18<br>(paid in FY 2018-19) | Sitting Fees for 2018-19 |
|---------------------------------------|--|--|--------------------------|
| Mr Shrinivas Dempo                    | Nil*   | Nil*   | 420,000                  |
| Mr Ravindra Pisharody (upto 28.07.18) | Nil  | 576,000  | 200,000                  |
| Mr Steven Pinto                       | 6,00,000   | 704,000  | 560,000                  |
| Mr R Ramakrishnan (upto 28.07.18)     | Nil  | 384,000  | 50,000                   |
| Dr Vaijayanti Pandit                  | 4,50,000   | 384,000  | 265,000                  |
| Mr Yatin Kakodkar                     | 4,50,000   | 512,000  | 485,000                  |
| Mr Abhay Bawale (w.e.f. 26.06.17)     | 4,50,000   | 320,000  | 430,000                  |
| Mr Girish Wagh (w.e.f. 30.10.17)      | 6,00,000   | 320,000  | 315,000                  |
| Mr Rohit Srivastava( wef 27.4.18)     | 4,50,000   | NA   | 185,000                  |

\*Mr. Shrinivas Dempo voluntarily opted not to accept the Commission.

The Commission to Non-Executive Directors (NED) is decided by the Board of Directors based on the recommendation of Nomination and Remuneration Committee which considers involvement of the NEDs in the affairs of the Company, their attendance and participation at the Board and Committee meetings and advice and guidance to the management on operational matters from time to time. As per practice, commission to the NEDs is paid after the Annual Financial Statements are adopted by the Members at the Annual General Meeting.

There was no pecuniary relationship or transactions of the Company with the non-executive directors, other than that by way of sitting fees and commission.

At the 38th Annual General Meeting held on 28 July 2018 members had approved the payment of remuneration by way of commission to the non-executive directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 2013.

Whole-time Directors:

(Rupees)

| Name of the Director                     | Remuneration for FY 2018-19                       |           |
|--|---|-----------|
|  | Particulars                                       | Amount    |
| Mr O V Ajay*<br>CEO & Executive Director | Basic Salary/Deputation Charges (excluding taxes) | 7,113,219 |
|  | Incentive Remuneration <sup>#</sup>               | 6,000,000 |
|  | Perquisites & Allowances                          | 861,832   |

\*Mr. O V Ajay is on deputation from Tata Motors Limited. Out of the above, the remuneration which is directly paid by Tata Motors Limited will be charged back to the Company as Deputation charges with taxes as may be applicable from time to time.

# Incentive Remuneration is paid directly by the Company. Incentive Remuneration amounting to Rs Fifty seven Lakhs for FY 2017-18 is paid in FY 2018-19. The Incentive Remuneration amounting to Rs Sixty Lakhs for FY 2018-19 will be paid in FY 2019-20.

The Company pays remuneration by way of salary, perquisites & allowances (fixed components) and incentive remuneration (variable components) to its CEO & Executive Director. The remuneration is reviewed and recommended by NRC with the salary scale approved by the members. The NRC recommends incentive remuneration payable to the CEO & Executive Director out of the profits for the financial year, within the overall ceiling stipulated in the Companies Act and within limits approved by the shareholders. Such incentive remuneration is based on the performance criteria laid down by the Board, which broadly takes into account the profits earned by the Company and performance on various operational parameters for the given financial year.

Salient terms of Service Contracts, Severance Fees and Notice Period in respect of Mr. O V Ajay, CEO and Executive Director:

| Particulars   | Terms  |
|---|--|
| Basic Deputation Charges Scale  | Rs 5,50,000 pm to 7,00,000 pm  |
| Incentive Remuneration  | As awarded by the Board not exceeding 200% of deputation charges to be paid annually.                                      |
| Commission  | At the discretion of the Board subject to limits specified under the Companies Act, 2013                                   |
| Perquisites & Allowances  |  |
| Minimum Remuneration in case of inadequacy of profits during any financial year | Such amount of deputation charges, incentive remuneration and perquisites subject to Schedule V of the Companies Act, 2013 |
| Notice period on either side  | 6 months   |
| Severance fees payable by the Company for terminating employment                | 6 months' salary   |

**Retirement Policy for Directors**

The Governance Guidelines on Board Effectiveness adopted by the Board of Directors in its meeting held on 16 March 2015 provides for the retirement age of Directors. As per the Guidelines, the Managing and Executive Directors retire at the age of 65 years, Non-Independent Non-Executive Directors retire at the age of 70 years and the retirement age for Independent Directors is 75 years.

**C) Stakeholders Relationship Committee**

One meeting of the Stakeholders Relationship Committee was held on 18 April 2018 during the financial year ending 31 March 2019.

Pursuant to SEBI (LODR) Amendment regulation, 2018, the Committee was reconstituted on February 4, 2019.

Composition of the Committee and the attendance is as under:

| Name of the Director | Category                 | Position in the Committee | Number of meetings attended |
|----------------------|--------------------------|---------------------------|-----------------------------|
| Mr Yatin Kakodkar    | Independent              | Chairman                  | 1                           |
| Dr Vijayanti Pandit  | Independent              | Member (wef 04.02.19)     | -                           |
| Mr O V Ajay          | CEO & Executive Director | Member                    | 1                           |

In terms of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the LODR, following are the terms of reference of the Stakeholders Relationship Committee:

- Consider and resolve the grievances of the security holders of the Company, including complaints related to transfer of shares, non receipt of annual report, non receipt of declared dividends, etc.
- Set forth the policies relating to and to oversee the implementation of the Code of Conduct for Prevention of Insider Trading and to review the concerns received under the Code of Conduct.



- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Ms. Manisha Naik Shirgaonkar has been appointed as the Secretary to the Committee. Ms. Manisha Naik Shirgaonkar, who is also the Compliance Officer under LODR, may be contacted at:

Automobile Corporation of Goa Ltd.,  
 Bhuimpal, Sattari, Goa – 403 530.  
 Tel (0832) 2383014  
 E-mail:cs.manisha@acglgoa.com

11 complaints were received during the year under review. 8 complaints were resolved during the year. 3 complaints were pending as on 31 March 2019 which stand resolved as on date.

#### Code of Conduct for Prevention of Insider Trading

The Company has adopted the Revised Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations on March 29, 2019, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and (Amendment) Regulations, 2019. The Revised Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with the shares of the Company in order to further strengthen the framework for prevention of insider trading to facilitate legitimate business transactions. The Chief Financial Officer has been appointed as the Compliance Officer for the implementation of and overseeing compliance with the Regulations and the Code across the Company.

The Company has also adopted the Code of Corporate Disclosure Practices for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information, as required under the Regulations. The Company Secretary has been designated as the Chief Investor Relations Officer under this code.

#### D) Corporate Social Responsibility Committee:

One Corporate Social Responsibility Committee meeting was held on 04 February, 2019 during the year under review.

The Composition of the Committee and the attendance as on 31 March 2019, is as under:

| Name of the Director | Category                 | Position in the Committee | No. of meetings attended |
|----------------------|--------------------------|---------------------------|--------------------------|
| Dr Vaijayanti Pandit | Independent              | Chairman (wef 27.04.18)   | 1                        |
| Mr Shrinivas Dempo   | Independent              | Member (wef 27.04.18)     | 1                        |
| Mr Yatin Kakodkar    | Independent              | Member                    | 1                        |
| Mr O V Ajay          | CEO & Executive Director | Member                    | 1                        |

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. The Committee has been constituted with the following terms of reference:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013
- Recommend the amount to be spent on the CSR activities
- Monitor the Company's CSR Policy periodically
- Attend to such other matters and functions as may be prescribed from time to time

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the year 2018-19 forms a part of the Directors' Report.

**E) Risk Management Committee:**

One Risk Management Committee meeting was held on 27 April 2018 during the financial year under review to discuss various challenges and risks associated with the Company and an action plan to mitigate the same, which will be reviewed by the Board periodically.

Composition of the Committee is as under:

| Name of the Director | Category                 | Position in the Committee   | No. of meetings attended* |
|----------------------|--------------------------|-----------------------------|---------------------------|
| Mr Yatin Kakodkar    | Independent              | Chairman<br>(wef. 27.04.18) | -                         |
| Mr Steven Pinto      | Independent              | Member                      | 1                         |
| Mr R Ramakrishnan    | Non-Executive            | Member<br>(upto 28.07.18)   | 0                         |
| Mr O V Ajay          | CEO & Executive Director | Member                      | 1                         |

\*Mr. Pinto chaired the RMC meeting held on 27.04.2018. No meetings were held during the chairmanship of Mr. Kakodkar upto 31.03.2019.

The Board has constituted a Risk Management Committee to implement and monitor the risk management plan and policy of the Company. The Committee has been constituted with the following terms of reference:

- The Risk Management Committee shall periodically review and approve the Risk Management Policy and associated frameworks and practices of the Company.
- The Risk Management Committee shall ensure that the Committee is taking appropriate measures to achieve prudent balance between risk and reward in both, ongoing and new business activities.
- The Risk Management Committee shall evaluate significant risk exposure of the Company and assess Management's actions to mitigate the exposure in a timely manner.
- The Risk Management Committee shall co-ordinate its activities with the Audit Committee in instances where there is any overlap with Audit activities.

**F) Capital Investment Committee**

Board at its meeting held on 26 October 2018 constituted a Capital Investment Committee consisting of directors namely;

|                      |          |
|----------------------|----------|
| Mr. Steven Pinto     | Chairman |
| Mr. Shrinivas Dempo  | Member   |
| Mr. Abhay Bawale     | Member   |
| Mr. Rohit Srivastava | Member   |
| Mr. O V Ajay         | Member   |

One Capital Investment Committee meeting was held on 22 November 2018 during the financial year under review.

Composition of the Committee is as under:

| Name of the Director | Category                 | Position in the Committee | No. of meetings attended |
|----------------------|--------------------------|---------------------------|--------------------------|
| Mr Steven Pinto      | Independent              | Chairman                  | 1                        |
| Mr Shrinivas Dempo   | Independent              | Member                    | 1                        |
| Mr Abhay Bawale      | Non-Executive            | Member                    | 1                        |
| Mr Rohit Srivastava  | Non-Executive            | Member                    | 1                        |
| Mr O V Ajay          | CEO & Executive Director | Member                    | 1                        |

The Committee has been constituted with the following terms of reference:

- In considering and perusing investment opportunities which involve any capital expenditure of more than Rs. 10,00,000 (Rupees Ten Lakhs Only).
- To recommend to the Board such purchase, sale, acquisitions, disposals and capital expenditure in line with the limits of authority delegated to it, if any and in line with the strategy determined by the board.
- Review the investment strategy from time to time.





- Peruse, evaluate and assess the proposals and projects requiring capital expenditure, placed by the management before the committee.
- Direct the management towards attaining the strategy of the board.
- Periodically review the recommendations of the committee and the board, with respect to any capital expenditure.

The Chief Financial Officer is the permanent invitee for this committee.

The Company Secretary acts as a Secretary to the Committees of the Board.

#### 4. GENERAL BODY MEETINGS

Location and time of the General Meetings held in the last 3 years.

| Year    | Type | Date           | Venue                            | Time    |
|---------|------|----------------|----------------------------------|---------|
| 2017-18 | AGM  | 28 July 2018   | Regd. Office Honda, Sattari, Goa | 3.30 pm |
| 2016-17 | AGM  | 27 July 2017   | Regd. Office Honda, Sattari, Goa | 3.30 pm |
| 2015-16 | AGM  | 01 August 2016 | Regd. Office Honda, Sattari, Goa | 3.30 pm |

All resolutions moved at the last Annual General Meeting were passed by the requisite majority of shareholders. No Extraordinary General Meeting of the shareholders was held during the year.

Details of Special Resolutions are as under –

| Year    | Date of AGM    | Particulars of Special Resolution  |
|---------|----------------|--|
| 2017-18 | 28 July 2018   | 1. Re-appointment of Mr. O V Ajay as CEO & Executive Director of the Company and payment of Remuneration to him. |
| 2016-17 | 27 July 2017   | Nil  |
| 2015-16 | 01 August 2016 | Nil  |

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

#### 5. MEANS OF COMMUNICATION

The Quarterly/Half yearly/Annual results are regularly submitted to the BSE Limited in accordance with the LODR and are published in newspapers and posted on the Company's website.

|   |   |
|---|---|
| Quarterly / Half-yearly results                                   | Published in Dainik Pudhari (Marathi version) - Local newspaper and in Financial Express - National newspaper |
| Any website, where displayed                                      | <a href="http://www.acglgoa.com">www.acglgoa.com</a>  |
| Whether Management Discussion & Analysis is part of Annual Report | Yes   |

Comprehensive information about the Company, its business and operations can be viewed on the Company's website. The "Investor Relations" section on the website gives information relating to financial results, annual reports, shareholding pattern etc. Information about unclaimed dividend and details of Equity Shares required to be transferred to the IEPF demat account are also available in this section. Material events or information as detailed in Regulation 30 of the LODR are disclosed to the Stock Exchange by filing them through BSE online portal.

#### 6. GENERAL SHAREHOLDERS INFORMATION

##### Annual general meeting

- Date and Time: 27 June 2019 at 10:00 a.m.
- Venue: Registered office at Honda, Sattari, Goa - 403 530.
- Dividend Payment date: The dividend warrants will be posted/dividend amount will be remitted into the shareholders account on or before 08 July 2019.

**Date of Book Closure** : 21 June 2019 to 24 June 2019 (Both days inclusive)

**Financial calendar** : Financial reporting for the quarter ending:  
 30 June 2019 -by 14 August 2019  
 30 September 2019 -by 14 November 2019  
 31 December 2019 -by 14 February 2020  
 31 March 2020 -by 30 May 2020 alongwith audited Annual Accounts

**Listing:**

Equity Shares of the Company are listed on the BSE Limited, Mumbai. The Company has paid the Listing fee for the financial year 2019-20.

**Stock Code:** 505036

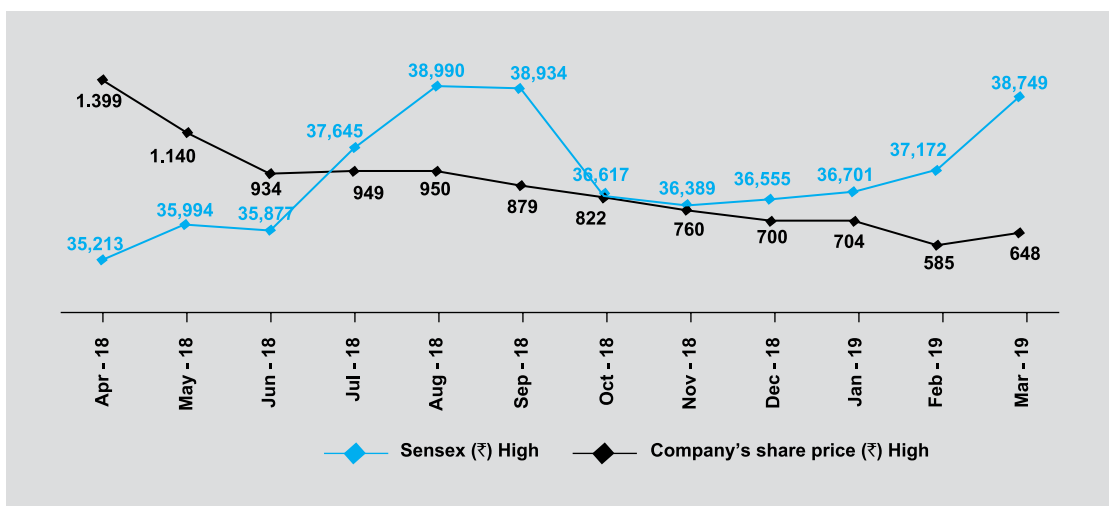
**ISIN No.:** INE 451C01013

**CIN :** L35911GA1980PLC000400

**Market Information:**

Market price data – monthly highest/lowest during each month of the financial year on the BSE vis-à-vis Sensex of the Company's Equity Shares is given hereunder: -

| Month           | Company's share price (Rs) |      | Sensex |        |
|-----------------|----------------------------|------|--------|--------|
|                 | High                       | Low  | High   | Low    |
| April, 2018     | 1,399                      | 1074 | 35,213 | 32,973 |
| May, 2018       | 1,140                      | 844  | 35,994 | 34,303 |
| June, 2018      | 934                        | 762  | 35,877 | 34,785 |
| July, 2018      | 949                        | 800  | 37,645 | 35,107 |
| August, 2018    | 950                        | 828  | 38,990 | 37,129 |
| September, 2018 | 879                        | 711  | 38,934 | 35,986 |
| October, 2018   | 822                        | 650  | 36,617 | 33,292 |
| November, 2018  | 760                        | 675  | 36,389 | 34,303 |
| December, 2018  | 700                        | 652  | 36,555 | 34,426 |
| January, 2019   | 704                        | 558  | 36,701 | 35,376 |
| February, 2019  | 585                        | 504  | 37,172 | 35,287 |
| March, 2019     | 648                        | 537  | 38,749 | 35,927 |





### Registrars and Share Transfer Agents:

For Share related matters, the members are requested to correspond with the Company's Registrars & Transfer Agents – M/s. TSR DARASHAW CONSULTANTS PRIVATE LIMITED, quoting their Folio no., DP-ID & Client-ID at the following address:

#### TSR DARASHAW CONSULTANTS PRIVATE LIMITED

(formerly known as TSR Darashaw Limited)

6-10, Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road,

Mahalaxmi,

Mumbai - 400 011

Tel: 022- 66568484

E-mail – [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

Fax: 022- 66568496, 022-66568494

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

### Share Transfer System:

- Shares lodged for transfer at the Registrar's address are normally processed within 30 days from the date of lodgment, if the documents are complete and clear in all respects. All requests for dematerialization of shares are processed and confirmation given to the depositories within 15 days. Grievances received from members and other miscellaneous correspondence on change of addresses, mandates, etc are processed by the Registrars within 15 days. The Company extends the facility of simultaneous transfer and dematerialization of shares to the shareholders.

### Secretarial Audit

- Mr Shivaram Bhat, Practicing Company Secretary has conducted the Secretarial Audit of the Company for the financial year 2018-19. His Audit Report confirms that the Company has complied with its Memorandum and Articles of Associations, the applicable provisions of the Companies Act and the Rules made there under, LODR, applicable SEBI Regulations and other laws specifically applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.
- Pursuant to Regulation 40(9) of the LODR, certificates have been issued on a half-yearly basis, by a Company Secretary in practice, certifying that all certificates have been issued within thirty days of the date of lodgment for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

### Distribution of shareholding:

As on 31 March 2019

| No. of Shares  | Holding   | Amount (Rs.) | % to Capital | No. of Holders | % to Total Holders |
|----------------|-----------|--------------|--------------|----------------|--------------------|
| 1 to 100       | 359,732   | 3,597,320    | 5.60         | 8,330          | 76.32              |
| 101 to 500     | 428,389   | 4,283,890    | 6.67         | 2,222          | 20.36              |
| 501 to 1000    | 131,071   | 1,310,710    | 2.04         | 174            | 1.59               |
| 1001 to 2000   | 111,799   | 1,117,990    | 1.74         | 75             | 0.69               |
| 2001 to 5000   | 154,197   | 1,541,970    | 2.40         | 50             | 0.46               |
| 5001 and Above | 5,236,434 | 52,364,340   | 81.54        | 64             | 0.59               |
| Total          | 6,421,622 | 64,216,220   | 100.00       | 10,915         | 100.00             |

### Shareholding pattern:

| Category   | As on<br>31 March 2019<br>No. of shares | As on<br>31 March 2019<br>% | As on<br>31 March 2018<br>No. of shares | As on<br>31 March 2018<br>% |
|--|---|-----------------------------|---|-----------------------------|
| Promoters:   |   |                             |   |                             |
| EDC Ltd  | 405,302                                 | 6.31                        | 405,302                                 | 6.31                        |
| Tata Motors Ltd  | 2,982,214                               | 46.44                       | 2,982,214                               | 46.44                       |
| Tata Motors Finance Ltd (Formerly known as Sheba Properties Ltd) | 48,315                                  | 0.75                        | 48,315                                  | 0.75                        |

| Category   | As on<br>31 March 2019<br>No. of shares | As on<br>31 March 2019<br>% | As on<br>31 March 2018<br>No. of shares | As on<br>31 March 2018<br>% |
|--|---|-----------------------------|---|-----------------------------|
| Mutual Funds /UTI                                | 0.00                                    | 0.00                        | 0.00                                    | 0.00                        |
| Banks, Financial Institutions,<br>Insurance Cos. | 150                                     | 0.00                        | 150                                     | 0.00                        |
| NRIs   | 29,852                                  | 0.46                        | 16,004                                  | 0.25                        |
| IEPF A/c   | 78,435                                  | 1.22                        | 69,216                                  | 1.08                        |
| Foreign Institutional Investors                  | 5,650                                   | 0.09                        | 1,625                                   | 0.03                        |
| Others   | 2,871,704                               | 44.72                       | 2,898,796                               | 45.14                       |
| <b>Total</b>                                     | <b>6,421,622</b>                        | <b>100.00</b>               | <b>6,421,622</b>                        | <b>100.00</b>               |

**Top Shareholders (holding in excess of 1%) as on 31 March 2019**

| Sr. No. | Name of the shareholder   | Number of Shares | % to Paid- Up Capital |
|---------|---|------------------|-----------------------|
| 1       | Tata Motors Limited   | 2,982,214        | 46.44                 |
| 2       | EDC Limited   | 405,302          | 6.31                  |
| 3       | Arun Nahar  | 298,285          | 4.65                  |
| 4       | Diana Dhun Ratnagar   | 80,000           | 1.25                  |
| 5       | Investor Education and Protection Fund Authority, Ministry of Corporate Affairs | 78,435           | 1.22                  |

**Dematerialization of Shares**

Electronic holding by members comprises of 96.11% (Previous year 95.62%) of the paid-up share capital of the Company (held through NSDL 86.97 % and CDSL 9.14%) as on 31 March 2019.

**Action required regarding non-receipt of dividends**

- i) In case of non–receipt/non-encashment of dividend warrants, Members are requested to correspond with the Company’s Registrars/ Registrar of Companies, as mentioned hereunder:

| Dividend for   | Contact office                                    | Action to be taken  |
|--|---|---|
| 2011-12 to 2017-18   | TSR Darashaw Limited                              | Letter on plain paper   |
| 1998-99 to 2003-04   | Not applicable due to non declaration of dividend | -   |
| 1985-86 to 1997-98 and 2004-05 to 2010-11<br>(Balance remaining in the un-paid dividend accounts of respective years has been transferred to IEPF) | TSR Darashaw Limited/Company                      | Claim in e-Form IEPF 5 under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 as per the procedure detailed on the Company’s website under the INVESTORS-IEPF tab. |

- ii) Pursuant to Sections 125 of the Companies Act, 2013 all unclaimed/unpaid dividend, pertaining to the Company remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.

The Ministry of Corporate Affairs had notified Sections 124 and 125 of the Act and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”). As per the said Act and the IEPF Rules all unclaimed/unpaid dividend pertaining to the Company remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have to be transferred to the IEPF Authority established by the Central Government.

Furthermore, the IEPF Rules mandate companies to transfer shares of shareholders whose dividend remain unpaid/unclaimed for a period of 7 consecutive years to the demat account of the IEPF Authority. The Company strongly recommends shareholders to encash/claim their respective dividend within the period given below:

| Financial Year    | Date of Declaration | Last date for Claiming Dividend* |
|-------------------|---------------------|----------------------------------|
| 2011-12 (Final)   | 09 June 2012        | 08 June 2019                     |
| 2012-13 (Interim) | 21 January 2013     | 20 January 2020                  |
| 2012-13 (Final)   | 28 June 2013        | 27 June 2020                     |
| 2013-14 (Interim) | 16 January 2014     | 15 January 2021                  |
| 2013-14 (Final)   | 04 June 2014        | 03 June 2021                     |



| Financial Year    | Date of Declaration | Last date for Claiming Dividend* |
|-------------------|---------------------|----------------------------------|
| 2014-15 (Interim) | 14 January 2015     | 13 January 2022                  |
| 2014-15 (Final)   | 31 July 2015        | 30 July 2022                     |
| 2015-16 (Interim) | 25 January 2016     | 24 January 2023                  |
| 2015-16 (Final)   | 01 August 2016      | 31 July 2023                     |
| 2016-17(Interim)  | 28 January 2017     | 27 January 2024                  |
| 2016-17 (Final)   | 27 July 2017        | 26 July 2024                     |
| 2017-18 (Interim) | 29 January 2018     | 28 January 2025                  |
| 2017-18 (Final)   | 28 July 2018        | 27 July 2025                     |
| 2018-19 (Interim) | 04 February 2019    | 03 February 2026                 |

\*Indicative dates. Actual dates may vary.

The Company has sent individual communication to the concerned shareholders at their registered address, whose dividend remains unclaimed and whose shares are liable to be transferred to IEPF. The data on unpaid/unclaimed dividend is also available on the Company's website. Investors of the Company who have not yet encashed their unclaimed/unpaid dividend are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest.

#### Plant locations:

| Plant Location   | Range of Products   |
|--|---|
| Plant I<br>Honda, Sattari, Goa – 403 530   | Bus Bodies and component parts thereof  |
| Plant II*<br>Bhuimpal, Sattari, Goa – 403 530  | Bus Bodies and component parts thereof  |
| Plant IV<br>Jejuri Pressing Unit<br>Plot No.F-2, MIDC, Jejuri, Taluka Purandar,<br>Dist. Pune. Maharashtra | Pressed sheet metal parts/components/Sub assemblies and assemblies there from for various aggregates of automobiles |
| Plant V<br>Dharwad<br>Plot 560-A, Belur Industrial Area,<br>Belur, Dharwad, Karnataka                      | Door Assemblies, Cowl Assembling  |

\*Plant III has been merged with Plant II

#### Address for correspondence:

Automobile Corporation of Goa Ltd.,  
Honda, Sattari, Goa – 403 530.  
Tel.: (0832) 2383018, 2383014  
Fax : (0832) 2383062  
Email: [sectl@acglgoa.com](mailto:sectl@acglgoa.com)

#### Other facilities of interest to Shareholders holding shares in physical form:

**Nomination facility:** As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. Members holding shares in physical form are requested to submit the forms to the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

**Bank details:** Shareholders are requested to notify/send the following to the Company's Registrars to facilitate better service

- (i) Any change in their address/mandate/bank details; and
- (ii) Particulars of the bank account in which they wish their dividend to be credited, incase not furnished earlier

Shareholders are advised that respective bank details and address as furnished by them to the Company will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

**7. DISCLOSURES**

- a) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company’s website at the following weblink: <http://acglgoa.com/wp-content/uploads/2019/02/Revised-Materiality-of-Related-Party-and-dealing-with-Related-Party-Transactions-policy.pdf>
- b) All Related Party Transactions entered into during the year were on arm’s length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and LODR.
- c) The Company has complied with the requirements of the Stock Exchange/ SEBI and statutory authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities.
- d) The CEO & Executive Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the LODR pertaining to CEO/ CFO certification for the Financial Year ended 31 March 2019.
- e) The Company has a well defined risk management framework in place. The Company periodically places before the Risk Management Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.
- f) The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The same is displayed on the Company website at the following weblink <http://acglgoa.com/pag?id=1414>
- g) The Company has obtained a certificate from a Company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- h) The Board has accepted all the recommendations of its committees which are mandatorily required during financial year.
- i) The Company has paid the following fees to its statutory auditors:

| <b>Firm</b>   | <b>Audit Fees</b> | <b>OPE</b> | <b>Other services</b> | <b>Total</b> |
|---------------|-------------------|------------|-----------------------|--------------|
| BSR & Co. LLP | 2,780,000         | 588,833    | 270,000               | 3,638,833    |

- j) There were no Complaints filed during the financial year in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- k) The Company has complied with all the mandatory and non mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46 (2) relating to the dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the LODR, is as under:
  - No separate office is maintained for Non-Executive Chairman.
  - The Financial results are displayed on the Company’s website, besides being available on the BSE website and published in the newspapers. The Company does not send half yearly communication on the financial performance to its shareholders.
  - During the year under review, there were no audit qualifications on the Company’s financial statements.
  - The Chairman of the Board is an Independent Director and his position is separate from that of the Managing Director/CEO/Executive Director.
  - The Internal Auditor reports to the Audit Committee, to ensure independence of the internal audit function
  - All the members of the Board are well qualified senior industrialists/ professionals actively engaged in their respective fields of specialization on a day to day basis. All major statutory changes and other important developments having a bearing on the Company’s affairs are informed to the Board at regular meetings. The Company addresses the training requirement of the Board members as and when considered necessary.



**DECLARATION BY THE CEO & EXECUTIVE DIRECTOR UNDER PARA D OF SCHEDULE V OF THE SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

In accordance with Regulation 34 of the LODR, I hereby confirm that all Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended 31 March 2019.

For Automobile Corporation of Goa Ltd.,

Sd/-

O V Ajay  
CEO & Executive Director

Honda, Goa.  
Dated : May 10 2019

### **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY AUTOMOBILE CORPORATION OF GOA LIMITED**

To the members of **AUTOMOBILE CORPORATION OF GOA LIMITED,**

I have examined the compliance with conditions of Corporate Governance by AUTOMOBILE CORPORATION OF GOA LIMITED (the Company) under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") for the year ended 31st March 2019.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the LODR Regulations. This Certificate is issued pursuant to the requirements of Schedule V (E) of the LODR Regulations.

The compliance with conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures adopted and implementation thereof, by the Company for ensuring compliance with the condition of Corporate Governance under LODR Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Shivaram Bhat  
Practicing Company Secretary  
ACS No. 10454 & CP No. 7853

Place: Panaji, Goa.  
Date : May 10, 2019



## INDEPENDENT AUDITORS' REPORT

**To the Members of  
Automobile Corporation of Goa Limited  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Automobile Corporation of Goa Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Description of Key Audit Matter**

| The key audit matter  | How the matter was addressed in our audit   |
|---|---|
| <p><b>Revenue Recognition</b><br/>The Company's revenue is mainly derived from the sale of bus bodies and pressing segment. The Company recognises revenue when the control is transferred to the customer. The terms set out in the Company's sales contracts relating to goods acceptance by customers are varied. Accordingly, the terms and conditions of sales contracts may affect the timing of recognition of sales to customers as each sales contract could have different terms relating to customer acceptance of the goods sold.<br/>We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and is, therefore, subject to an inherent risk of misstatement to meet targets or expectations and because errors in the recognition of revenue could have a material impact on the Company.</p> | <p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> <li>• evaluating the design, implementation and operating effectiveness of key internal controls over the existence, accuracy and timing of revenue recognition;</li> <li>• performed substantive test of details over revenue recognized throughout the period by selecting sample of transactions to ensure that the samples selected meet the revenue recognition criteria and are appropriately recorded;</li> <li>• tested sample transactions around the period end to ensure they were recorded in the correct period; and</li> <li>• tested journal entries posted to revenue accounts focusing on unusual or irregular items, if any.</li> </ul> |

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 29 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For B S R & Co. LLP**  
Chartered Accountants

Firm's Registration Number: 101248W/W-100022

**Swapnil Dakshindas**  
Partner

Membership No. 113896

Place: Panaji, Goa  
Date: 10 May 2019

**Annexure A to the Independent Auditors' Report – 31 March 2019**

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which its fixed assets are verified in a phased manner every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties which are freehold, are held in the name of the Company, except the following:

| Particular of the land and building                                 | Gross Block as at 31 March 2019 | Net Block as at 31 March 2019 | Remarks  |
|---|---------------------------------|-------------------------------|--|
| Freehold land located at Mann, Pune admeasuring 8,000.04 sq. meters | Rs. 2,115,360                   | Rs. 2,115,360                 | The execution of the Title Deed for the purchase of land is awaited on account of dispute with the Land Owner. |

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and there were no material discrepancies noted during such verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013. The Company has not granted any loans or provided any guarantees and security to which the provisions of section 185 of the Companies Act, 2013 apply.
- (v) The Company has not accepted any deposits in accordance with the provisions of section 73 to 76 of the Act and the rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the goods manufactured by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Goods and Service tax, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except for Provident fund dues referred to in note 29(v) to the financial statements. As explained to us, the Company does not have dues on account of Sales Tax, Service Tax, Value Added Tax, Duty of customs and Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Goods and Service tax, and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable. We draw attention to note 29(v) to the financial statement which more fully explains the matter regarding non-payment of provident fund contribution pursuant to Supreme Court judgement dated 28 February 2019.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Service tax, Sales tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax which have not been deposited by the Company with appropriate authorities on account of any disputes except for the following

| Name of the statute                             | Nature of dues            | Amount (in Rs.) # | Amount paid under protest (in Rs.) | Period to which the amount relates  | Forum where dispute is pending                              |
|---|---------------------------|-------------------|------------------------------------|-------------------------------------|---|
| Central Excise Act, 1944                        | Excise duty               | 51,625,648        | Nil                                | 1995- 97, June 2005 – February 2006 | Commissioner of Central Excise (Appeals)                    |
| Central Excise Act, 1944                        | Excise duty               | 39,134,984        | 1,467,562                          | September 2007 – August 2013        | Customs, Excise and Service Tax Appellate Tribunal (CESTAT) |
| The Goa Value Added Tax Act, 2005               | Value Added Tax           | 4,226,431         | 422,643                            | 2011-12 and 2012-13                 | Additional Commissioner of Commercial Tax                   |
| Income Tax Act, 1961                            | Income Tax                | 3,732,969         | Nil                                | 1989-90                             | High Court of Bombay-Goa Bench                              |
| The Goa Value Added Tax Act, 2005/Entry Tax Act | Value Added Tax/Entry Tax | 5,877,946         | 587,795                            | 2016-17                             | Additional Commissioner of Commercial Tax                   |

# Amount disclosed above includes penalty and interest, where applicable

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks. The Company did not have any loan or borrowings from financial institutions, government or any debentures outstanding during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, reporting under this clause is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration is paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the Ind AS financial statements.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, reporting under this clause is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**  
Chartered Accountants

Firm Registration No: 101248W/ W-100022

**Swapnil Dakshindas**  
Partner  
Membership no. 113896

Place: Panaji, Goa  
Date: 10 May 2019

### Annexure B to the Independent Auditors' report on the financial statements of Automobile Corporation of Goa Limited for the period ended 31 March 2019

#### Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

We have audited the internal financial controls with reference to financial statements of Automobile Corporation of Goa Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Swapnil Dakshindas**

*Partner*

Membership No: 113896

Place: Panaji, Goa

Date: 10 May 2019

**Balance sheet as at 31 March 2019**

| Particulars  | Note | As at<br>31 March 2019<br>Rupees | As at<br>31 March 2018<br>Rupees |
|--|------|----------------------------------|----------------------------------|
| <b>I ASSETS</b>  |      |                                  |                                  |
| <b>(1) Non - current assets</b>  |      |                                  |                                  |
| (a) Property, plant and equipment  | 4    | 555,106,564                      | 591,232,139                      |
| (b) Capital work-in-progress   | 4(A) | 73,840,867                       | 77,038,527                       |
| (c) Other intangible assets  | 4(B) | 1,644,557                        | 2,300,257                        |
| (d) Advance income tax assets (net)  |      | 20,774,581                       | 22,569,719                       |
| (e) Other non-current assets   | 7    | 23,994,428                       | 25,328,042                       |
|  |      | <b>675,360,997</b>               | <b>718,468,684</b>               |
| <b>(2) Current assets</b>  |      |                                  |                                  |
| (a) Inventories  | 8    | 471,019,995                      | 476,550,598                      |
| (b) Financial assets   |      |                                  |                                  |
| (i) Investments  | 9    | 71,591,360                       | 31,793,997                       |
| (ii) Trade receivables   | 10   | 677,002,262                      | 582,545,105                      |
| (iii) Cash and cash equivalents  | 11   | 17,045,130                       | 301,341                          |
| (iv) Other bank balances   | 12   | 19,549,483                       | 20,724,783                       |
| (v) Loans  | 5    | 1,002,005,570                    | 1,233,418,226                    |
| (vi) Other financial assets  | 6    | 31,863,162                       | 22,920,438                       |
| (c) Other current assets   | 7    | 33,282,639                       | 19,328,704                       |
|  |      | <b>2,323,359,601</b>             | <b>2,387,583,192</b>             |
| <b>Total Assets</b>  |      | <b>2,998,720,598</b>             | <b>3,106,051,876</b>             |
| <b>II EQUITY AND LIABILITIES</b>   |      |                                  |                                  |
| <b>(1) Equity</b>  |      |                                  |                                  |
| (a) Equity share capital   | 13   | 64,216,220                       | 64,216,220                       |
| (b) Other equity   | 14   | 2,039,229,908                    | 1,973,343,759                    |
|  |      | <b>2,103,446,128</b>             | <b>2,037,559,979</b>             |
| <b>(2) Non-current liabilities</b>   |      |                                  |                                  |
| (a) Provisions   | 15   | 94,050,563                       | 72,952,135                       |
| (b) Deferred tax liabilities (net)   | 16   | 25,312,490                       | 50,280,910                       |
|  |      | <b>119,363,053</b>               | <b>123,233,045</b>               |
| <b>(3) Current liabilities</b>   |      |                                  |                                  |
| (a) Financial liabilities  |      |                                  |                                  |
| (i) Borrowings   | 17   | -                                | 59,328,940                       |
| (ii) Trade payables  | 18   |                                  |                                  |
| (a) total outstanding dues of micro enterprises and small enterprises                      |      | 84,146,866                       | 95,415,967                       |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 530,113,746                      | 625,571,632                      |
| (iii) Other financial liabilities  | 19   | 64,290,312                       | 22,192,035                       |
| (b) Other current liabilities  | 20   | 65,454,537                       | 117,979,400                      |
| (c) Provisions   | 15   | 25,844,560                       | 23,604,015                       |
| (d) Current tax liabilities (net)  |      | 6,061,396                        | 1,166,863                        |
|  |      | <b>775,911,417</b>               | <b>945,258,852</b>               |
| <b>Total Equity and Liabilities</b>  |      | <b>2,998,720,598</b>             | <b>3,106,051,876</b>             |
| <b>See accompanying notes to the financial statements</b>                                  | 1-42 |                                  |                                  |

In terms of our report attached  
For B S R & Co. LLP  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

[Shrinivas Dempo](#)  
Chairman - DIN 00043413

[Steven Pinto](#)  
Director - DIN 00871062

[Girish Wagh](#)  
Director - DIN 03119361

[Vaijayanti Pandit](#)  
Director - DIN 06742237

[Yatin Kakodkar](#)  
Director - DIN 00001433

[Abhay Bawale](#)  
Director - DIN 07859752

[Rohit Srivastava](#)  
Director - DIN 07910693

[O. V. Ajay](#)  
CEO & Executive Director  
DIN 07042391

[Raghendra Singh Butola](#)  
Chief Financial Officer

[Manisha Naik Shirgaonkar](#)  
Company Secretary

Place: Panaji, Goa  
Dated: 10 May 2019

[Swapnil Dakshindas](#)  
Partner  
Membership No.113896

Place: Panaji, Goa  
Dated: 10 May 2019





## Statement of profit and loss for the year ended 31 March 2019

| Particulars  | Note    | For the year ended<br>31 March 2019<br>Rupees | For the year ended<br>31 March 2018<br>Rupees |
|--|---------|---|---|
| I. Revenue from operations (net)   | 21      | 4,261,730,231                                 | 4,998,482,249                                 |
| II. Other income   | 22      | 100,025,654                                   | 82,174,686                                    |
| III. Total Income (I+II)   |         | 4,361,755,885                                 | 5,080,656,935                                 |
| IV. Expenses:  |         |   |   |
| (a) Cost of materials consumed   | 23      | 2,749,741,726                                 | 3,302,742,575                                 |
| (b) Changes in inventories of finished goods, work-in-progress and scrap           | 24      | 2,424,743                                     | 26,442,785                                    |
| (c) Excise duty on sale of products  |         | -   | 104,316,560                                   |
| (d) Employee benefits expense  | 25      | 467,846,576                                   | 432,596,392                                   |
| (e) Finance costs  | 26      | 1,441,251                                     | 3,853,594                                     |
| (f) Depreciation and amortisation expense  | 4, 4(B) | 52,861,313                                    | 53,161,002                                    |
| (g) Other expenses   | 27      | 728,426,818                                   | 844,515,277                                   |
| Total Expenses   |         | 4,002,742,427                                 | 4,767,628,185                                 |
| V. Profit before exceptional item and tax (III-IV)                                 |         | 359,013,458                                   | 313,028,750                                   |
| VI. Exceptional item (Refer note 41)   |         | (41,701,959)                                  | 14,707,022                                    |
| VII. Profit before tax (V+VI)  |         | 317,311,499                                   | 327,735,772                                   |
| VIII. Tax expense :  |         |   |   |
| (a) Current tax  | 16      | 129,720,550                                   | 126,753,473                                   |
| (b) Deferred tax   | 16      | (21,057,739)                                  | (579,758)                                     |
|  |         | 108,662,811                                   | 126,173,715                                   |
| IX. Profit for the year (VII-VIII)   |         | 208,648,688                                   | 201,562,057                                   |
| X. Other comprehensive income:   |         |   |   |
| (A) (i) Items that will not be reclassified to profit and loss:                    |         |   |   |
| (a) Remeasurement (losses) and gains on defined benefit obligations                |         | (11,191,278)                                  | 7,962,519                                     |
|  |         | (11,191,278)                                  | 7,962,519                                     |
| (ii) Income tax relating to items that will not be reclassified to profit or loss. |         | 3,910,681                                     | (2,755,668)                                   |
|  |         | 3,910,681                                     | (2,755,668)                                   |
| XI. Total Other comprehensive income for the year (net of taxes)                   |         | (7,280,597)                                   | 5,206,851                                     |
| XII. Total comprehensive income for the year (IX+XI)                               |         | 201,368,091                                   | 206,768,908                                   |
| XIII. Earnings per equity share:(Face value of Rs.10/- per share)                  |         |   |   |
| (i) Basic  | 32      | 32.49   | 31.39   |
| (ii) Diluted   | 32      | 32.49   | 31.39   |

In terms of our report attached  
For B S R & Co. LLP  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

[Shrinivas Dempo](#)  
Chairman - DIN 00043413

[Steven Pinto](#)  
Director - DIN 00871062

[Girish Wagh](#)  
Director - DIN 03119361

[Vaijayanti Pandit](#)  
Director - DIN 06742237

[Yatin Kakodkar](#)  
Director - DIN 00001433

[Abhay Bawale](#)  
Director - DIN 07859752

[Rohit Srivastava](#)  
Director - DIN 07910693

[O. V. Ajay](#)  
CEO & Executive Director  
DIN 07042391

[Raghendra Singh Butola](#)  
Chief Financial Officer

[Manisha Naik Shirgaonkar](#)  
Company Secretary

Place: Panaji, Goa  
Dated: 10 May 2019

[Swapnil Dakshindas](#)  
Partner  
Membership No.113896

Place: Panaji, Goa  
Dated: 10 May 2019

**Cash flow statement**
**Cash flow statement for the year ended 31 March 2019**

| Particulars   | 31 March 2019        |                      | 31 March 2018      |                      |
|---|----------------------|----------------------|--------------------|----------------------|
|   | Rupees               | Rupees               | Rupees             | Rupees               |
| <b>A. Cash flow from operating activities</b>                       |                      |                      |                    |                      |
| <b>Profit before tax</b>  |                      | <b>317,311,499</b>   |                    | <b>327,735,772</b>   |
| <b>adjustments for:</b>   |                      |                      |                    |                      |
| Depreciation  | 52,861,313           |                      | 53,161,002         |                      |
| Fair valuation of investments                                       | (297,362)            |                      | 1,706,002          |                      |
| Provision for doubtful debts/advances (net)                         | (41,360)             |                      | 734,991            |                      |
| Bad debts/advances written off                                      | 71,829               |                      | 9,849              |                      |
| Unrealised foreign exchange differences                             | 13,800               |                      | (8,948)            |                      |
| Loss on sale/scrap of property, plant and equipment (net)           | 2,260,342            |                      | 1,613,871          |                      |
| Finance costs   | 1,441,251            |                      | 3,853,594          |                      |
| Interest income   | (86,252,534)         |                      | (77,917,462)       |                      |
| Dividend income   | (5,369,437)          |                      | (546,728)          |                      |
|   |                      | <b>(35,312,158)</b>  |                    | <b>(17,393,829)</b>  |
| <b>Operating profit before working capital changes</b>              |                      | <b>281,999,341</b>   |                    | <b>310,341,943</b>   |
| <b>Changes in working capital</b>                                   |                      |                      |                    |                      |
| <b>Adjustments for (increase)/decrease in operating assets</b>      |                      |                      |                    |                      |
| Inventories   | 5,530,603            |                      | 62,327,798         |                      |
| Trade receivables   | (94,501,426)         |                      | (35,510,206)       |                      |
| Other current assets  | (13,953,935)         |                      | 159,309,200        |                      |
| Loans   | 1,412,656            |                      | (1,311,518)        |                      |
| Other financial assets  | -                    |                      | (4,230,000)        |                      |
| Other non-current assets  | 1,173,654            |                      | 759,696            |                      |
|   | <b>(100,338,448)</b> |                      | <b>181,344,970</b> |                      |
| <b>Adjustments for increase/(decrease) in operating liabilities</b> |                      |                      |                    |                      |
| Trade payables  | (106,726,987)        |                      | (51,155,645)       |                      |
| Other financial liabilities (current)                               | 41,701,959           |                      | 50,000             |                      |
| Other current liabilities   | (52,550,691)         |                      | 78,786,179         |                      |
| Provisions  | 12,147,695           |                      | 853,294            |                      |
|   | <b>(105,428,024)</b> |                      | <b>28,533,828</b>  |                      |
| <b>Cash generated from operations</b>                               |                      | <b>76,232,869</b>    |                    | <b>520,220,741</b>   |
| Taxes paid  |                      | <b>(123,030,879)</b> |                    | <b>(123,716,716)</b> |
| <b>Net cash generated from operating activities</b>                 |                      | <b>(46,798,010)</b>  |                    | <b>396,504,025</b>   |
| <b>B. Cash flow from investing activities</b>                       |                      |                      |                    |                      |
| Acquisition of property, plant and equipment                        | (16,130,467)         |                      | (30,353,223)       |                      |
| Proceeds from disposal of property, plant and equipment             | 860,023              |                      | 12,169,794         |                      |
| Other bank balances (net)   | 1,175,300            |                      | (965,626)          |                      |
| Inter corporate deposit (net)                                       | 230,000,000          |                      | (320,000,000)      |                      |
| Investment in mutual fund   | (39,500,001)         |                      | (33,499,999)       |                      |
| Interest received   | 77,309,810           |                      | 77,985,071         |                      |
| Dividend received   | 5,369,437            |                      | 546,728            |                      |
|   |                      | <b>259,084,102</b>   |                    | <b>(294,117,255)</b> |
| <b>C. Cash flow from financing activities</b>                       |                      |                      |                    |                      |
| Borrowings  | (59,328,940)         |                      | 35,417,004         |                      |
| Dividend paid (including corporate dividend tax)                    | (134,797,940)        |                      | (133,887,811)      |                      |
| Interest paid   | (1,415,423)          |                      | (3,869,887)        |                      |
|   |                      | <b>(195,542,303)</b> |                    | <b>(102,340,694)</b> |
| <b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b> |                      | <b>16,743,789</b>    |                    | <b>46,076</b>        |
| Cash and cash equivalents as at 31 March 2018                       |                      | <b>301,341</b>       |                    | <b>255,265</b>       |
| Cash and cash equivalents as at 31 March 2019                       |                      | <b>17,045,130</b>    |                    | <b>301,341</b>       |

**Note:** 1. The above Cash flow statement has been prepared under the "Indirect Method set out in Indian Accounting Standard (Ind AS-7) "Statement of Cash Flows" prescribed under section 133 of the Companies Act, 2013

|   |   |  |   |
|---|---|--|---|
| In terms of our report attached<br>For B S R & Co. LLP<br>Chartered Accountants<br>Firm Registration No. 101248W/W-100022 | <b>Shrinivas Dempo</b><br>Chairman - DIN 00043413   | <b>Yatin Kakodkar</b><br>Director - DIN 00001433   | <b>O. V. Ajay</b><br>CEO & Executive Director<br>DIN 07042391 |
| <b>Swapnil Dakshindas</b><br>Partner<br>Membership No.113896  | <b>Steven Pinto</b><br>Director - DIN 00871062      | <b>Abhay Bawale</b><br>Director - DIN 07859752     | <b>Raghendra Singh Butola</b><br>Chief Financial Officer      |
|   | <b>Girish Wagh</b><br>Director - DIN 03119361       | <b>Rohit Srivastava</b><br>Director - DIN 07910693 | <b>Manisha Naik Shirgaonkar</b><br>Company Secretary          |
|   | <b>Vaijayanti Pandit</b><br>Director - DIN 06742237 |  |   |
| Place: Panaji, Goa<br>Dated: 10 May 2019  |   |  | Place: Panaji, Goa<br>Dated: 10 May 2019                      |



## Statement of changes in equity

### Statement of changes in equity for the year ended 31 March 2019

#### A. Equity share capital

|   | Amount (in Rupees) |
|---|--------------------|
| Balance as at 1 April 2018                      | 64,216,220         |
| Changes in equity share capital during the year | -                  |
| Balance as at 31 March 2019                     | 64,216,220         |
| Balance as at 1 April 2017                      | 64,216,220         |
| Changes in equity share capital during the year | -                  |
| Balance as at 31 March 2018                     | 64,216,220         |

#### B. Other equity

|   | Reserves and Surplus |                            |                 |                   | Total         |
|---|----------------------|----------------------------|-----------------|-------------------|---------------|
|   | Securities premium   | Capital redemption reserve | General reserve | Retained earnings |               |
| Balance as at 1 April 2018                          | 680,818,433          | 92,006,000                 | 208,058,290     | 992,461,036       | 1,973,343,759 |
| Profit for the year                                 | -                    | -                          | -               | 208,648,688       | 208,648,688   |
| Other comprehensive income for the year, net of tax | -                    | -                          | -               | (7,280,597)       | (7,280,597)   |
| Dividends (including dividend distribution tax)     | -                    | -                          | -               | (135,481,942)     | (135,481,942) |
| Balance as at 31 March 2019                         | 680,818,433          | 92,006,000                 | 208,058,290     | 1,058,347,185     | 2,039,229,908 |
|   | Reserves and Surplus |                            |                 |                   | Total         |
|   | Securities premium   | Capital redemption reserve | General reserve | Retained earnings |               |
| Balance as at 1 April 2017                          | 680,818,433          | 92,006,000                 | 208,058,290     | 920,949,258       | 1,901,831,981 |
| Profit for the year                                 | -                    | -                          | -               | 201,562,057       | 201,562,057   |
| Other comprehensive income for the year, net of tax | -                    | -                          | -               | 5,206,851         | 5,206,851     |
| Dividends (including dividend distribution tax)     | -                    | -                          | -               | (135,257,130)     | (135,257,130) |
| Balance as at 31 March 2018                         | 680,818,433          | 92,006,000                 | 208,058,290     | 992,461,036       | 1,973,343,759 |

##### i. Capital redemption reserve account

When a company redeems preference shares, the company is required to create Capital redemption reserve. Capital redemption reserve is created out of the profits. When capital redemption reserve is created some amount of profits are transferred to Capital redemption reserve account. The main purpose is to protect the interest of preference shareholders over equity share holders

##### ii. Securities premium

The securities premium represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares

##### iii. General reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of the net income at a specified percentage in accordance with the applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. The balances in the general reserve as determined in accordance with applicable regulations is Rs. 2,080.58 lakhs as at 31 March 2018 and 31 March 2019

|   |  |   |  |
|---|--|---|--|
| In terms of our report attached<br>For B S R & Co. LLP<br>Chartered Accountants<br>Firm Registration No. 101248W/W-100022 | <a href="#">Shrinivas Dempo</a><br>Chairman - DIN 00043413   | <a href="#">Yatin Kakodkar</a><br>Director - DIN 00001433   | <a href="#">O. V. Ajay</a><br>CEO & Executive Director<br>DIN 07042391 |
| <a href="#">Swapnil Dakshindas</a><br>Partner<br>Membership No.113896   | <a href="#">Steven Pinto</a><br>Director - DIN 00871062      | <a href="#">Abhay Bawale</a><br>Director - DIN 07859752     | <a href="#">Raghendra Singh Butola</a><br>Chief Financial Officer      |
| Place: Panaji, Goa<br>Dated: 10 May 2019  | <a href="#">Girish Wagh</a><br>Director - DIN 03119361       | <a href="#">Rohit Srivastava</a><br>Director - DIN 07910693 | <a href="#">Manisha Naik Shirgaonkar</a><br>Company Secretary          |
|   | <a href="#">Vajjayanti Pandit</a><br>Director - DIN 06742237 |   | Place: Panaji, Goa<br>Dated: 10 May 2019                               |

### Notes forming part of the financial statements for the period and year ended 31 March 2019

#### 1) Background and operations

Automobile Corporation of Goa Ltd. (ACGL) was incorporated on 1 September 1980 as a Public Limited Company under the Companies Act 1956. The Company was jointly promoted by EDC Limited (a Government of Goa Undertaking) and Tata Motors Limited.

The Company is engaged in the manufacture of pressed parts, components, sub assemblies for various range of automobiles and manufacture Bus bodies and components thereof.

The financial statements for the year ended 31 March 2019 were approved by the Board of Directors and authorized for issue on 10 May 2019.

#### 2) Basis of preparation

##### a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's significant accounting policies are included in Note 3.

##### b. Functional and presentation currency

The financial statements are prepared in Indian Rupees, which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Rupees, except when otherwise indicated.

##### c. Basis of measurement

These financial statements have been prepared on a historical cost basis except for the following items:

| <u>Items</u>                             | <u>Measurement basis</u>  |
|--|---|
| Certain financial assets and liabilities | Fair value  |
| Net defined benefit (asset) / liability  | Fair value of plan assets less present value of defined benefit obligations |

##### d. Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

##### Assumptions and estimation uncertainties

##### i. Impairment of non-financial assets

In assessing the non-financial assets for impairment, factors leading to significant reduction in profits such as reduction in finished goods prices and increase in raw material prices, the Company's business plans and changes in regulatory environment are taken into consideration. The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use.

##### ii. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

##### iii. Defined benefit plans

Refer note no. 35 for details of the key assumptions used in determining the accounting for these plans.



## Notes forming part of the financial statements for the period and year ended 31 March 2019

- iv. Provision against obsolete and slow-moving inventories  
The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.
- v. Useful lives of property, plant and equipment.  
The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- vi. Valuation of deferred tax assets  
The Company reviews the carrying amount of deferred tax asset at the end of each reporting period. The policy for the same has been explained under note 3f.
- vii. Measurement of fair values

A number of the accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values which is overseen by the Chief Financial Officer (CFO). Significant valuation issues are reported to the Company's audit committee. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as a lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### e. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax liabilities are classified as non-current liabilities.

### f. Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt the standard from 1 April 2019.

#### Ind AS - 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01 April 19. The Company is in the process of evaluating the impact of this amendment on the financial statements.

**Notes forming part of the financial statements for the period and year ended 31 March 2019**

**Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The company does not expect any significant impact of the amendment on its financial statements.

**Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

**Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

**Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures and hence does not expect any impact from this amendment.

**Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not have control / joint control / joint control of a business that is a joint operation and hence does not expect any impact from this amendment.

**3) Significant accounting policies**

The Company has applied the following accounting policies to all periods presented in the financial statements.

**a. Revenue recognition**

Revenue is recognised as per Ind AS 115, when the contract entered with a customer is within the scope of this standard and:-

- When the contract is approved by the parties in writing
- The rights and obligation of each party is identified in the contract
- The contract has commercial substance and the payment terms are defined
- When collectability of the resulting receivable is reasonably assured

Revenue from sale of products is recognised on satisfaction of a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. In case of products, when products are delivered to dealers or when delivered to a carrier for export sales, which is when the title and risks and rewards of ownership pass to the customer.

The transaction price is the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes) and net of discounts.



## Notes forming part of the financial statements for the period and year ended 31 March 2019

### b. Dividend income, interest income or expense

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### c. Product Warranties

The estimated liability for product warranties is recorded when product is sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management's estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically 18 to 24 months from the date of sale.

### d. Provisions and contingencies

A provision is recognised where the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A Contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it.

### e. Foreign currency

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency denominated assets and liabilities are translated at the exchange rates prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

### f. Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the income statement except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income), in which case tax is also recognized outside profit or loss.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Deferred tax is recognized, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income to realize such assets.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

### g. Inventories

Items of inventory are valued on the basis given below;

- i. Raw Material, Bought out components, Stores and Spares: at cost or net realizable value, whichever is lower. Cost is determined by the weighted average method.
- ii. Work in progress and Finished goods: at cost or net realizable value, whichever is lower. Cost is determined on the basis of absorption costing.
- iii. Scrap: at net realizable value.

### h. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation. All cost relating to the acquisition and installation of Property, plant and equipment are capitalised and include financing cost relating to borrowed funds attributable to construction or acquisition of fixed assets, upto the date the asset is ready for intended use.

Depreciation is provided on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Taking into account these factors, the Company have decided to retain the useful life hitherto adopted for various categories of fixed assets, which are different from those prescribed in Schedule II of the Act as under:

**Notes forming part of the financial statements for the period and year ended 31 March 2019**

| <u>Type of Asset</u>   | <u>Estimated useful life</u> |
|------------------------|------------------------------|
| Buildings              | 28 to 59 years               |
| Plant and Equipment    | 8 to 20 years                |
| Furniture and fixtures | 15 years                     |
| Vehicles               | 8 to 10 years                |
| Computers              | 6 Years                      |

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. The residual value and the useful life of an asset is reviewed at each financial year end and if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with Ind AS 8, 'Accounting Policies, Accounting Estimates and Errors'.

**i. Intangible assets**

Intangible assets in the nature of computer software are stated at cost less accumulated amortisation.

Computer software are amortised over 4 years being their estimated useful life on straight line methods.

**j. Impairment of non-financial assets**

Non-financial assets evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

**k. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

*Initial recognition*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

*Subsequent measurement*

For purposes of subsequent measurement financial assets are classified in three broad categories:

**a. Financial assets at amortised cost**

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

**b. Financial assets at fair value through other comprehensive income (FVOCI)**

A financial asset is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss if both the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual assets cash flows represent SPPI.

**c. Financial assets at fair value through profit and loss (FVTPL)**

FVTPL is a residual category. Any instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI is classified as at FVTPL.

All other financial assets are measured at fair value through profit or loss.

*Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.





## Notes forming part of the financial statements for the period and year ended 31 March 2019

### *Impairment of financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are measured at amortised cost e.g., loans, deposits and trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. In the Balance Sheet, for financial assets measured as at amortised cost, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### **Financial liabilities**

#### *Initial recognition*

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts and derivative financial instruments.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

#### a. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and designated upon initial recognition as at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### b. Financial liabilities at amortised cost (Loans & Borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

#### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **I. Employee benefits**

### **Short term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Notes forming part of the financial statements for the period and year ended 31 March 2019

**Long term employee benefits:**

i. Defined benefits plans

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service as per the Trust deed. Vesting occurs upon completion of five years of service. The Company has obtained group gratuity policy with Life Insurance Corporation of India, HDFC Standard Life Insurance Company Limited and Bajaj Allianz Life Insurance Company Limited. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation, carried out as at the year end.

Remeasurement gains and losses

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognized directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to income statement.

Measurement date

The measurement date of retirement plans is 31 March.

ii. Defined contribution plan

Superannuation

The Company has a Superannuation plan (defined contribution plan). The Company maintains separate irrevocable trust for employees covered and entitled to benefits. The Company has obtained insurance policy with Life Insurance Corporation of India. The Company contributes 15% of eligible employee's salary to the trust every year. The Company recognizes such contributions as an expense when incurred. The Company has no further obligation beyond this contribution.

Provident fund

In accordance with Indian law, eligible employee's of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employee's and the Company make monthly contributions at a specified percentage of the covered employee's salary (currently 12% of employee's salary). The contributions, as specified under the law, are paid to the provident fund trust. Contributions towards Pension fund is paid to the Regional Provident Fund Commissioner at specified percentage of the covered employee's salary on monthly basis.

Contribution defined to contribution plan is recognized as an expense when employee's have rendered services entitling them to such benefits.

iii. Other long - term employee benefits

Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employee's are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation, carried out as at the year end.

**m. Borrowing cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for the intended use. All other borrowing costs are charged to revenue.

**n. Leases**

Assets acquired on leases where significant portion of risks and rewards incidental to ownership are retained by the lessors are classified as operating lease. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

**o. Segmental reporting**

Basis for segmentation

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the company's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance.

Reportable segments

The Company operates in the following two reportable segments:

- Pressing Division
- Bus body building Division

**p. Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in the statement of Profit or Loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

### 4) Property, plant and equipment

(in Rupees)

|  | Reconciliation of carrying amount |             |                     |                        |            |                   |            |               |
|--|-----------------------------------|-------------|---------------------|------------------------|------------|-------------------|------------|---------------|
|  | Freehold land                     | Buildings   | Plant and equipment | Furniture and fixtures | Vehicles   | Office equipments | Computers  | Total         |
| Cost as at 1 April 2017                      | 2,734,780                         | 397,269,702 | 735,749,398         | 13,534,301             | 29,862,386 | 13,220,267        | 28,639,631 | 1,221,010,465 |
| Additions                                    | -                                 | -           | 18,414,362          | 823,566                | 6,436,157  | 847,138           | 2,233,340  | 28,754,563    |
| Deductions                                   | -                                 | 376,455     | 13,848,303          | 70,000                 | 3,408,755  | 768,726           | 1,032,833  | 19,505,072    |
| Cost as at 31 March 2018                     | 2,734,780                         | 396,893,247 | 740,315,457         | 14,287,867             | 32,889,788 | 13,298,679        | 29,840,138 | 1,230,259,956 |
| Accumulated depreciation as at 1 April 2017  | -                                 | 131,935,140 | 405,707,437         | 9,324,550              | 10,476,178 | 9,994,540         | 24,436,377 | 591,874,222   |
| Depreciation for the year                    | -                                 | 10,513,467  | 37,177,615          | 438,192                | 2,771,348  | 1,082,352         | 892,028    | 52,875,002    |
| Deductions                                   | -                                 | 227,784     | 2,849,495           | 35,734                 | 1,008,680  | 618,523           | 981,191    | 5,721,407     |
| Accumulated depreciation as at 31 March 2018 | -                                 | 142,220,823 | 440,035,557         | 9,727,008              | 12,238,846 | 10,458,369        | 24,347,214 | 639,027,817   |
| Net carrying amount as at 31 March 2018      | 2,734,780                         | 254,672,424 | 300,279,900         | 4,560,859              | 20,650,942 | 2,840,310         | 5,492,924  | 591,232,139   |
| Cost as at 1 April 2018                      | 2,734,780                         | 396,893,247 | 740,315,457         | 14,287,867             | 32,889,788 | 13,298,679        | 29,840,138 | 1,230,259,956 |
| Additions                                    | -                                 | 1,230,894   | 15,729,643          | -                      | 1,194,248  | 950,337           | 95,281     | 19,200,403    |
| Deductions                                   | -                                 | -           | 14,183,836          | -                      | 1,247,570  | 434,300           | 1,872,720  | 17,738,426    |
| Cost as at 31 March 2019                     | 2,734,780                         | 398,124,141 | 741,861,264         | 14,287,867             | 32,836,466 | 13,814,716        | 28,062,699 | 1,231,721,933 |
| Accumulated depreciation as at 1 April 2018  | -                                 | 142,220,823 | 440,035,557         | 9,727,008              | 12,238,846 | 10,458,369        | 24,347,214 | 639,027,817   |
| Depreciation for the year                    | -                                 | 10,035,982  | 36,797,095          | 446,377                | 2,978,683  | 1,032,648         | 914,828    | 52,205,613    |
| Deductions                                   | -                                 | -           | 12,262,586          | -                      | 236,388    | 340,003           | 1,779,084  | 14,618,061    |
| Accumulated depreciation as at 31 March 2019 | -                                 | 152,256,805 | 464,570,066         | 10,173,385             | 14,981,141 | 11,151,014        | 23,482,958 | 676,615,369   |
| Net carrying amount as at 31 March 2019      | 2,734,780                         | 245,867,336 | 277,291,198         | 4,114,482              | 17,855,325 | 2,663,702         | 4,579,741  | 555,106,564   |

### 4 (A) Capital work in progress

(in Rupees)

|                                    | Reconciliation of carrying amount           |                            |           |            |
|------------------------------------|---|----------------------------|-----------|------------|
|                                    | Buildings                                   | Plant and equipment        |           | Total      |
|                                    | Construction of factory building at Dharwad | Dies fixtures and toolings | Others    |            |
| Balance as at 1 April 2017         | 73,268,283                                  | 5,447,584                  | 441,201   | 79,157,068 |
| Additions                          | -   | -                          | 2,829,710 | 2,829,710  |
| Assets capitalised during the year | -   | 4,875,000                  | 73,251    | 4,948,251  |
| Written off during the year        | -   | -                          | -         | -          |
| Balance as at 31 March 2018        | 73,268,283                                  | 572,584                    | 3,197,660 | 77,038,527 |
| Balance as at 1 April 2018         | 73,268,283                                  | 572,584                    | 3,197,660 | 77,038,527 |
| Additions                          | -   | -                          | -         | -          |
| Assets capitalised during the year | -   | -                          | 3,197,660 | 3,197,660  |
| Written off during the year        | -   | -                          | -         | -          |
| Balance as at 31 March 2019        | 73,268,283                                  | 572,584                    | -         | 73,840,867 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

4 (B) Other intangible assets

(in Rupees)

| Reconciliation of carrying amount            |                   |
|--|-------------------|
|  | Computer Software |
| Cost as at 1 April 2017                      | 33,572,274        |
| Additions                                    | 2,271,853         |
| Deductions                                   | -                 |
| Cost as at 31 March 2018                     | 35,844,127        |
| Accumulated amortisation as at 1 April 2017  | 33,257,870        |
| Amortisation for the year                    | 286,000           |
| Deductions                                   | -                 |
| Accumulated amortisation as at 31 March 2018 | 33,543,870        |
| Net carrying amount as at 31 March 2018      | 2,300,257         |
| Cost as at 1 April 2018                      | 35,844,127        |
| Additions                                    | -                 |
| Deductions                                   | -                 |
| Cost as at 31 March 2019                     | 35,844,127        |
| Accumulated amortisation as at 1 April 2018  | 33,543,870        |
| Amortisation for the year                    | 655,700           |
| Deductions                                   | -                 |
| Accumulated amortisation as at 31 March 2019 | 34,199,570        |
| Net carrying amount as at 31 March 2019      | 1,644,557         |

|   | As at<br>31 March 2019<br>Rupees | As at<br>31 March 2018<br>Rupees |
|---|----------------------------------|----------------------------------|
| <b>5) Loans</b>   |                                  |                                  |
| <b>Current</b>  |                                  |                                  |
| <b>Unsecured, considered good, unless otherwise specified</b> |                                  |                                  |
| (a) Inter corporate deposit to related party                  | 230,000,000                      | 560,000,000                      |
| (b) Others:   |                                  |                                  |
| (i) Inter corporate deposits                                  | 770,000,000                      | 670,000,000                      |
| (ii) Advances to employees                                    | 2,005,570                        | 3,418,226                        |
|   | 772,005,570                      | 673,418,226                      |
| <b>Total</b>  | <b>1,002,005,570</b>             | <b>1,233,418,226</b>             |
| <b>6) Other financial assets</b>                              |                                  |                                  |
| <b>Current</b>  |                                  |                                  |
| (i) Interest accrued on deposits                              | 27,633,162                       | 18,690,438                       |
| (ii) Subsidy receivable from Government                       | 4,230,000                        | 4,230,000                        |
| <b>Total</b>  | <b>31,863,162</b>                | <b>22,920,438</b>                |
| <b>7) Other assets</b>  |                                  |                                  |
| <b>Non-current</b>  |                                  |                                  |
| (a) Capital advances  | -                                | 159,960                          |
| (b) Other than capital advances                               |                                  |                                  |
| (i) Security deposits   | 5,432,004                        | 5,422,004                        |
| (ii) Balances receivable from Government authorities          | 572,682                          | 572,682                          |
| (iii) Prepaid expenses  | 17,989,742                       | 19,173,396                       |
| <b>Total</b>  | <b>23,994,428</b>                | <b>25,328,042</b>                |
| <b>Current</b>  |                                  |                                  |
| (a) Security deposits   | 7,515,500                        | 1,415,500                        |
| (b) Other than capital advances                               |                                  |                                  |
| (i) Balances receivable from Government authorities           | 1,645,123                        | 648,715                          |
| (ii) Advances to suppliers and contractors                    | 19,075,028                       | 10,910,617                       |
| (iii) Prepaid expenses  | 5,046,988                        | 6,353,872                        |
| <b>Total</b>  | <b>33,282,639</b>                | <b>19,328,704</b>                |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

|  | As at<br>31 March 2019<br>Rupees | As at<br>31 March 2018<br>Rupees |
|--|----------------------------------|----------------------------------|
| <b>8) Inventories</b>  |                                  |                                  |
| (a) Raw materials and boughtouts components ( includes goods in transit of Rs.40,610/-) (Previous year Rs. Nil/-)  | 288,177,935                      | 284,241,549                      |
| (b) Work-in-progress   | 164,622,662                      | 161,710,656                      |
| (c) Finished goods ( goods in transit )  | 2,836,966                        | 8,333,694                        |
| (d) Scrap  | 1,876,730                        | 1,716,751                        |
| (e) Stores and spare parts (including packing materials and dies & toolings of third party)  | 13,505,702                       | 20,547,948                       |
| <b>Total</b>   | <b>471,019,995</b>               | <b>476,550,598</b>               |
| For mode of valuation of inventories, please refer note 3  |                                  |                                  |
| <b>9) Investments</b>  |                                  |                                  |
| <b>Current</b>   |                                  |                                  |
| (a) <b>Investments in mutual funds measured at fair value through Profit and Loss ( Unquoted)</b>  |                                  |                                  |
| (i) 1,123,036.183 units (previous year 468,167.105 units) in HDFC Balanced Advantage Fund - Direct Plan - Dividend   | 35,266,705                       | 16,339,968                       |
| (ii) 1,186,304.852 units (previous year 506,689.489 units) in ICICI Prudential Equity & Debt Fund-Direct Plan-Monthly Dividend   | 36,324,655                       | 15,454,029                       |
| <b>Total</b>   | <b>71,591,360</b>                | <b>31,793,997</b>                |
| Aggregate amount of quoted investments and market value thereof  | -                                | -                                |
| Aggregate amount of unquoted investments and market value thereof  | 71,591,360                       | 31,793,997                       |
| <b>10) Trade receivables</b>   |                                  |                                  |
| <b>Unsecured, considered good unless otherwise stated</b>  |                                  |                                  |
| <b>Current</b>   |                                  |                                  |
| -Trade receivables considered good   | 677,002,262                      | 582,545,105                      |
| -Trade receivables - credit impaired   | 2,649,567                        | 2,690,927                        |
|  | 679,651,829                      | 585,236,032                      |
| Less: Provision for doubtful trade receivables   | 2,649,567                        | 2,690,927                        |
| <b>Total</b>   | <b>677,002,262</b>               | <b>582,545,105</b>               |
| The average credit period on sale of goods is 30 days. No interest is charged on overdue trade receivables. Tata Motors is the major customer of the Company. Sales of bus bodies to customer other than Tata Motors are against 30% to 50% advance before execution of order and balance before delivery of the buses. Customer wise trade receivables is as follows: |                                  |                                  |
| (i) Tata Motors Limited  | 643,287,656                      | 509,520,969                      |
| (ii) Tata Cummins Private Limited  | 22,379,973                       | 23,805,686                       |
| (iii) Others   | 11,334,633                       | 49,218,450                       |
| <b>Total</b>   | <b>677,002,262</b>               | <b>582,545,105</b>               |
| Note: Also refer Note 36 - Related Party Disclosures   |                                  |                                  |
| <b>Age of receivables</b>  |                                  |                                  |
| (i) within the credit period   | 606,972,389                      | 561,403,614                      |
| (ii) 1 - 30 days past due  | 57,197,760                       | 16,144,898                       |
| (iii) 31- 60 days past due   | 12,228,978                       | 235,119                          |
| (iv) 61- 90 days past due  | -                                | 2,615,957                        |
| (v) More than 90 days past due   | 603,135                          | 2,145,517                        |
| <b>Total</b>   | <b>677,002,262</b>               | <b>582,545,105</b>               |
| <b>11) Cash and cash equivalents</b>   |                                  |                                  |
| (a) Cash on hand   | 12,071                           | 37,892                           |
| (b) Balances with banks:   |                                  |                                  |
| - In current accounts  | 17,033,059                       | 263,449                          |
| <b>Total</b>   | <b>17,045,130</b>                | <b>301,341</b>                   |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019**

|  | As at<br>31 March 2019<br>Rupees | As at<br>31 March 2018<br>Rupees |
|--|----------------------------------|----------------------------------|
| <b>12) Other bank balances</b>   |                                  |                                  |
| (a) <b>With upto 12 months maturity</b>  |                                  |                                  |
| (i) Earmarked balances (unpaid dividend accounts)  | 15,378,878                       | 14,694,876                       |
| (ii) In deposits accounts  | 34,275                           | 32,268                           |
| (iii) Margin money against bank guarantees   | 4,110,330                        | 5,971,639                        |
|  | <b>19,523,483</b>                | <b>20,698,783</b>                |
| (b) <b>With more than 12 months maturity</b>   |                                  |                                  |
| (i) In deposits accounts   | 25,000                           | 25,000                           |
|  | <b>25,000</b>                    | <b>25,000</b>                    |
| (c) <b>Others</b>  |                                  |                                  |
| (i) Post Office Savings Bank Account (security deposit)  | 1,000                            | 1,000                            |
|  | <b>1,000</b>                     | <b>1,000</b>                     |
| <b>Total</b>   | <b>19,549,483</b>                | <b>20,724,783</b>                |
| <b>13) Equity Share Capital</b>  |                                  |                                  |
| <b>Authorised :</b>  |                                  |                                  |
| 10,000,000 (Previous year: 10,000,000) equity shares of Rs. 10/- each  | 100,000,000                      | 100,000,000                      |
| 1,500,000 (Previous year: 1,500,000) preference shares of Rs. 100/- each   | 150,000,000                      | 150,000,000                      |
| <b>Total</b>   | <b>250,000,000</b>               | <b>250,000,000</b>               |
| <b>Issued:</b>   |                                  |                                  |
| 6,421,622 (Previous year: 6,421,622) equity shares of Rs. 10/- each  | 64,216,220                       | 64,216,220                       |
| <b>Subscribed and fully paid-up :</b>  |                                  |                                  |
| 6,421,622 (Previous year: 6,421,622) equity shares of Rs. 10/- each  | 64,216,220                       | 64,216,220                       |
| <b>Total</b>   | <b>64,216,220</b>                | <b>64,216,220</b>                |
| <b>Notes:</b>  |                                  |                                  |
| (1) <b>Reconciliation of number of shares outstanding :</b>  |                                  |                                  |
| (i) <b>Ordinary equity shares</b>  | <b>Numbers</b>                   | <b>Numbers</b>                   |
| Number of shares at the commencement and end of the year   | <b>6,421,622</b>                 | <b>6,421,622</b>                 |
| (2) <b>Terms and rights attached</b>   |                                  |                                  |
| Each holder of equity shares is entitled to one vote per share.<br>In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. |                                  |                                  |
| (3) <b>Shares in the Company held by each shareholder holding more than 5 percent shares</b>   |                                  |                                  |
|  | <b>As at 31 March 2019</b>       | <b>As at 31 March 2018</b>       |
|  | <b>Numbers</b>                   | <b>Numbers</b>                   |
|  | <b>% of</b>                      | <b>% of holdings</b>             |
|  | <b>holdings</b>                  |                                  |
| (a) Tata Motors Limited  | 2,982,214                        | 2,982,214                        |
|  | 46.44%                           | 46.44%                           |
| (b) EDC Limited  | 405,302                          | 405,302                          |
|  | 6.31%                            | 6.31%                            |
| <b>14) Other equity</b>  |                                  |                                  |
| (a) <b>Capital redemption reserve account</b>  |                                  |                                  |
| At the commencement and end of the year  | 92,006,000                       | 92,006,000                       |
| (b) <b>Securities premium</b>  |                                  |                                  |
| At the commencement and end of the year  | 680,818,433                      | 680,818,433                      |
| (c) <b>General reserve</b>   |                                  |                                  |
| At the commencement and end of the year  | 208,058,290                      | 208,058,290                      |
| (d) <b>Surplus in statement of profit and loss</b>   |                                  |                                  |
| As per last balance sheet  | 992,461,036                      | 920,949,258                      |
| Add : Profit for the year  | 201,368,091                      | 206,768,908                      |
| Less:  |                                  |                                  |
| (a) Interim dividend paid  | 32,108,110                       | 32,108,110                       |
| (b) Final dividend paid  | 80,270,275                       | 80,270,275                       |
| (c) Tax on dividend  | 23,103,557                       | 22,878,745                       |
|  | <b>1,058,347,185</b>             | <b>992,461,036</b>               |
| <b>Total</b>   | <b>2,039,229,908</b>             | <b>1,973,343,759</b>             |
| <b>Note:</b>   |                                  |                                  |
| Retained earnings is transferred to general reserve from time to time for appropriation purpose. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.                |                                  |                                  |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

|   | As at<br>31 March 2019<br>Rupees | As at<br>31 March 2018<br>Rupees |
|---|----------------------------------|----------------------------------|
| <b>15) Provisions</b>   |                                  |                                  |
| <b>Non-current</b>  |                                  |                                  |
| (i) Provision for product warranty (Refer note 33)                                    | 2,071,252                        | 2,874,019                        |
| (ii) Provision for compensated absences   | 66,684,332                       | 59,292,956                       |
| (iii) Provision for gratuity (Refer note 35)  | 25,294,979                       | 10,785,160                       |
| <b>Total</b>  | <b>94,050,563</b>                | <b>72,952,135</b>                |
| <b>Current</b>  |                                  |                                  |
| (a) Provision for employee benefits:  |                                  |                                  |
| (i) Provision for compensated absences  | 7,698,393                        | 6,846,539                        |
| (ii) Provision for gratuity (Refer note 35)   | 13,767,000                       | 12,703,309                       |
| (b) Others:   |                                  |                                  |
| (i) Provision for product warranty (Refer note 33)                                    | 4,379,167                        | 4,054,167                        |
| <b>Total</b>  | <b>25,844,560</b>                | <b>23,604,015</b>                |
| <b>16) Income tax</b>   |                                  |                                  |
| (a) <b>Amount recognised in profit and loss account</b>                               |                                  |                                  |
| Current tax expense   |                                  |                                  |
| (i) For the year  | 129,630,000                      | 119,377,000                      |
| (ii) Change/ (credits) in respect of current tax for earlier years                    | 90,550                           | 7,376,473                        |
| Deferred tax - origination and reversal of temporary differences                      | (21,057,739)                     | (579,758)                        |
| <b>Total tax expense for the year in profit and loss account</b>                      | <b>108,662,811</b>               | <b>126,173,715</b>               |
| (b) <b>Amount recognised in other comprehensive income</b>                            |                                  |                                  |
| Deferred tax (credit) / charge on :   |                                  |                                  |
| Re-measurement of defined benefit obligation  | 3,910,681                        | (2,755,668)                      |
| <b>Total tax expense for the year in other comprehensive income</b>                   | <b>3,910,681</b>                 | <b>(2,755,668)</b>               |
| (c) <b>The income tax expenses for the year reconciled to the accounting profit :</b> |                                  |                                  |
| Accounting profit before tax  | 317,311,499                      | 327,735,772                      |
| Income tax expenses calculated at 34.944%   | 110,881,330                      | 113,422,796                      |
| Effect of disallowable expenses   |                                  |                                  |
| Depreciation on leasehold land  | 646,065                          | 639,853                          |
| Corporate social responsibility   | 2,083,454                        | 2,354,012                        |
| Others  | (1,831,835)                      | 5,707,514                        |
| Allowable expenses - Research & Development expenses                                  | (3,206,753)                      | (3,326,933)                      |
| Tax relating to prior years   | 90,550                           | 7,376,473                        |
| <b>Total</b>  | <b>(2,218,519)</b>               | <b>12,750,919</b>                |
| <b>Total</b>  | <b>108,662,811</b>               | <b>126,173,715</b>               |
| Income tax expenses recognised in profit or loss                                      | <b>108,662,811</b>               | <b>126,173,715</b>               |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

(in Rupees)

| (d) Sr. No. | Particulars   | Opening balance as at 1 April 2018 | Recognised in profit or loss | Recognised in other comprehensive income | Closing balance as at 31 March 2019 |
|-------------|---|------------------------------------|------------------------------|--|-------------------------------------|
| (i)         | Property, plant and equipment and intangible assets   | (84,157,429)                       | 783,611                      | -  | (83,373,818)                        |
| (ii)        | Disallowances under section 43B of the Income Tax Act, 1961   | 24,816,353                         | 4,096,959                    | -  | 28,913,312                          |
| (iii)       | Defined benefit obligations - Provision for gratuity  | 8,128,890                          | 1,610,247                    | 3,910,681                                | 13,649,818                          |
| (iv)        | Provision for doubtful debts  | 931,276                            | (5,411)                      | -  | 925,865                             |
| (v)         | Deferment of expenditure on Voluntary retirement scheme under section 35DDA of the Income Tax Act, 1961 | -                                  | 14,572,333                   | -  | 14,572,333                          |
|             | <b>Total</b>  | <b>(50,280,910)</b>                | <b>21,057,739</b>            | <b>3,910,681</b>                         | <b>(25,312,490)</b>                 |

(in Rupees)

| Sr. No. | Particulars   | Opening balance as at 1 April 2017 | Recognised in profit or loss | Recognised in other comprehensive income | Closing balance as at 31 March 2018 |
|---------|---|------------------------------------|------------------------------|--|-------------------------------------|
| (i)     | Property, plant and equipment and intangible assets         | (81,974,908)                       | (2,182,521)                  | -  | (84,157,429)                        |
| (ii)    | Disallowances under section 43B of the Income Tax Act, 1961 | 23,917,182                         | 899,171                      | -  | 24,816,353                          |
| (iii)   | Defined benefit obligations - Provision for gratuity        | 9,275,816                          | 1,608,742                    | (2,755,668)                              | 8,128,890                           |
| (iv)    | Provision for doubtful debts                                | 676,910                            | 254,366                      | -  | 931,276                             |
|         | <b>Total</b>  | <b>(48,105,000)</b>                | <b>579,758</b>               | <b>(2,755,668)</b>                       | <b>(50,280,910)</b>                 |

(e) Major components of deferred tax assets / (liabilities) are as under:

|  | As at 31 March 2019 Rupees | As at 31 March 2018 Rupees |
|--|----------------------------|----------------------------|
| <b>Liabilities:</b>  |                            |                            |
| (i) Differences in tax and books written down values of property, plant and equipment and intangible assets  | (83,373,818)               | (84,157,429)               |
|  | <b>(83,373,818)</b>        | <b>(84,157,429)</b>        |
| <b>Assets:</b>   |                            |                            |
| (i) Disallowances under section 43B of the Income tax Act, 1961  | 28,913,312                 | 24,816,353                 |
| (ii) Deferment of expenditure on Voluntary retirement scheme under section 35DDA of the Income Tax Act, 1961 | 14,572,333                 | -                          |
| (iii) Defined benefit obligations - Provision for gratuity   | 13,649,818                 | 8,128,890                  |
| (iv) Provision for doubtful debts  | 925,865                    | 931,276                    |
|  | <b>58,061,328</b>          | <b>33,876,519</b>          |
| <b>Net deferred tax liability</b>  | <b>(25,312,490)</b>        | <b>(50,280,910)</b>        |
| <b>Total</b>   |                            |                            |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

|   | As at<br>31 March 2019<br>Rupees | As at<br>31 March 2018<br>Rupees |
|---|----------------------------------|----------------------------------|
| <b>17) Borrowings</b>   |                                  |                                  |
| <b>Secured</b>  |                                  |                                  |
| (a) Loans repayable on demand   |                                  |                                  |
| (i) From banks (Cash credit accounts)   | -                                | 59,328,940                       |
| <b>Total</b>  | <b>-</b>                         | <b>59,328,940</b>                |
| <b>Note:</b>  |                                  |                                  |
| Cash credit facility availed from banks is payable on demand and carries interest rate of prevailing 1 Year MCLR of the bank +5bps. Further cash credit facility is secured by hypothecation of stock in trade and book debts and receivables.    |                                  |                                  |
| <b>18) Trade payables</b>   |                                  |                                  |
| (i) The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made on the basis of confirmations received from suppliers regarding their status under the said act;   |                                  |                                  |
| 1. Outstanding principal amount and Interest as on 31 March 2019  |                                  |                                  |
| - Principal amount  | <b>84,146,866</b>                | 95,415,967                       |
| - Interest due thereon  | <b>111,342</b>                   | 91,829                           |
| 2. Amount of interest paid along with the amounts of payment made beyond the appointed day  | <b>Nil</b>                       | Nil                              |
| 3. Amount of interest due and payable (where the principal has already been paid but interest has not been paid)  | <b>11,674</b>                    | 5,359                            |
| 4. The amount of interest accrued and remaining unpaid at the end of each accounting year.  | <b>123,016</b>                   | 97,188                           |
| 5. The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act | <b>Nil</b>                       | Nil                              |
| (ii) Dues to other than Micro, Small and Medium enterprises   | <b>530,113,746</b>               | 625,571,632                      |
| <b>Total</b>  | <b>614,260,612</b>               | <b>720,987,599</b>               |
| <b>19) Other financial liabilities</b>  |                                  |                                  |
| (a) Unpaid dividends  | <b>15,365,509</b>                | 14,681,507                       |
| (b) Security deposits received  | <b>619,000</b>                   | 619,000                          |
| (c) Capital creditors   | <b>6,603,844</b>                 | 6,891,528                        |
| (d) Payable for Voluntary Retirement Scheme (Refer note 41)   | <b>41,701,959</b>                | -                                |
| <b>Total</b>  | <b>64,290,312</b>                | <b>22,192,035</b>                |
| <b>20) Other current liabilities</b>  |                                  |                                  |
| (a) Contract liabilities - Advance from customers   | <b>42,414,383</b>                | 69,439,719                       |
| (b) Other payables  |                                  |                                  |
| (i) Statutory dues  | <b>16,838,526</b>                | 48,442,493                       |
| (ii) Interest accrued on trade payables   | <b>123,016</b>                   | 97,188                           |
| (iii) Others  | <b>6,078,612</b>                 | -                                |
| <b>Total</b>  | <b>23,040,154</b>                | <b>48,539,681</b>                |
| <b>Total</b>  | <b>65,454,537</b>                | <b>117,979,400</b>               |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019**

|  | Rupees      | For the year ended<br>31 March 2019<br>Rupees | For the year ended<br>31 March 2018<br>Rupees |
|--|-------------|---|---|
| <b>21) Revenue from operations</b>   |             |   |   |
| Revenue from contracts with customers  |             |   |   |
| (a) Sale of products (Refer note (ii) below)   |             | 4,133,015,689                                 | 4,885,119,639                                 |
| (b) Other operating revenue  |             |   |   |
| (i) Scrap sales  | 122,252,348 |   | 104,973,966                                   |
| (ii) Other   | 6,462,194   |   | 8,388,644                                     |
| <b>Total</b>   |             | <b>128,714,542</b>                            | <b>113,362,610</b>                            |
|  |             | <b>4,261,730,231</b>                          | <b>4,998,482,249</b>                          |
| Note:  |             |   |   |
| (i) <b>Disaggregation of revenue</b>   |             |   |   |
| i Bus bodies and components parts thereof  |             | 3,126,796,773                                 | 4,090,125,840                                 |
| ii Pressed parts/components/sub assemblies and assemblies there from for various aggregates of automobiles |             | 1,006,218,916                                 | 794,993,799                                   |
| <b>Total</b>   |             | <b>4,133,015,689</b>                          | <b>4,885,119,639</b>                          |
| Information about major customers.   |             |   |   |
| (a) Tata Motors Limited (TML)  |             | 3,566,972,376                                 | 4,340,401,071                                 |
| (b) Others   |             | 566,043,313                                   | 544,718,568                                   |
| <b>Total</b>   |             | <b>4,133,015,689</b>                          | <b>4,885,119,639</b>                          |

No other single customer contributed 10% or more to the Company's revenue for both 2018-19 and 2017-18.

- (ii) In accordance with the requirements of Ind AS, revenue for the year ended 31 March 2019 is net of GST. However, revenue for the period up to 30 June 2017 is inclusive of excise duty and revenue for the period from 1 July 2017 to 31 March 2018 is net of GST.

(iii) **Details of contracts balances:**

The following table provides information about trade receivables and contract liabilities from contracts with customers:

|   | For the year ended<br>31 March 2019 |
|---|-------------------------------------|
| Trade receivable (net of allowance for credit impaired) | 677,002,262                         |
| Contract liabilities (Advance from customers)           | 42,414,383                          |

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised as and when control in promised goods is transferred.

Significant changes in the contract liability balances during the year ended 31 March 2019 are as follows:

|   |              |
|---|--------------|
| Contract liabilities at the beginning of the year   | 69,439,719   |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | (56,883,872) |
| Increase due to cash received, excluding amounts recognised as revenue during the year              | 29,858,536   |
| Contract liabilities at the end of the year   | 42,414,383   |

(iv) **Performance obligations**

The Company satisfies its performance obligations pertaining to the sale of bus bodies and pressing segment items at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract and do not contain any financing component. The payment is generally due within 30-45 days. There are no other significant obligations attached in the contract with customer.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

- (v) **Transaction price**  
There is no remaining performance obligation for any contract for which revenue has been recognised till period end.
- (vi) **Determining the timing of satisfaction of performance obligations**  
There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.
- (vii) **Determining the transaction price and the amounts allocated to performance obligations**  
The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price.
- (viii) **Cost to obtain contract or fulfil a contract**  
There is no cost incurred for obtaining or fulfilling contract with customers.

|   | Rupees      | For the year ended<br>31 March 2019<br>Rupees | For the year ended<br>31 March 2018<br>Rupees |
|---|-------------|---|---|
| <b>22) Other Income</b>   |             |   |   |
| (a) Interest income   |             |   |   |
| (i) on bank deposits  | 325,341     |   | 387,639                                       |
| (ii) on inter corporate deposits  | 79,324,250  |   | 75,202,255                                    |
| (iii) on corporate deposits   | 6,308,572   |   | 800,000                                       |
| (iv) other  | 294,371     |   | 1,527,568                                     |
|   |             | 86,252,534                                    | 77,917,462                                    |
| (b) Dividend on current investments   |             | 5,369,437                                     | 546,728                                       |
| (c) Fair valuation Increase on investments                                      |             | 297,362                                       | -   |
| (d) Other non-operating income  |             | 8,106,321                                     | 3,710,496                                     |
| <b>Total</b>  |             | <b>100,025,654</b>                            | <b>82,174,686</b>                             |
| <b>23) Cost of materials consumed</b>   |             | <b>2,749,741,726</b>                          | <b>3,302,742,575</b>                          |
| <b>Total</b>  |             | <b>2,749,741,726</b>                          | <b>3,302,742,575</b>                          |
| <b>24) Changes in inventories of finished goods, work-in-progress and scrap</b> |             |   |   |
| <b>Opening stock</b>  |             |   |   |
| Finished Goods (Goods in transit)   | 8,333,694   |   | 2,524,360                                     |
| Work-in-progress  | 161,710,656 |   | 194,657,930                                   |
| Scrap   | 1,716,751   |   | 1,021,596                                     |
|   | 171,761,101 |   | 198,203,886                                   |
| <b>Closing stock</b>  |             |   |   |
| Finished Goods (Goods in transit)   | 2,836,966   |   | 8,333,694                                     |
| Work-in-progress  | 164,622,662 |   | 161,710,656                                   |
| Scrap   | 1,876,730   |   | 1,716,751                                     |
|   | 169,336,358 |   | 171,761,101                                   |
| <b>Total</b>  |             | <b>2,424,743</b>                              | <b>26,442,785</b>                             |
| <b>25) Employee benefits expense</b>  |             |   |   |
| (a) Salaries and wages  | 379,507,993 |   | 331,145,032                                   |
| (b) Contribution to provident and other funds (Refer note 35)                   | 55,407,103  |   | 53,129,640                                    |
| (c) Staff welfare expenses  | 32,931,480  |   | 48,321,720                                    |
| <b>Total</b>  |             | <b>467,846,576</b>                            | <b>432,596,392</b>                            |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019**

|   | Rupees            | For the year ended<br>31 March 2019<br>Rupees | For the year ended<br>31 March 2018<br>Rupees |
|---|-------------------|---|---|
| <b>26) Finance costs</b>  |                   |   |   |
| (a) Interest expense on   |                   |   |   |
| (i) Cash credit accounts with bank  | 1,112,515         |   | 1,833,947                                     |
| (ii) Trade payables   | 123,016           |   | 97,188  |
| (iii) Others  | 205,720           |   | 1,922,459                                     |
| <b>Total</b>  |                   | <b>1,441,251</b>                              | <b>3,853,594</b>                              |
| <b>27) Other expenses</b>   |                   |   |   |
| (a) Consumption of stores and spare parts   | 205,172,374       |   | 219,295,998                                   |
| (b) Excise duty on finished goods   | -                 |   | (416,801)                                     |
| (c) Power and Fuel  | 42,091,998        |   | 43,297,303                                    |
| (d) Rent (Refer note 31)  | 2,469,735         |   | 2,398,101                                     |
| (e) Repairs and maintenance:  |                   |   |   |
| - buildings   | 14,403,456        |   | 20,337,608                                    |
| - machinery   | 7,351,975         |   | 7,732,943                                     |
| - others  | 1,904,998         |   | 1,628,286                                     |
|   | <b>23,660,429</b> |   | <b>29,698,837</b>                             |
| (f) Insurance   | 2,791,914         |   | 3,190,078                                     |
| (g) Rates and taxes   | 1,948,949         |   | 1,772,186                                     |
| (h) Fair valuation loss on investments  | -                 |   | 1,706,002                                     |
| (i) Processing / labour charges   | 318,688,234       |   | 377,888,970                                   |
| (j) Packing, freight and forwarding expenses  | 47,878,202        |   | 45,709,055                                    |
| (k) Expenditure on corporate social responsibility (Refer note 34)  | 5,962,265         |   | 6,801,929                                     |
| (l) Miscellaneous expenses  | 77,762,718        |   | 113,173,619                                   |
| <b>Total</b>  |                   | <b>728,426,818</b>                            | <b>844,515,277</b>                            |
|   |                   | <b>As at<br/>31 March 2019<br/>Rupees</b>     | <b>As at<br/>31 March 2018<br/>Rupees</b>     |
| 28) Estimated amount of contracts remaining to be executed on Capital Account and not provided for.   |                   | 959,467                                       | 920,550                                       |
| 29) The Company is involved in the following appellate, judicial and arbitration proceeding matters arising in the course of conduct of the Company's businesses. In few of the proceedings in respect of matters under litigation are in early stages, and in other cases, the claims are indeterminate. Contingent liability in respect of:<br>Claims against the Company not acknowledged as debt:   |                   |   |   |
| (i) Disputed demands of excise authorities  |                   |   |   |
| a) - Pending before the Commissioner of Central Excise (Appeals)  |                   | 51,625,648                                    | 51,625,648                                    |
| b) - Pending before CESTAT  |                   | 39,134,984                                    | 39,134,984                                    |
| (ii) Disputed demand of Commercial Tax Authority  |                   |   |   |
| c) - Pending before Additional Commissioner of Commercial Taxes   |                   | 22,483,152                                    | -   |
| (iii) Penalty proposed to be levied by the Securities and Exchange Board of India (SEBI) for alleged violation of regulation 6 and 8 of SEBI (Substantial acquisition of shares and takeovers) Regulations 1997 (pending before the Adjudicating Officer) notice dated 21.07.2004.  |                   | 175,000                                       | 175,000                                       |
| (iv) d) Income Tax Department has gone into Appeal in the Supreme Court against the order of the High Court dismissing their Review Application in the matter of depreciation not claimed by the Company in assessment year 1990-91. The Company has filed a counter affidavit with Supreme Court against the appeal. Vide Order dated August 12, 2016, Supreme Court has disposed off Appeal filed by IT Dept. The Supreme Court has allowed the appeals and set aside both the Orders dated 25.08.2010 and 28.03.2012 passed by the High Court in Tax Appeal No. 7 of 2004 and Civil Application (Review) no. 26 of 2010 and requested the High Court to decide upon the Review Petition and thereafter Appeal itself, if so on merits. The Supreme Court has also made it clear that they have expressed no opinion on the merits of the contentions of the parties. The High Court has restored back the appeal to ITAT, who has allowed the appeal and restored the issue to the office of Assessing Officer directing Assessing Officer for re-examining the issue after providing an opportunity of being heard. |                   | 3,732,969                                     | 3,732,969                                     |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

- (v) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively. Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The Provision for the same, has not been made prospectively from the date of the SC order, as the amount is not material.

A number of contingent liabilities have arisen as a result of

- Show cause notice for wrong availment of Modvat by Central Excise which was procedural and technical in nature and similar case decision was given in Company's favour. Decision made by Commissioner Excise (Appeals) in favour of ACGL for restoration of cervat reversal whereas appeal filed by Excise department against the Commissioner (Appeals) was remanded back to adjudicating authorities.
- Appeal filed by Company against Rule 10 A where any liability arising out of demand will be reimbursed by Tata Motors Limited.
- Disallowance of ITC availed on entry tax paid through credit account.
- Income Tax notional demand for penalty was dismissed by High Court. Thereafter set aside by Supreme court and sent back to High Court to review. The High Court has restored back the appeal to ITAT.

The management believes that, the aforesaid claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of these matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Company may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a "material adverse effect on net income in the respective reported period."

| 30) <b>Payment to auditors</b>  | <b>For the year ended<br/>31 March 2019<br/>Rupees</b> | <b>For the year ended<br/>31 March 2018<br/>Rupees</b> |
|---|--|--|
| (i) for audit   | 2,780,000  | 2,375,000  |
| (ii) for reimbursement of expenses  | 588,833  | 203,538  |
| (iii) for other services  | 270,000  | 75,000   |
|   | <b>3,638,833</b>                                       | <b>2,653,538</b>                                       |
| 31) <b>Operating lease rentals</b><br>Lease rentals charged to the statement of profit and loss in respect of certain sheds and residential premises taken on cancellable operating lease.  | <b>620,877</b>   | 549,243  |
| 32) <b>Earnings per share (EPS)</b><br><br>Earnings per share (EPS) is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:-<br><br>Profit for the year from continuing operations. <span style="float: right;">208,648,688</span><br>Weighted average number of shares outstanding during the year <span style="float: right;">6,421,622</span><br>Basic and Diluted EPS (Rupees) <span style="float: right;">32.49</span><br>Nominal value per share (Rupees) <span style="float: right;">10.00</span> |  | 201,562,057<br>6,421,622<br>31.39<br>10.00             |
| 33) <b>Warranty provision</b><br>Warranty pertains to replacement of defective parts and expenses incurred in relation to rectification of workmanship defects.   |  |  |
| <b>Particulars</b>  | <b>As at<br/>31 March 2019<br/>Rupees</b>              | <b>As at<br/>31 March 2018<br/>Rupees</b>              |
| Opening carrying amount   | 6,928,186  | 10,238,875   |
| Provision during the year   | 12,665,678   | 11,777,154   |
| Amount released during the year   | 6,001,235  | 8,903,135  |
| Excess Provision written back   | 7,142,210  | 6,184,708  |
| Closing carrying amount   | <b>6,450,419</b>                                       | 6,928,186  |
| The outflow on this count can arise any time during the period of 18/24 months  |  |  |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

34) Corporate Social Responsibility

| Sr. No | Particulars   | For the year ended<br>31 March, 2019<br>Rupees | For the year ended<br>31 March 2018<br>Rupees |
|--------|---|--|---|
| 1      | Gross amount required to be spent during the year as per the section 135 of the Act | 5,920,230                                      | 5,400,100                                     |
| 2      | Amount spent during the year  |  |   |
|        | (i) Construction/acquisition of any assets  | -  | -   |
|        | (ii) On purpose other than (i) above  | 5,962,265                                      | 6,801,929                                     |
| 3      | Unspent amount in current year  | -  | -   |

35) Employee Benefits

A Defined benefit plan

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable to each completed year of service as per the Trust deed. Vesting occurs upon completion of 5 years of service.

The amount recognised in balance sheet and movements in the net defined benefit obligation over the year are as follows:

|  | As at<br>31 March 2019<br>Rupees | As at<br>31 March 2018<br>Rupees |
|--|----------------------------------|----------------------------------|
| <b>I. Change in present value of obligation.</b>   |                                  |                                  |
| Present value of benefit obligation at beginning of the year   | 147,553,646                      | 140,603,465                      |
| Current service cost   | 10,281,271                       | 9,978,011                        |
| Interest cost  | 11,538,695                       | 10,559,319                       |
| Actuarial loss / (gain)  | 10,222,173                       | (8,558,565)                      |
| Benefits paid  | (3,100,143)                      | (5,028,584)                      |
| Defined benefit obligation at year end   | 176,495,642                      | 147,553,646                      |
| <b>II. Change in fair value of plan assets</b>   |                                  |                                  |
| Fair value of plan assets at beginning of the year   | 124,065,177                      | 113,800,945                      |
| Expected return on plan assets   | 9,701,897                        | 8,546,451                        |
| Actuarial (loss)   | (969,105)                        | (596,046)                        |
| Employer contribution  | 7,735,837                        | 7,342,411                        |
| Benefits paid  | (3,100,143)                      | (5,028,584)                      |
| Fair value of plan assets at year end  | 137,433,663                      | 124,065,177                      |
| <b>III. Present value of benefits obligation at the end of the year</b>                                    |                                  |                                  |
| Present value of obligation as at 31 March 2019  | 176,495,642                      | 147,553,646                      |
| Fair value of plan assets as at 31 March 2019  | 137,433,663                      | 124,065,177                      |
| Amount recognized in Balance Sheet [liability]   | (39,061,979)                     | (23,488,469)                     |
| <b>IV. Expense recognized during the year (Under the head "Employee benefits expense" - Refer note 25)</b> |                                  |                                  |
| Current service cost   | 10,281,271                       | 9,978,011                        |
| Net interest cost  | 1,836,798                        | 2,012,869                        |
| Net cost recognised in the statement of profit and loss  | 12,118,069                       | 11,990,880                       |
| <b>V. Expense recognized in other comprehensive income</b>   |                                  |                                  |
| Actuarial Losses / (Gains) on obligation for the year  | 10,222,173                       | (8,558,565)                      |
| Return on plan assets, excluding interest income   | 969,105                          | 596,046                          |
| Total actuarial losses recognised in OCI   | 11,191,278                       | (7,962,519)                      |
| <b>VI. Actuarial assumptions</b>   |                                  |                                  |
| Discount rate (per annum)  | 7.47%                            | 7.82%                            |
| Expected rate of return on plan assets (per annum)   | 7.47%                            | 7.82%                            |
| Salary escalation  | 5.00%                            | 5.00%                            |
| Remaining years of service   | 11.38                            | 12.34                            |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

|  | As at<br>31 March 2019<br>Rupees | As at<br>31 March 2018<br>Rupees |
|--|----------------------------------|----------------------------------|
| <b>VII.</b> The amounts of present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the current annual period and previous annual period are as under:   |                                  |                                  |
| Present value of defined benefit obligation  | 176,495,642                      | 147,553,646                      |
| Fair value of the plan assets  | 137,433,663                      | 124,065,177                      |
| Surplus or (Deficit) in the plan   | (39,061,979)                     | (23,488,469)                     |
| Experience adjustment  |                                  |                                  |
| - On plan liability (gain) / loss  | 10,222,173                       | (8,558,565)                      |
| - On plan assets gain / (loss)   | 969,105                          | 596,046                          |
| <b>VIII.</b> The assumptions of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment.   |                                  |                                  |
| Sensitivity analysis   |                                  |                                  |
| Projected benefit obligation on current assumptions  | 176,495,642                      | 147,553,646                      |
| Delta effect of +1% change in rate of discounting  | (10,387,366)                     | (9,443,752)                      |
| Delta effect of -1% change in rate of discounting  | 11,404,349                       | 10,422,098                       |
| Delta effect of +1% change in rate of salary increase  | 11,570,210                       | 10,610,323                       |
| Delta effect of -1% change in rate of salary increase  | (10,717,761)                     | (9,773,503)                      |
| Delta effect of +1% change in rate of employee turnover  | 1,471,791                        | 1,650,076                        |
| Delta effect of -1% change in rate of employee turnover  | (1,574,136)                      | (1,769,443)                      |
| The Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Further more, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligations liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.    |                                  |                                  |
| <b>IX.</b> The Company has invested in assets which are insurer managed funds.   |                                  |                                  |
| <b>B Defined contribution plans</b>  |                                  |                                  |
| <b>I.</b> Contributions are made to recognized provident fund trust established by the Company and Family Pension Fund which covers eligible employees of the Company. Employees and the Company make monthly contributions at a specified percentage of the covered employees salary (currently 12% of the employee's salary). The contribution as specified under the law are paid to the provident fund trust. Contribution towards Pension fund is paid to the Regional Provident fund commissioner at specified percentage of the covered employee's salary on the monthly basis. Amount recognised as expense in respect of these defined contribution plans, aggregate to Rs. 18,595,985 (Previous year Rs.18,373,347). |                                  |                                  |
| <b>II.</b> The Company has a superannuation plan (defined contribution plan). The Company maintains separate irrevocable trust for employees covered and entitled to benefits. The Company has obtained insurance policy with Life Insurance Corporation of India. The company contributes 15% eligible employees salary to the trust every year. Amount recognised as expense in respect of this defined contribution plans, aggregate to Rs. 24,693,049 (Previous year Rs. 22,765,413).  |                                  |                                  |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019**
**36) Related Party Disclosures**

a) Name of related parties and nature of relationship:

| <b>Name of the party</b>                                     | <b>Relationship</b>   |
|--|---|
| Tata Motors Limited  | Enterprise exercising significant influence                       |
| Tata Cummins Private Limited                                 | The entity and the reporting entity are members of the same group |
| Tata Marcopolo Motors Limited                                | The entity and the reporting entity are members of the same group |
| Tata Technologies Limited                                    | The entity and the reporting entity are members of the same group |
| TML Distribution Company Limited                             | The entity and the reporting entity are members of the same group |
| Mr. O. V. Ajay   | Key Management Personnel - CEO & Executive Director               |
| Mr. Raghwendra Singh Butola                                  | Key Management Personnel - Chief Financial Officer                |
| Mrs. Manisha Naik Shirgaonkar (from 8 January 2018)          | Key Management Personnel - Company Secretary                      |
| Mr. Pravin Satardekar (up to 30 September 2017)              | Key Management Personnel - Company Secretary                      |
| Mr. Shrinivas Dempo  | Independent Director (Chairman)                                   |
| Mr. Ravindra Pisharody (up to 28 July 2018)                  | Non - Executive Director  |
| Mr. Steven A. Pinto  | Independent Director  |
| Mr. R. Ramakrishnan (up to 28 July 2018)                     | Non - Executive Director  |
| Dr. Vajjayanti Pandit  | Independent Director  |
| Mr. Yatin Kakodkar   | Independent Director  |
| Mr. Rohit Srivastava (w.e.f. 27 April 2018)                  | Non - Executive Director  |
| Mr. Abhay Bawale (w.e.f. 26 June 2017)                       | Non- Executive Director   |
| Mr. Girish Wagh (w.e.f. 30 October 2017)                     | Non - Executive Director  |
| Automobile Corporation of Goa Limited - Provident Fund Trust | Employees' benefit plans where there is a significant influence   |

b) Details of transactions with related parties for the year :

**(in Rupees)**

| <b>Nature of Transactions</b>                              | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |
|--|---|---|
| <b>1. Tata Motors Limited</b>                              |   |   |
| Sale of goods  | <b>4,366,139,162</b>                        | 5,327,140,306                               |
| Purchase of goods  | <b>485,253</b>                              | 79,128,429                                  |
| Bad debts written off                                      | <b>71,829</b>                               | 9,849                                       |
| Interim dividend paid                                      | <b>14,911,070</b>                           | 14,911,070                                  |
| Final dividend paid  | <b>37,277,675</b>                           | 37,277,675                                  |
| Expenses (recovered from Tata Motors Limited)              | <b>8,969,897</b>                            | 4,470,020                                   |
| Deputation charges   |   |   |
| - Mr. O. V. Ajay   | <b>8,393,600</b>                            | 8,336,547                                   |
| - Chief Internal Auditor                                   | <b>586,151</b>                              | 1,498,378                                   |
| Warranty expenses recovered by Tata Motors Limited         | <b>12,613,120</b>                           | 5,464,632                                   |
| Cenvat benefit availed                                     | -   | 118,188,216                                 |
| Cenvat benefit adjusted                                    | -   | 136,169,596                                 |
| Discount given to TML on spares Sales                      | <b>2,657,991</b>                            | -   |
| IT support services  | <b>92,436</b>                               | 176,032                                     |
| TCS Board Apps   | <b>503,674</b>                              | -   |
| Royalty expenses   | <b>51,300</b>                               | 75,296                                      |
| Inter corporate deposit given                              | <b>470,000,000</b>                          | 590,000,000                                 |
| Inter corporate deposit repaid                             | <b>800,000,000</b>                          | 590,000,000                                 |
| Interest received accrued on inter corporate deposit given | <b>24,213,630</b>                           | 41,613,356                                  |





| Nature of Transactions  | (in Rupees)                         |                                     |
|---|-------------------------------------|-------------------------------------|
|   | For the year ended<br>31 March 2019 | For the year ended<br>31 March 2018 |
| <b>2. Tata Cummins Private Limited</b>  |                                     |                                     |
| Sale of goods   | 361,827,305                         | 300,188,760                         |
| <b>3. Tata Marcopolo Motors Limited</b>   |                                     |                                     |
| Sale of goods   | 2,172,498                           | 10,101,241                          |
| <b>4. Tata Technologies Limited</b>   |                                     |                                     |
| Support services  | 236,000                             | 236,000                             |
| <b>Employees' Benefit Plans where there is a significant influence - Provident Fund Trust</b> |                                     |                                     |
| Provident fund contribution deposited   | 48,779,440                          | 47,783,735                          |
| <b>Remuneration</b>   |                                     |                                     |
| Mr. O. V. Ajay (directly paid by the Company)   | 6,861,832                           | 6,542,388                           |
| Mr. Raghendra Singh Butola  | 6,628,948                           | 5,638,445                           |
| Mr. Pravin Satardekar (up to 30 September 2017)   | -                                   | 1,187,101                           |
| Mrs. Manisha Naik Shirgaonkar (from 8 January 2018)   | 838,017                             | 214,826                             |
| <b>Commission other benefits to Non - Executive and Independent Directors</b>                 |                                     |                                     |
| Commission  | 3,000,000                           | 3,200,000                           |
| Sitting fees  | 2,910,000                           | 3,045,000                           |

**Balance outstanding as at the year end**

|  | For the year ended<br>31 March 2019 | For the year ended<br>31 March, 2018 |
|--|-------------------------------------|--------------------------------------|
| <b>1. Tata Motors Limited</b>                                |                                     |                                      |
| Trade payables   | 405,443                             | 5,575,363                            |
| Trade receivables  | 643,287,656                         | 509,520,968                          |
| Inter corporate deposit placed and outstanding               | 230,000,000                         | 560,000,000                          |
| Advance from customer  | 5,965,027                           | 7,662,527                            |
| <b>2. Tata Cummins Private Limited</b>                       |                                     |                                      |
| Trade receivables  | 22,379,973                          | 23,805,686                           |
| Advance from customer  | 6,062,759                           | -                                    |
| <b>3. Tata Marcopolo Motors Limited</b>                      |                                     |                                      |
| Trade receivables  | -                                   | 1,322,075                            |
| <b>4. Tata Technologies Limited</b>                          |                                     |                                      |
| Trade payables   | -                                   | 118,000                              |
| <b>5. TML Distribution Company Limited</b>                   |                                     |                                      |
| Trade receivables  | 1,249,781                           | 1,249,781                            |
| Managerial Remuneration                                      | 9,536,486                           | 8,929,289                            |
| Automobile Corporation of Goa Limited - Provident Fund Trust | 4,106,886                           | 3,976,560                            |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019**

**37) Segment information**

- (a) The Company has identified business segments as reportable segments.  
The Company has two business segments:-
  - i) Pressing division - manufacturing of pressed parts, components, sub-assemblies and assemblies for various range of automobiles.
  - ii) Bus Body building division - manufacturing of Bus bodies and component parts for bus bodies.
- (b) Inter-segment transfer pricing  
Inter-segment transfers are made at transfer price.
- (c) Common expenses  
Common expenses are allocated to different segments on reasonable basis as considered appropriate.

| Particulars  | Previous Year        |                            |                    |                      |                    | Total                |                            |                      |
|--|----------------------|----------------------------|--------------------|----------------------|--------------------|----------------------|----------------------------|----------------------|
|  | Pressing division    | Bus Body building division | Eliminations       | Total                | Pressing division  |                      | Bus Body building division | Eliminations         |
| <b>Revenue</b>   |                      |                            |                    |                      |                    |                      |                            |                      |
| From external customers  | 1,088,208,742        | 3,173,521,489              | -                  | 4,261,730,231        | 856,898,557        | 4,141,583,692        | -                          | 4,998,482,249        |
| Add: Inter-segment sales   | 6,067,940            | -                          | (6,067,940)        | -                    | 20,619,260         | -                    | (20,619,260)               | -                    |
| <b>Total revenue</b>   | <b>1,094,276,682</b> | <b>3,173,521,489</b>       | <b>(6,067,940)</b> | <b>4,261,730,231</b> | <b>877,517,817</b> | <b>4,141,583,692</b> | <b>(20,619,260)</b>        | <b>4,998,482,249</b> |
| <b>Result</b>  |                      |                            |                    |                      |                    |                      |                            |                      |
| <b>Segment result</b>  | <b>129,108,935</b>   | <b>113,209,867</b>         | <b>-</b>           | <b>242,318,802</b>   | <b>121,345,634</b> | <b>154,000,389</b>   | <b>-</b>                   | <b>275,346,023</b>   |
| Unallocated corporate expenses   |                      |                            |                    | (23,591,706)         |                    |                      |                            | (25,931,343)         |
| Operating profit   |                      |                            |                    | 218,727,096          |                    |                      |                            | 249,414,680          |
| Other income   |                      |                            |                    | 4,819,075            |                    |                      |                            | 3,227,045            |
| Finance cost   |                      |                            |                    | (1,441,251)          |                    |                      |                            | (3,853,594)          |
| Unallocated other income   |                      |                            |                    | 95,206,579           |                    |                      |                            | 78,947,641           |
| Profit before tax  |                      |                            |                    | 317,311,499          |                    |                      |                            | 327,735,772          |
| Tax expense  |                      |                            |                    | 108,662,811          |                    |                      |                            | 126,173,715          |
| Net profit after tax (before OCI)  |                      |                            |                    | 208,648,688          |                    |                      |                            | 201,562,057          |
| <b>Other information</b>   |                      |                            |                    |                      |                    |                      |                            |                      |
| <b>Segment assets</b>  | <b>456,098,343</b>   | <b>1,382,835,273</b>       | <b>-</b>           | <b>1,838,933,616</b> | <b>446,582,655</b> | <b>1,332,367,765</b> | <b>-</b>                   | <b>1,778,950,420</b> |
| Unallocated corporate assets   |                      |                            |                    | 1,159,786,982        |                    |                      |                            | 1,327,101,456        |
| <b>Total assets</b>  | <b>107,546,715</b>   | <b>726,565,685</b>         | <b>-</b>           | <b>2,998,720,598</b> | <b>134,956,901</b> | <b>796,987,029</b>   | <b>-</b>                   | <b>3,106,051,876</b> |
| <b>Segment liabilities</b>   |                      |                            |                    |                      |                    |                      |                            |                      |
| Unallocated corporate liabilities  |                      |                            |                    | 834,112,400          |                    |                      |                            | 931,943,930          |
| <b>Total liabilities</b>   | <b>3,441,898</b>     | <b>12,688,569</b>          | <b>-</b>           | <b>16,130,467</b>    | <b>2,071,241</b>   | <b>28,281,982</b>    | <b>-</b>                   | <b>30,353,223</b>    |
| <b>Capital expenditure during the year</b>                               | <b>21,125,539</b>    | <b>31,657,709</b>          | <b>-</b>           | <b>52,783,248</b>    | <b>20,430,297</b>  | <b>32,652,640</b>    | <b>-</b>                   | <b>53,082,937</b>    |
| -Additions to segment assets   |                      |                            |                    | 78,065               |                    |                      |                            | 78,065               |
| <b>Depreciation/Amortisation</b>   |                      |                            |                    |                      |                    |                      |                            |                      |
| Unallocated corporate depreciation                                       |                      |                            |                    |                      |                    |                      |                            |                      |
| <b>Significant non-cash expense other than depreciation/amortisation</b> |                      |                            |                    |                      |                    |                      |                            |                      |
| Provision for doubtful debts/advances                                    | -                    | -                          | -                  | -                    | -                  | -                    | -                          | -                    |
| Bad debts/advances written off   | -                    | 71,829                     | -                  | 71,829               | -                  | 9,849                | -                          | 9,849                |
| Provision for doubtful debts written back                                | -                    | (41,360)                   | -                  | (41,360)             | -                  | -                    | -                          | -                    |
| Unrealised exchange differences  | 13,800               | -                          | -                  | 13,800               | -                  | (8,948)              | -                          | (8,948)              |

The Company does not have any reportable secondary (geographical) segments.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019**

38)

**Financial Instruments - Fair values and risk management**

(in Rupees)

i. The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy.

| Financial assets                                    | Note | Fair value through profit or loss | Carrying amount                               |                      |                      | Fair value |                   |          |
|---|------|-----------------------------------|---|----------------------|----------------------|------------|-------------------|----------|
|   |      |                                   | Fair value through other Comprehensive income | Amortised cost       | Total carrying value | Level 1    | Level 2           | Level 3  |
| As at 31 March 2018                                 |      |                                   |   |                      |                      |            |                   |          |
| <i>Financial assets measured at fair value</i>      |      |                                   |   |                      |                      |            |                   |          |
| Investments - mutual funds                          | 9    | 31,793,997                        | -   | -                    | 31,793,997           | -          | 31,793,997        | -        |
| <i>Financial assets not measured at fair value*</i> |      |                                   |   |                      |                      |            |                   |          |
| Trade receivables                                   | 10   | -                                 | -   | 582,545,105          | 582,545,105          | -          | -                 | -        |
| Cash and cash equivalents                           | 11   | -                                 | -   | 301,341              | 301,341              | -          | -                 | -        |
| Other bank balances                                 | 12   | -                                 | -   | 20,724,783           | 20,724,783           | -          | -                 | -        |
| Loans   | 5    | -                                 | -   | 1,233,418,226        | 1,233,418,226        | -          | -                 | -        |
| Other financial assets                              | 6    | -                                 | -   | 22,920,438           | 22,920,438           | -          | -                 | -        |
| <b>Total financial assets</b>                       |      | <b>31,793,997</b>                 | <b>-</b>                                      | <b>1,859,909,893</b> | <b>1,891,703,890</b> | <b>-</b>   | <b>31,793,997</b> | <b>-</b> |
| As at 31 March 2019                                 |      |                                   |   |                      |                      |            |                   |          |
| <i>Financial assets measured at fair value</i>      |      |                                   |   |                      |                      |            |                   |          |
| Investments - mutual funds                          | 9    | 71,591,360                        | -   | -                    | 71,591,360           | -          | 71,591,360        | -        |
| <i>Financial assets not measured at fair value*</i> |      |                                   |   |                      |                      |            |                   |          |
| Trade receivables                                   | 10   | -                                 | -   | 677,002,262          | 677,002,262          | -          | -                 | -        |
| Cash and cash equivalents                           | 11   | -                                 | -   | 17,045,130           | 17,045,130           | -          | -                 | -        |
| Other bank balances                                 | 12   | -                                 | -   | 19,549,483           | 19,549,483           | -          | -                 | -        |
| Loans   | 5    | -                                 | -   | 1,002,005,570        | 1,002,005,570        | -          | -                 | -        |
| Other financial assets                              | 6    | -                                 | -   | 31,863,162           | 31,863,162           | -          | -                 | -        |
| <b>Total financial assets</b>                       |      | <b>71,591,360</b>                 | <b>-</b>                                      | <b>1,747,465,607</b> | <b>1,819,056,967</b> | <b>-</b>   | <b>71,591,360</b> | <b>-</b> |

| Financial liabilities                                    | Note | Fair value through profit or loss | Carrying amount                               |                    |                      | Fair value |          |          |
|--|------|-----------------------------------|---|--------------------|----------------------|------------|----------|----------|
|  |      |                                   | Fair value through other Comprehensive income | Amortised cost     | Total carrying value | Level 1    | Level 2  | Level 3  |
| As at 31 March 2018                                      |      |                                   |   |                    |                      |            |          |          |
| <i>Financial liabilities not measured at fair value*</i> |      |                                   |   |                    |                      |            |          |          |
| Borrowings   | 17   | -                                 | -   | 59,328,940         | 59,328,940           | -          | -        | -        |
| Trade payables   | 18   | -                                 | -   | 720,987,599        | 720,987,599          | -          | -        | -        |
| Other financial liabilities                              | 19   | -                                 | -   | 22,192,035         | 22,192,035           | -          | -        | -        |
| <b>Total financial liabilities</b>                       |      | <b>-</b>                          | <b>-</b>                                      | <b>802,508,574</b> | <b>802,508,574</b>   | <b>-</b>   | <b>-</b> | <b>-</b> |
| As at 31 March 2019                                      |      |                                   |   |                    |                      |            |          |          |
| <i>Financial liabilities not measured at fair value*</i> |      |                                   |   |                    |                      |            |          |          |
| Borrowings   | 17   | -                                 | -   | -                  | -                    | -          | -        | -        |
| Trade payables   | 18   | -                                 | -   | 614,260,612        | 614,260,612          | -          | -        | -        |
| Other financial liabilities                              | 19   | -                                 | -   | 64,290,312         | 64,290,312           | -          | -        | -        |
| <b>Total financial liabilities</b>                       |      | <b>-</b>                          | <b>-</b>                                      | <b>678,550,924</b> | <b>678,550,924</b>   | <b>-</b>   | <b>-</b> | <b>-</b> |

\* Financials assets and liabilities such as trade receivables, cash and cash equivalents, other bank balances, inter corporate deposits, advances to employees, interest accrued, subsidy receivable from Government, cash credit account, trade payables, unpaid dividends, payable for voluntary retirement scheme and other financial liabilities are largely short term in nature. The fair value of these financial assets and liabilities approximate their carrying amount due to the short term nature of such assets and liabilities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

ii. Measurement of fair values

Level 1: level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: level 2 hierarchy includes fair value of the financial instruments that are not traded in an active market. Fair value of these financial instruments is determined using valuation, which maximise the use of observable market data and rely as little as possible on entity specific estimates. Investments in mutual funds are valued using the closing net assets value (NAV).

Level 3: level 3 hierarchy includes financial instruments that are not based on the observable market data.

iii. Risk management framework

The risk management process is coordinated by the management assurance functions and is regularly reviewed by the Company's audit committee. The audit committee meets regularly to review risks as well as the progress against the planned actions. Key business decisions are also discussed at the periodic meetings of the audit committee and the board of directors. The overall internal control environment and risk management programme including financial risk management is reviewed by the audit committee and the board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency.
- identify, control and monitor key risks.
- identify risk accumulations.
- provide management with reliable information on the Company's risk situation.
- improve financial returns.

The Company has exposure to the following risks arising from financial instruments:

(i) **Market risk**

The Company's activities does not expose it to the financial risks of changes in foreign currency exchange rates and interest rates.

(ii) **Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

(iii) **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, the Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2019.

| Particulars                                       | Carrying amount | Due in 1st year |
|---|-----------------|-----------------|
| <b>Financial Liabilities</b>                      |                 |                 |
| (a) Borrowings                                    | -               | -               |
| (b) Trade payables                                | 614,260,612     | 614,260,612     |
| (c) Other financial liabilities at amortised cost | 64,290,312      | 64,290,312      |

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2018.

| Particulars                                       | Carrying amount | Due in 1st year |
|---|-----------------|-----------------|
| <b>Financial Liabilities</b>                      |                 |                 |
| (a) Borrowings                                    | 59,328,940      | 59,328,940      |
| (b) Trade payables                                | 720,987,599     | 720,987,599     |
| (c) Other financial liabilities at amortised cost | 22,192,035      | 22,192,035      |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AND YEAR ENDED 31 MARCH 2019

As at period end the Company had access to following funding facilities

| Particulars  | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Secured credit facility, reviewed annually and payable at call (refer note - (i)): |               |               |
| - amount used  | -             | 59,328,940    |
| - amount unused  | 100,000,000   | 40,671,060    |

Note (i) - Credit facility includes cash credit, letter of credit, bank guarantee.

### 39) Expenditure incurred on Research and Development

| Sr. No. | Particulars   | For the year ended 31 March 2019<br>Rupees | For the year ended 31 March 2018<br>Rupees |
|---------|---|--|--|
| 1       | Revenue expenditure - charged to statement of profit and loss | 17,480,141                                 | 16,380,342                                 |
| 2       | Capital expenditure   | 877,357                                    | 2,846,041                                  |
|         | <b>Total</b>  | <b>18,357,498</b>                          | <b>19,226,383</b>                          |

40) The Company does not have any long - term contract including derivative contract for which provision would be required for material foreseeable losses.

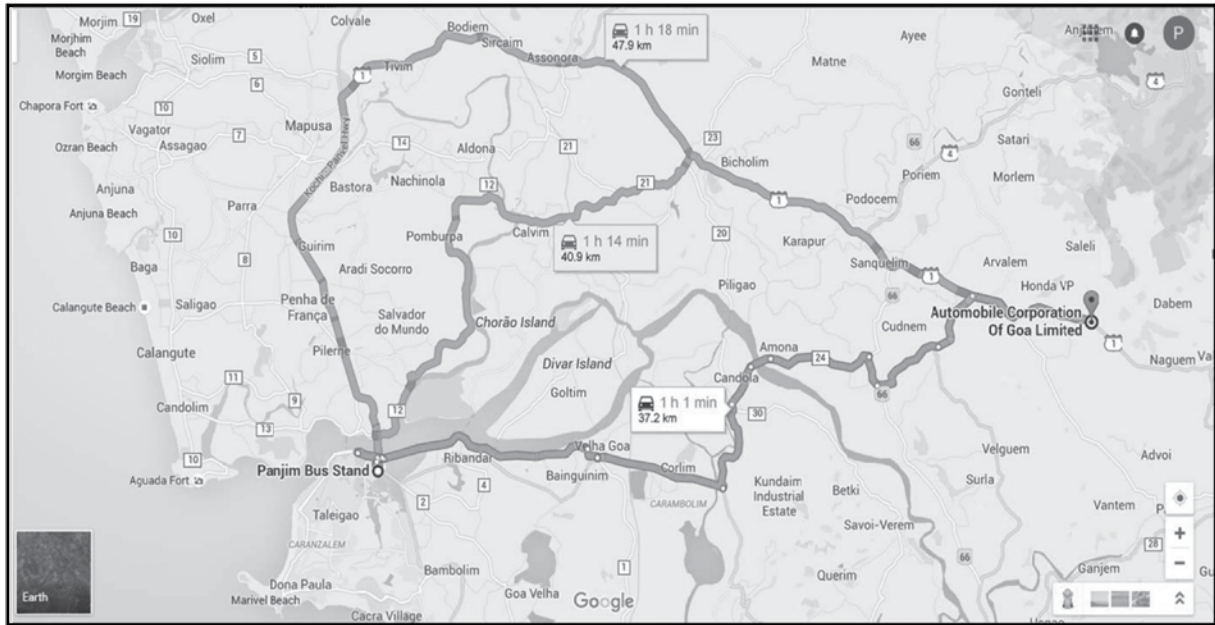
41) Exceptional items includes:

- Expenses of Rs. 41,701,959 (previous year Rs.Nil) towards provision for Voluntary Retirement Scheme of employees at manufacturing facilities at Goa.
- Income of Rs.Nil (previous year Rs. 28,182,000) received from Government of Maharashtra towards grant under Package Scheme of Incentives 2007 for expansion of manufacturing facilities at Jejuri (pressing segment).
- Expense of Rs. Nil (previous year Rs.13,474,978) towards provision for sub-lease charges payable in accordance with Goa-IDC (Transfer & Sub-Lease Regulations), 2018 (bus segment).

42) Current tax expenses for the year ended 31 March 2019 includes tax for earlier years amounting to Rs. 90,550 (previous year Rs. 7,376,473).

|   |  |  |
|---|--|--|
| In terms of our report attached<br>For B S R & Co. LLP<br>Chartered Accountants<br>Firm Registration No. 101248W/W-100022 | <a href="#">Shrinivas Dempo</a><br>Chairman - DIN 00043413   |  |
|   | <a href="#">Steven Pinto</a><br>Director - DIN 00871062      |  |
|   | <a href="#">Girish Wagh</a><br>Director - DIN 03119361       |  |
|   | <a href="#">Vaijayanti Pandit</a><br>Director - DIN 06742237 | <a href="#">O. V. Ajay</a><br>CEO & Executive Director<br>DIN 07042391 |
| <a href="#">Swapnil Dakshindas</a><br>Partner<br>Membership No.113896   | <a href="#">Yatin Kakodkar</a><br>Director - DIN 00001433    | <a href="#">Raghendra Singh Butola</a><br>Chief Financial Officer      |
|   | <a href="#">Abhay Bawale</a><br>Director - DIN 07859752      | <a href="#">Manisha Naik Shirgaonkar</a><br>Company Secretary          |
| Place:Panaji, Goa<br>Dated: 10 May 2019   | <a href="#">Rohit Srivastava</a><br>Director - DIN 07910693  | Place: Panaji, Goa<br>Dated: 10 May 2019                               |

## ROUTE MAP TO THE VENUE OF THE 39<sup>TH</sup> ANNUAL GENERAL MEETING



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### Important Communication to Members

#### A Green Environment Initiative

The Company's philosophy focuses on making the environment greener for the benefit of posterity. In this regard, Your Company encourages its shareholders to register/update the e-mail ids for communication purpose thereby contributing to the environment.

Members may kindly note that the Notice of AGM and the Annual Report will also be available on the Company's website.

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#### E-VOTING PASSWORD



# AUTOMOBILE CORPORATION OF GOA LIMITED

Registered Office & Factory : Honda, Sattari, Goa – 403 530

## ATTENDANCE SLIP

Regd. Folio No. \_\_\_\_\_

\*\* DP ID \_\_\_\_\_

**39<sup>th</sup> Annual General Meeting – June 27, 2019 at 10.00 a.m.**

\*\* Client ID \_\_\_\_\_

I certify that I am a Member/proxy for the member of the Company

I hereby record my presence at the 39<sup>th</sup> Annual General Meeting of the Company held on Thursday 27, 2019 at 10.00 a.m. at the Registered Office at Honda, Sattari, Goa-403 530

\* Member's / Proxy's Name in Block Letters \_\_\_\_\_

\* Member's/Proxy's Signature \_\_\_\_\_

Note:

1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed, at the registration counter.
2. The copy of the Notice may please be brought to the Meeting hall.

**\*Strike out whichever is not applicable**

**\*\*Applicable for investors holding shares in electronic form.**

----- Tear Here -----



# AUTOMOBILE CORPORATION OF GOA LIMITED

Registered Office & Factory : Honda, Sattari, Goa – 403 530

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L35911GA1980PLC000400  
 Name of the company : Automobile Corporation of Goa Limited  
 Registered office : Honda, Sattari, Goa – 403 530

|                          |       |
|--------------------------|-------|
| Name of the member (s) : | _____ |
| Registered address :     | _____ |
| E-mail Id :              | _____ |
| Folio No/ Client Id :    | _____ |
| DP ID :                  | _____ |

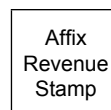
I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature \_\_\_\_\_, or failing him
2. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature \_\_\_\_\_, or failing him
3. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39<sup>th</sup> Annual General meeting of the company, to be held on Thursday the 27<sup>th</sup> day of 2019 at 10.00 a.m. at Honda, Sattari, Goa-403 530 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. **1.** To consider & adopt the Audited Financial Statements together with the Reports of the Directors & Auditors, **2.** To confirm the payment of Interim Dividend & declare Final Dividend, **3.** To appoint a Director in place of Mr Abhay Bawale who retires by rotation and does not seek re-appointment; **4.** To Re-appoint Mr Steven A Pinto as an Independent Director; **5.** To Re-appoint Dr Vijayanti Pandit as an Independent Director; **6.** To approve payment of Commission to Non-Executive & Independent Directors; **7.** To approve the Material Related Party Transactions with Tata Motors Limited and **8.** To approve the Material Related Party Transactions with Tata Cummins Pvt Ltd

Signed this..... day of..... 20....



Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**





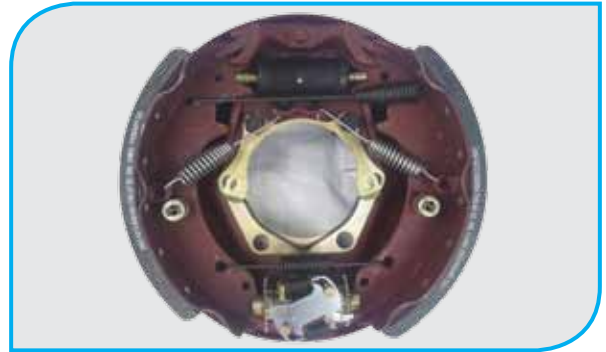




# ACGL PRODUCT RANGE IN SHEET METAL SEGMENT



BSVI Truck Oil Pan



Assy Axle Break Front



COVER GEAR BSIV



Plate Cylinder Block Stiffner



TML OIL PAN Y1 BUS



TML Oil Y1 Truck



TML OIL PAN Y1



Winger

**REGISTERED OFFICE:**

HONDA, SATTARI, GOA - 403 530.

[WWW.ACGLGOA.COM](http://WWW.ACGLGOA.COM)

**CORPORATE IDENTITY NUMBER:**

L35911GA1980PLC000400



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