



# AUTOMOBILE CORPORATION OF GOA LIMITED

Ref:ACG:S&L:

August 1, 2018

The Secretary  
Bombay Stock Exchange Limited  
(Corporate Relationship Dept.)  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P J Towers  
Dalal Street, Fort  
MUMBAI – 400 001.

Dear Sir,

Sub: 38th Annual Report for the year 2017-18  
Scrip Code: 505036

Dear Sirs,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby submitting the 38th Annual Report of our Company for the year 2017-18 containing the Audited Balance Sheet, Profit & Loss Account, Cash Flow Statements together with the Auditors' Report and Directors' Report, Corporate Governance Report, Auditors' Certificate on compliance of conditions of Corporate Governance, Secretarial Audit Report and Management Discussion & Analysis Report for the year ended 31<sup>st</sup> March 2018, which were approved and adopted at the Annual General Meeting of the Company held on July 28, 2018.

Kindly take the same on record and oblige.

Thanking you,

Yours faithfully,  
For Automobile Corporation of Goa Ltd.,



# AUTOMOBILE CORPORATION OF GOA LIMITED

38TH ANNUAL REPORT | 2017 - 2018

WE CRAFT  
THE CONVENIENCE  
IN YOUR TRAVEL

## ACGL PRODUCT RANGE IN BUS SEGMENT



ELANZA SCHOOL



AGILE



BEST



CLASSIC ICV AC



COMFORT EX INTERCITY

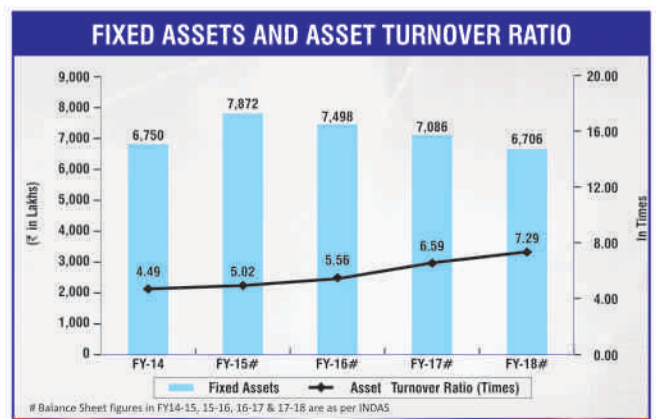
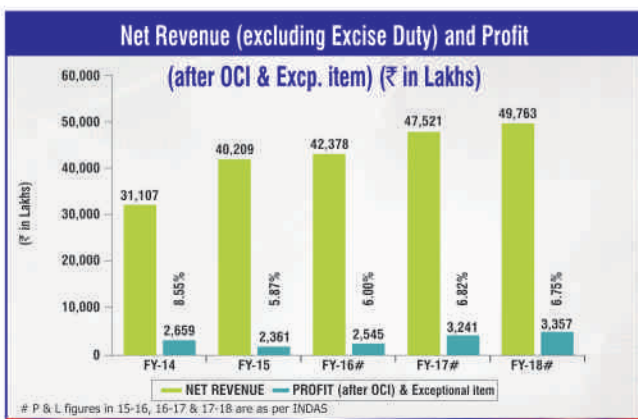
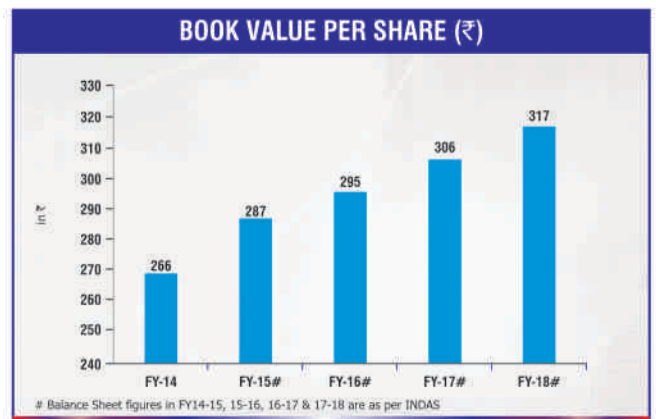
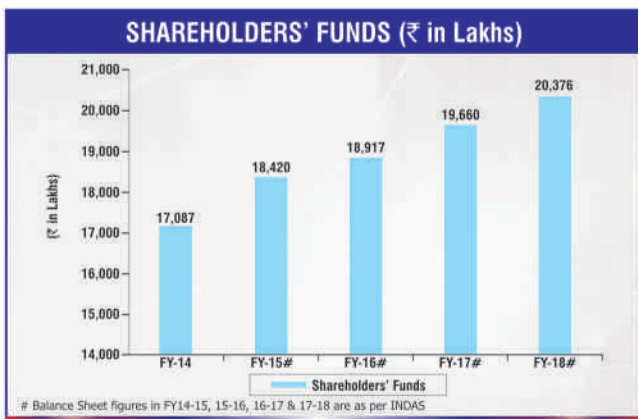
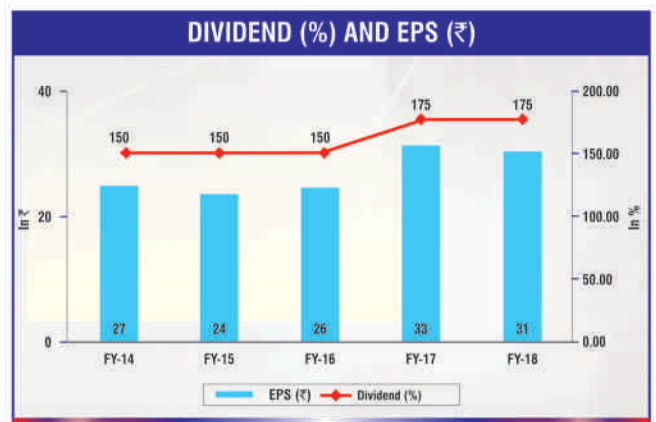
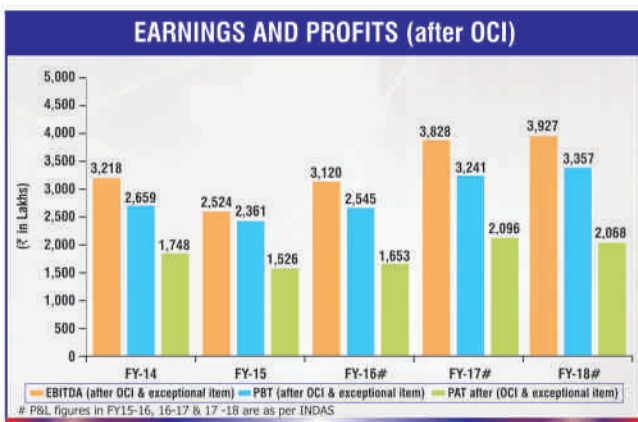
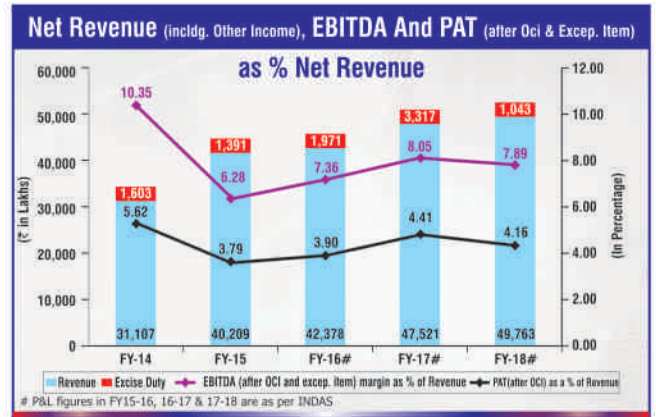
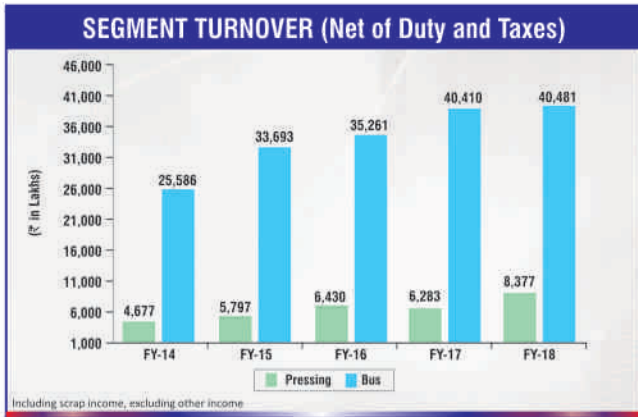


PLEASURE

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr Shrinivas Dempo**  
Chairman - Independent Director

**Mr R Pisharody**  
Non Executive Director

**Mr Steven Pinto**  
Independent Director

**Mr R Ramakrishnan**  
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 (w.e.f. 30.10.2017)

**Mr Rohit Srivastava** (w.e.f. 27.04.2018)  
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 Kade**  
Dy General Manager - Quality

**Mr Dattatray Sinari**  
Dy General Manager - Materials

**Mr Y B Joshi**  
Dy General Manager - Production

### Company Secretary

**Mr Pravin Satardekar**  
(up to 30.09.2017)  
**Mrs. Manisha Naik Shirgaonkar**  
(w.e.f. 08.01.2018)

### Registered Office

Honda, Sattari, Goa 403530  
Tel:+91 832 6731218 Fax:+91 832 6731262  
Email:sectl@acglgoa.com  
Website: www.acglgoa.com

### Corporate Identity Number (CIN)

L35911GA1980PLC000400

### Share Registrars

**TSR Darashaw Limited**  
6-10, Haji Moosa Patrawala Ind. Estate,  
20, Dr E Moses Road, Mahalaxmi, Mumbai 400 011  
Tel:+91 22 66568484 Fax:+91 22 66568494  
Email:csg-unit@tsrdarashaw.com  
Website: www.tsrdarashaw.com

### Bankers

**State Bank of India**  
**HDFC Bank Limited**

### Statutory Auditors

**BSR & CO. LLP**  
(Registration No. 101248W/W-100022)

### Secretarial Auditors

**Mr Shivaram Bhat**  
Practicing Company Secretary  
(Membership No A10454)

### Chief Internal Auditor

**Suraj Singh**

### Works

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

### 38<sup>th</sup> ANNUAL GENERAL MEETING

July 28, 2018  
3.30 p.m.  
Honda, Sattari, Goa - 403 530.



## BOARD OF DIRECTORS



SHRINIVAS DEMPO  
Chairman



RAVINDRA PISHARODY  
Director



STEVEN PINTO  
Director



GIRISH WAGH  
Director



YATIN KAKODKAR  
Director



DR. VAIJAYANTI PANDIT  
Director



R. RAMAKRISHNAN  
Director



ABHAY BAWALE  
Director



ROHIT SRIVASTAVA  
Director



O V AJAY  
CEO & Executive Director



## Message From Chairman

Dear Shareholders,

It gives me immense pleasure to connect with you over yet another financial year at Automobile Corporation of Goa! Although this year has been quite challenging, the company finds itself nestled in a vibrant era where all efforts are being made by India, to emerge at par with the other powerful nations globally, thereby carving paths for opportunities.

The transportation industry has inherently been a robust component of the economy. It provides mobility in business, accessibility to opportunities and connectivity to the economy. To build a strong economy, a sturdy foundation comprising of the transport infrastructure sector is inevitable. The transport infrastructure sector in India is expected to grow at a Compounded Annual Growth Rate of 5.9% by 2021, thereby becoming the fastest-expanding component of the country's infrastructure sector. As of April 2018, there were 1,529 PPP projects in India, of which 740 were related to roads.

The premier policy 'Think Tank' of the Government of India, 'NITI Aayog', in line with its three year action agenda for India's development strategy, has mandated its Infrastructure-Connectivity vertical to provide an integrated approach to transport sector by promoting efficient, environmentally sustainable and regionally balanced transportation system. The signing of Statement of Intent with the Geneva based International Road Federation (IRF) in September 2017, for the purpose of developing a National Intelligent Transportation Systems Policy is a welcome step towards building an innovative transportation management system, including electronic enforcement of traffic rules and regulations.

The key to an all inclusive development of the country lies in the growth of India's rural economy. Interestingly, contrary to the common perception about predominance of agriculture in the rural economy, more than half of the value added in manufacturing sector in India is contributed by rural areas. The government acknowledging this has increased its budget allocation in rural infrastructure, thereby creating new business opportunities for your company.

The Pradhan Mantri Gram Sadak Yojana (PMGSY), has made considerable contribution in connecting far flung and scattered areas of the country, having completed more than 5 lakh km of road length during 2017-18, with an expenditure of more than Rs. 1.63 lakh Crore, connecting 1,45,158 habitations and proposals have been approved for all the remaining habitations to be connected.

Considering the red flag waived, signaling the harsh realities of climate change and the broad public sentiment against the air pollution, India intends to leapfrog from the Bharat Stage (BS) IV emission norms to the BS VI norms by 2020. Although challenging, the intention is a noble one. However, the key to successful implementation of the BS VI emission standard is making BS VI fuel available PAN India by the end of 2019.

Further, to address the environment concerns and over dependence of oil imports, the government's thrust towards a sustainable transportation system, based on an increased use of electric buses is eminent. A clear momentum is building in the nation to welcome an electric epoch of vehicles! In Dec '17, Department of Heavy Industry announced granting of Rs 437 Crore subsidy to 11 cities under its scheme FAME India, for





boosting the launch of electric buses, taxis and three-wheelers as a multi-modal public transport system. For India's electric drive to be a success, the EV strategy must imbibe in its ambit, incentives, subsidies and regulatory mandates. Fundamentally, innovation will have to play a centric role in building up the EV market, so that it draws on local expertise and is globally competitive.

Your company is screening these challenges with a resilient spirit, with an intention to transform them into opportunities for growth. I am thrilled to inform you that your company has been awarded with IATF 16949 QMS Certification for its Goa and Jejuri Plants and ISO 9001 certification for the Dharwad Plant. Our success lies in the culmination of embracing changing technologies and committing towards impeccable quality.

I am pleased to share with you the laudable performance of the management and the versatility it has displayed in managing its business operations. The company has shown its resourcefulness in an exigent year and has delivered a consistently good financial performance. The total revenue including other income (net of taxes) for the year earned by the company was Rs. 497.63 Crore, with a PBT (after OCI) of Rs. 33.57 Crore as compared to the previous financial year's total revenue including other income (net of taxes) and PBT (after OCI) of Rs. 475.21 Crore and Rs. 32.41 Crore respectively. The main challenge which the company continues to face is increase in the commodity prices, a part of which the company was able to mitigate by certain cost reduction.

The number of buses produced for the year decreased to 5,734 buses, as against 5,925 buses for the previous year, due to lower demand owing to BS IV transition and also to the lull in STU demand. Moving ahead, with an In-house R&D recognition status, focused efforts are being made by your company towards innovation, technology development and product enhancement, using modern tools of styling and 3D techniques, for meeting the expected surge in demand from the STUs as well as private players in the market.

Moreover, your company is escalating its pace in its sheet metal pressing division and has identified new opportunities for business in the Shipbuilding Industry, with a head start of an initial order for weather & water tight doors from Goa Ship Yard and is under discussions with other ship building companies as well.

To quote Mr. Ratan Tata "Businesses need to go beyond the interest of their companies to the communities they serve". In this regard I am exuberant to highlight the CSR initiatives taken up by the company during the year. Efforts were made by the company, under the direction of the CSR committee of the Board, towards 3 focus areas for this year- education, health & sanitation and special aid provided for children with special needs. Further structured efforts shall be made to continue the good work and at the same time target new thrust areas as per the social needs assessed by the company.

I am pleased to mention that the Board of Directors has also recommended the declaration of a consistent dividend for FY 2017-18 for your consideration. We are much enthusiastic about the financial year 2018-19. Your company continues to enjoy the strategic direction provided by a cohesive and collegial set of directors along with an experienced and able management. We are confident to move ahead with our stakeholders, on a value added journey, driven by innovation, operational excellence, sustainable gains and social development.

I conclude with a note of thanks to the board members for their sound direction and contribution in making ACGL more competent with each passing year. During the year, Mr. R. Ramakrishnan has separated from the Board. On behalf of the company I would like to thank him for his contribution and for the vision he helped shape for ACGL. I am happy to introduce you to our new directors – Mr. Girish Wagh and Mr. Rohit Srivastava, who with a very rich experience in the industry are great assets to the company. Many congratulations to the management and employees of ACGL whose hard work and professionalism speaks for itself. These combined efforts shall go a long way towards taking ACGL to greater heights.

We continue to seek the confidence our shareholders have reposed in us and shall continue our journey towards enriching, not only our stakeholders but the community as a whole. I would also like to extend many thanks to our principal shareholders- Tata Motors Limited, the Government of Goa and our business partners for their patronage and support.

I am positive about the endeavors the company is set to achieve.

Sincerely,

Shrinivas Dempo  
June 18, 2018



## Message From Director

Dear Shareholders,

A country's transportation system is the framework that supports its complex economic and social structures. Innovative mobility solutions play an important role in the growth of a nation, helping provide efficient methods of movement of people, goods and services. However, sustainability should be at the heart of such innovative agendas.

The Indian Automotive Industry is at cross roads, needing to enhance its engineering capabilities keeping in mind not only advancing technologies and evolving customer preferences but also competition from global players, while meeting all safety, regulatory, and environmental norms.

Various initiatives by the Government of India have the potential to transform the automotive and transportation industry in the country. The Government's growing thrust in the infrastructure sector will further boost the auto industry. The Automotive Mission Plan 2016-2026 (AMP 2026) aims to propel the Automotive Industry as an engine of the "Make in India" program, envisioning it to contribute over 12% of the country's GDP and 40% of its manufacturing sector over the next decade.

At this year's Auto Expo 2018, electrification of mass urban transportation was quite pronounced and electric buses in urban applications are fast becoming new realities. India's vision for a 'shared, electric, and connected' mobility future can be realized by leapfrogging traditional mobility architectures, and has the potential of enhancing access, reducing congestion, and improving urban air quality, while significantly lowering our energy demand and carbon

emissions. Formulating strategies for maintaining a clean, green, and healthy environment is a priority today, reflected in many Government and corporate initiatives.

The customer should be at the core of our business and various innovations and advancements should be built around his/her evolving preferences. With increasing per capita income and purchasing power, customers are able to demand increasingly higher levels of comfort, quality and technology in all the products they consume. It is thus increasingly important for an OEM to build capabilities to meet the needs of their customers while simultaneously optimally utilizing resources to remain cost competitive.

Every opportunity comes with its own set of challenges, each needing a different key to unlock successes. Your company is one of the oldest and most experienced players in the bus body industry in India and is well poised to enhance its capabilities to tackle various challenges. Over the course of the next year, we will launch a number of new products displaying a renewed understanding of the bus industry. These launches will not only add to the attractiveness of the ACGL product range, but will also be proof of the company's robust craftsmanship and engineering capabilities. I am confident that ACGL, in association with Tata Motors Limited will unlock the technological challenges and emerge successful.

This year was particularly challenging, given the transition from BS III to BS IV, implementation of the Goods and Service Tax (GST) regime, and the implementation of the Bus Body Code (Type



Approval). In FY 2017-18, the Indian bus market declined by 13% compared to the previous year largely due to pre-purchases to avoid price increases due to the BSIV emission norm changeover and muted demand from various State Transport Undertakings (STU). However, I am delighted to note that your Company has met these challenges in its stride, delivering a strong performance while continuing to work towards enhancing stakeholders' value in a sustained manner.

Looking forward, the industry outlook has been revised upwards and is positive. It is expected that this year will see increased investment by the Government in bus transportation with an emphasis on alternate fuels and electric vehicles and your company has plans in place to meet these requirements.

ACGL, with an improved product portfolio, adoption of innovative techniques, and use of modern engineering practices, is leaving no stone unturned towards setting new benchmarks for itself and creating value for its business partners, shareholders and the community at large. I would like to acknowledge the collective efforts of the management and employees, under the guidance of a resourceful board of directors, towards delivering yet another strong year and I am confident that your company will always strive to be successful in all its endeavors.

I would like to thank all the shareholders for reposing their confidence in the company.

Best Regards,

Girish Wagh  
June 12, 2018



## Message From CEO & Executive Director

Dear Shareholders,

It is a privilege to connect with you to reflect upon the performance of your company for the financial year 2017-18 and share our aspirations as we go forward.

ACGL's Bus Body Division will reach a momentous landmark of 30 years making buses, in the coming year and we as a company are proud and delighted to contribute to one of the fastest growing economies of the world. According to the World Economic Forum, India's manufacturing sector has grown by over 7% per year, on average, in the past three decades and accounts for 16-20 % of India's GDP, of which more than 40% comprises of the Automobile Sector. The 'Make in India' initiative to make the country a global manufacturing hub and the 'Smart City Project' continues to provide a significant impetus and opportunities to the automobile sector.

We concluded a challenging 2018 on a positive note delivering yet another profitable year, reflecting great team work and robust business partnerships. Your company earned a total revenue including other income (net of taxes) of Rs. 497.63 Crores as against Rs. 475.21 Crores in the previous financial year, with an increase in PBT (after OCI) at Rs. 33.57 Crores as compared to Rs. 32.41 Crores in FY 2016-17. The total buses manufactured for the year stood at 5734. The industry volumes remained a challenge during the first quarter of FY18 due to pre-buying in the fourth quarter of the preceding year in view of transition to BS IV emission norms. Further, in contrast to the previous years, the bus sales also declined primarily on account of lower inflow of orders from State Road Transport Undertaking

(SRTUs) which accounts for almost 30-35% of bus sales. Once again our core strategy of aggressive cost management, along with a wide ranging product portfolio coupled with customer adaptability helped in overcoming these headwinds.

With a view to combating deteriorating air quality, stringent environmental regulations are being mooted in the country. In recent years, the industry has made significant investments to produce safer and increasingly environment friendly buses. With the environmental concerns rising and technologies evolving rapidly, there is a need to step on a different pathway linking efficient mobility to safe, clean and green products. This has put focus on India's momentous thrust on electric buses, so every bus body builder has to embrace and build capabilities to challenge these technological disruptions. A number of tenders are being floated, with several incentives being granted to states for introducing Electric Mobility solutions in urban cities. Your company has successfully manufactured and dispatched 25 Hi-Tech hybrid buses (using diesel & electric power), made to designs of Tata Motors, and is also working towards building fully electric buses on various platforms.

You will be happy to know that your company participated in the Defense Expo this year and displayed an array of products developed for the defense sector by its pressing segment, which received appreciation from the industry. This is in addition to the added revenue from new products introduced this year for our key auto customers. This will open another revenue stream to augment the revenues of the sheet metal business.



On a broader outlook, over the last financial year, you will be delighted to learn that your company was not only able to endure the implementation challenges of GST, transition to BS IV and the Bus Body Code, but also undertake innovative and sustainable projects including the introduction of 3D technology in design, for improved aesthetics and craftsmanship. Your company is passionate about constantly crafting new products for its customers, utilizing its experienced engineering capabilities. In the coming financial year we will add new bus models to our product portfolio, incorporating value added features for passenger comfort and convenience thereby offering our customers a wider range of products to choose from.

Going forward, the key challenges faced by your company continue to be increasing commodity prices, other input costs and manpower productivity. Your company has undertaken an aggressive plan in cost management that covers all the aspects of the value creation process to mitigate these challenges. This includes intense focus on Value Engineering, improving product yield and selective automation to improve productivity. We are optimistic about these initiatives yielding the expected results.

ACGL continues to acknowledge its responsibility beyond its business interests, towards its surrounding localities, communities and people at large. One of the

most powerful tools for empowering communities is to make certain that quality education is made available in abundance. This year we have undertaken various CSR Projects involving upgradation of schools' infrastructure facilities, setting up various modern amenities, trainings to ensure employability and providing school buses to special children to ensure that nobody is denied the opportunity of having access to education. Sanitation and hygiene is another important area which we have addressed by undertaking WINS (Wash in Schools), the details of which you will find in this Report. The essence of our CSR pursuit lies in building our community to ensure they succeed along with ACGL.

Under the guidance of an eloquent board of directors, we are confident of delivering what the market expects of us, with renewed focus and energy to improve our productivity, while exercising stringent cost reduction. I would like to place my gratitude to our shareholders and business partners for their continued support and our employees for their commitment as we look forward to the newer challenges while embarking on yet another year of manufacturing excellence.

Sincerely,

O V Ajay  
June 23, 2018



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

Dear Members,

NOTICE is hereby given that the 38<sup>th</sup> Annual General Meeting of the Members of AUTOMOBILE CORPORATION OF GOA LIMITED will be held on Saturday, July 28, 2018 at 3:30 p.m. at the Registered Office of the Company at Honda, Sattari, Goa to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon.
2. To approve the payment of Interim Dividend and declare a Final Dividend for the year ended March 31, 2018.
3. To appoint a Director in place of Mr R Ramakrishnan (DIN 03394401), who retires by rotation and does not seek re-appointment.
4. To ratify appointment of M/s B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company and in this regard to consider and thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of M/s B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), be and is hereby ratified as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company, at such remuneration as shall be agreed upon between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS**

5. Appointment of Mr Girish Wagh (DIN 03119361) as a Non-Executive Director

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

"RESOLVED THAT Mr Girish Wagh (DIN 03119361) who was appointed as an Additional Director of the Company by the Board of Directors effective October 30, 2017, and holds office till the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, but who is eligible and recommended by the Nomination and Remuneration Committee for appointment be and is hereby appointed as a Non-Executive director of the Company whose office shall be liable to retirement by rotation."

6. Appointment of Mr Rohit Srivastava (DIN 07910693) as a Non-Executive Director

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

"RESOLVED THAT Mr Rohit Srivastava (DIN 07910693) who was appointed as an Additional Director of the Company by the Board of Directors effective April 27, 2018, and holds office till the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, but who is eligible and recommended by the Nomination and Remuneration Committee for appointment be and is hereby appointed as a Non-Executive director of the Company whose office shall be liable to retirement by rotation."

7. Re-appointment of Mr. O V Ajay as the Chief Executive Officer and Executive Director (DIN 07042391) of the Company and payment of remuneration to him.

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



"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act and the Rules framed thereunder, (including any statutory modifications or amendments or re-enactment thereof for the time being in force) and subject to such other approvals/permissions, if and as may be required, the Members of the Company hereby accord their approval for the re-appointment of Mr O V Ajay (DIN 07042391) as the Chief Executive Officer and Executive Director of the Company for the period from 14 January, 2018 to 13 January, 2023, subject to review by the Board of Directors after 3 years, upon the terms and conditions, including the remuneration to be paid in the event of inadequacy of profits in any financial year as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment."

"RESOLVED FURTHER THAT the Board of Directors or a Committee thereof of the Company, be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

8. 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 being paid/payable for attending the meetings of the Board of Directors of the Company 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 all the Non-Executive and Independent Directors of the Company for the Financial Year 2018-19 to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time."

9. 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), the approval of the Members of the Company be and is hereby accorded to the Material Related Party Transactions (including contracts and arrangements) with Tata Motors Limited, for the Financial Year 2017-18 aggregating to ₹ 69,544.59 lakhs and for the Financial Year 2018-19 estimated to be at an aggregate of ₹ 89,980.17 lakhs and 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. 5, 6, 7, 8 and 9 above is annexed hereto. The relevant details of the Directors seeking re-appointment/ appointment under Item Nos. 5, 6 and 7 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 38th 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 Wednesday, 18th July, 2018 to Tuesday, 24th July, 2018 (both days inclusive).**
- (e) Dividend as recommended by the Board of Directors, if approved at the meeting, will be paid/dispatched on or before August 6, 2018 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 July 17, 2018.
  - 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 July 17, 2018.
- (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 July 21, 2018, may cast their vote electronically. The e-Voting period for the Members who hold shares as on cut-off date commences on **Wednesday July 25, 2018 (9:00 am)** and ends on **Friday July 27, 2018 (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 **Wednesday July 25, 2018 (9:00 am)** and ends on **Friday July 27, 2018 (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 **July 21, 2018** 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:

|  | <b>For Members holding shares in Demat Form and Physical Form</b>  |
|--|--|
| PAN  | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 demat account/folio number in the PAN field.</li> <li>• In case the folio 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 folio number 100 and then enter RA00000001 in the PAN field.</li> </ul> |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB) | <p>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.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the <b>number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</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 **Automobile Corporation of Goa Limited**.
- (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 **July 21, 2018 ("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. July 21, 2018, 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. July 28, 2018.

Dated: April 27, 2018

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

By order of the Board of Directors

**Manisha Naik Shirgaonkar**  
Company Secretary  
Membership No.:A34734



### 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. 5

The Board of Directors appointed Mr Girish Wagh (DIN 03119361) as an Additional Director effective October 30, 2017. Under Section 161 of the Companies Act, 2013 read with Article 154 of the Articles of Association of the Company, he holds office till the forthcoming Annual General Meeting.

Brief particulars of the Director being appointed is given in the Annexure I.

The Company has received from Mr Girish Wagh, consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

No director, key managerial personnel or their relatives, except Mr Girish Wagh, to whom the resolution relates, is interested or concerned in the resolution. Mr Girish Wagh is not related to any of the directors of the Company.

The Nomination and Remuneration Committee of the Board of Directors has recommended appointment of Mr. Girish Wagh as a Director to the Company. The Directors commend the Ordinary Resolution at Item No.5 of the Notice for the approval of the Members of the Company.

#### Item No. 6

The Board of Directors appointed Mr Rohit Srivastava (DIN 07910693) as an Additional Director effective April 27, 2018. Under Section 161 of the Companies Act, 2013 read with Article 154 of the Articles of Association of the Company, he holds office till the forthcoming Annual General Meeting.

Brief particulars of the Director being appointed is given in the Annexure I.

The Company has received from Mr Rohit Srivastava, consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

No director, key managerial personnel or their relatives, except Mr Rohit Srivastava, to whom the resolution relates, is interested or concerned in the resolution. Mr Rohit Srivastava is not related to any of the directors of the Company.

The Nomination and Remuneration Committee of the Board of Directors has recommended appointment of Mr. Rohit Srivastava as Director to the Company. The Directors commend the Ordinary Resolution at Item No.6 of the Notice for the approval of the Members of the Company.

#### Item No. 7

At the 35<sup>th</sup> Annual General Meeting of the Company held on July 31, 2015, Mr O V Ajay was appointed as a Director in the capacity of 'Chief Executive Officer and Executive Director' to hold office for the period of 3 years effective January 14, 2015. The said period has expired on January 13, 2018.

The Nomination and Remuneration Committee and the Board at its meetings held on October 30, 2017 consented for extension of the term, further for a period of 5 years effective January 14, 2018 on the same terms and conditions, subject to the approval of the members at the forthcoming Annual General Meeting.

Payment of remuneration, deputation charges, benefits, allowances, incentive, commission and perquisite to Mr. O V Ajay shall be within the overall limits as given below and as may be approved by the Board from time to time. The terms & conditions of the appointment shall be same as set-forth in the Agreement dated April 12, 2018. Contract shall be reviewed by the Board of Directors at the end of 3rd year i.e. January 13, 2021. The salient terms of re-appointment of Mr O V Ajay as CEO & Executive Director, are given below:-



| Particulars   | Terms of Appointment   |
|---|--|
| Basic Deputation Charges Scale  | ₹ 550,000 p.m. – ₹ 700,000 p.m.  |
| 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   |

1. Tenure of appointment:  
January 14, 2018 to January 13, 2023 ("Term")
2. Terms of Employment and Nature of Duties:  
Mr O V Ajay is on deputation from Tata Motors Limited. Subject to the approval of the Board of Directors and/or the Nomination Remuneration Committee of the Company and such other approvals as may be required, he shall be entitled to the remuneration as mentioned above. Out of the above, the remuneration which would be directly paid by Tata Motors Limited will be charged back to the Company as Deputation charges plus taxes, as may be applicable from time to time.

The CEO & Executive Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

The CEO & ED shall also accept and discharge such other duties as may be assigned to him by the Board from time to time and which can be reasonably expected of him in consideration of his position as the CEO & ED.

The above mentioned Agreement dated April 12, 2018 is available for inspection at the registered office of the Company during its business hours.

No Director, Key Managerial Personnel or their relatives, except Mr O V Ajay, to whom the resolution relates, are interested or concerned in the resolution. Mr O V Ajay is not related to any of the directors of the Company.

The Directors commend the Special Resolution at Item No 7 of the Notice for the approval of the Members of the Company.

### Item No. 8

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 28.06.2013, 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 years 2014 to 2018.

For financial year 2018-19, 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.

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. 8 of this notice for approval by the Members.

### Item No. 9

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 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 89% of the total basic sales of the Company for the fiscal year 2017-18.

At the 35<sup>th</sup> Annual General Meeting held on July 31, 2015, TML being an "enterprise exercising significant influence" as per Accounting Standard (AS) 18, which was a "Related Party" of the Company under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited ("Clause 49"), shareholders had accorded its approval by way of Special Resolution, in terms of the provisions of Clause 49, to the Company for entering into contracts/arrangements/transactions with Tata Motors Limited (TML) as the same was likely to exceed 10% of the annual consolidated turnover as per the audited financial statements and also may exceed the materiality threshold limit as prescribed under Clause 49.

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 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."

Now, Tata Motors Limited being a related party under 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, as described hereunder, for FY 2017-18 for an aggregate value of ₹ 69,544.59 lakhs and similarly, to be entered for FY 2018-19, likely to exceed 10% of the annual consolidated turnover as per the last audited financial statements of the Company, estimated to be at an aggregate value of ₹ 89,980.17 lakhs.

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

| Particulars  | Information  |
|--|--|
| 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, except Mr. Ravindra Pisharody who was an Executive Director (Commercial Vehicle) of Tata Motors Limited till 30.09.2017, is 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 – cost plus mark up. Profit linked approach.</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.   |
| The value of each type of RPTs in 2 years  | This information forms part of the notes to the Audited Financial Statement for FY 2017-18.  |
| Whether the transactions have been approved by the Audit Committee   | Yes  |
| Any other information relevant or important for the Members to make a decision on the proposed transaction | The proposed RPTs are necessary, ordinary and incidental to business as also play a significant role in the Company's business operations.   |

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 except Mr. Ravindra Pisharody who was an Executive Director (Commercial Vehicle) of Tata Motors Limited till 30.09.2017.

The Board commends the Ordinary Resolution set forth in Item No. 9 of the Notice for the approval of the Members in terms of Regulation 23 of SEBI LODR Regulations, 2015.

Dated: April 27, 2018

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

By order of the Board of Directors

**Manisha Naik Shirgaonkar**  
Company Secretary  
Membership No.:A34734



**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]**

| <b>Particulars</b>                     | <b>Mr Girish Wagh</b>  | <b>Mr Rohit Srivastava</b>  | <b>Mr O V Ajay</b>   |
|--|--|---|--|
| Director Identification Number (DIN)   | 03119361   | 07910693  | 07042391   |
| Date of Birth & Age                    | 2 <sup>nd</sup> December 1970, 47 years  | 15 <sup>th</sup> June, 1970, 48 years   | 25 <sup>th</sup> March, 1963, 55 years   |
| Appointed on                           | 30 <sup>th</sup> October, 2017   | 27 <sup>th</sup> April, 2018  | 14 <sup>th</sup> January, 2015   |
| Qualifications                         | Bachelor's Degree in Mechanical Engineering from Pune University, Post Graduate Diploma in Manufacturing Management from S. P. Jain Institute of Management Research, Mumbai   | Engineering degree from the University of Allahabad and a CII – Fulbright "Leadership in Management" fellowship for the 2007 program, conducted at the Tepper School of Business, Carnegie Mellon University.   | Bachelor in Electronics & Communication Engineering from Birla Institute of Technology, Ranchi   |
| Expertise in Specific functional areas | <p>Mr Girish Wagh in his illustrious career, has delivered key projects such as the Tata ACE - Mini Truck, Nano, Bolt, Zest, Tiago, Hexa and Tigor. In his long standing association of 25 years, he has worked in various roles related to Manufacturing, Purchasing &amp; Supply Chain and Business Excellence. For his excellent contribution to the Automotive Industry he was recognized as a "Rising Star" by the Automotive News Europe in 2011</p> <p>In Jun'17, Mr. Girish Wagh took over as the Head of the Commercial Vehicles Business Unit of Tata Motors.</p> <p>His previous roles have included Product Line Head – Medium &amp; Heavy Commercial Vehicles, Head - Programme Planning &amp; Project Management and Head - Operations of the Passenger Car Business Unit.</p> | <p>Mr Rohit Srivastava is presently designated as Vice President, Product Line - Buses of Tata Motors Limited. He has been working with Tata Motors since 1997.</p> <p>Mr Srivastava has varied experience, of over 20 years, in the field of sales &amp; marketing, product &amp; brand management, strategic planning, in addition to business development and network management. During the span of his employment with Tata Motors Limited, he has worked on several high impact assignments, like SCV Marketing, heading the CV business for Western region and functioned in the capacity of the Chief Executive Officer and presently Director nominated by Tata Motors on the Board of Tata Marcopolo Motors Limited, a subsidiary of Tata Motors Limited.</p> <p>Prior to joining Tata Motors Limited, Mr Srivastava was also employed by Escorts Limited in the capacity of Assistant Manager — Sales, Service &amp; Spares.</p> | <p>Mr O V Ajay joined Tata Motors Jamshedpur Plant as a Graduate Engineer Trainee in the year 1985 and has handled diverse functions during his 29 years there. Starting with maintenance of the Engine and Gearbox divisions, he rose to head the Electronics Division. Subsequently, he was the head of the Central Tool Room where he lead a team that successfully developed dies and fixtures for the prestigious Tata Prima Truck. He then shifted to head the Planning function and during his tenure, Tata Motors Jamshedpur executed major modernization and capacity expansion projects. Prior to being deputed to ACGL as Chief Operating Officer (COO), he was General Manager (Technical) at the Tata Motors' Jamshedpur Plant, responsible for the Planning, Tool room, Utilities, Engineering Change Management, Standards and New Vehicle Productionization.</p> |
| Directorships held in other Companies  | <ul style="list-style-type: none"> <li>- Tata Cummins Pvt. Ltd</li> <li>- Tata Marcopolo Motors Ltd</li> <li>- Tata Motors Finance Ltd</li> </ul>  | <ul style="list-style-type: none"> <li>- Tata Marcopolo Motors Ltd</li> </ul>   | Nil  |



| <b>Particulars</b>  | <b>Mr Girish Wagh</b> | <b>Mr Rohit Srivastava</b> | <b>Mr O V Ajay</b>   |
|---|-----------------------|----------------------------|--|
| Memberships/<br>Chairpersonships<br>of Audit and<br>Stakeholders'<br>Relationship<br>Committees<br>across public<br>companies | Nil                   | Nil                        | Stakeholders Relationship<br>Committee – Member –<br>Automobile Corporation of Goa<br>Ltd. |
| Shareholding<br>in the Company  | Nil                   | Nil                        | Nil  |

Mr O V Ajay has attended 6/6 Board Meetings during FY 2017-18.

None of the Directors is related to each other or 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,

Board of Directors of your company has great pleasure in presenting to you their 38<sup>th</sup> Annual Report and the audited statement of accounts for the year ended March 31, 2018.

### FINANCIAL PERFORMANCE SUMMARY (As per INDAS)

₹ in Lakhs

#### A. FINANCIAL RESULTS:

|  |  |
|--|--|
| Revenue for Operations (including Excise Duty)               |  |
| Total Expenditure  |  |
| Operating Profit   |  |
| Other Income   |  |
| Earnings before Interest, Tax, Depreciation and Amortization |  |
| Finance Cost   |  |
| Cash Profit  |  |
| Provision for Depreciation & Amortization                    |  |
| Profit before exceptional item, OCI and Tax                  |  |
| Exceptional item (net)                                       |  |
| Profit before tax (before OCI)                               |  |
| Provision for tax (net)                                      |  |
| Profit for the year  |  |
| Other comprehensive income (net of taxes)                    |  |
| Total comprehensive income for the year                      |  |
| Balance in P & L A/c brought forward from the previous year  |  |
| Profit available for appropriation                           |  |

#### FY 2017-18

|           |
|-----------|
| 49,984.82 |
| 47,106.13 |
| 2,878.69  |
| 821.75    |
| 3,700.44  |
| 38.54     |
| 3,661.90  |
| 531.61    |
| 3,130.29  |
| 147.07    |
| 3,277.36  |
| 1,261.74  |
| 2,015.62  |
| 52.07     |
| 2,067.69  |
| 9,209.50  |
| 11,277.19 |

#### FY 2016-17

|           |
|-----------|
| 50,059.06 |
| 47,008.71 |
| 3,050.35  |
| 779.85    |
| 3,830.20  |
| 24.96     |
| 3,805.24  |
| 561.60    |
| 3,243.64  |
| -         |
| 3,243.64  |
| 1,145.74  |
| 2,097.90  |
| (1.74)    |
| 2,096.16  |
| 8,465.93  |
| 10,562.09 |

#### B. APPROPRIATIONS:

##### Equity Dividend

|                 |        |        |
|-----------------|--------|--------|
| Interim         | 321.08 | 321.08 |
| Final           | 802.70 | 802.70 |
| Tax on Dividend | 228.79 | 228.81 |

##### Balance carried to retained earnings

9,924.62

9,209.50

### 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% (₹ 5/- per Equity Share) to the shareholders on February 23, 2018.

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

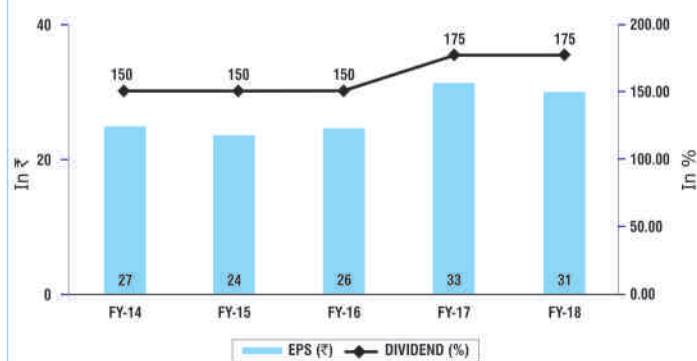
Thus, the aggregate dividend for the year works out to 175% (Previous year 175%).

The said dividend, if approved by the members, would involve a total cash outflow of ₹ 1,354.18 lakhs (inclusive of Interim Dividend, Final Dividend and Dividend Distribution Tax thereon) for the FY 2017-18 and result in a payout of 65% of the current profit after tax (Previous year 65%).

### SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 was ₹ 642.16 lakhs. During the year under review, the Company has not issued any shares.

### DIVIDEND AND EPS







## OPERATIONS

The Bus segment has continued to maintain its dominance in contributing to your Company's revenue and profit. Proportion of bus division's revenue in total revenue of the Company clocked 83% during the year under review. Large portion of our workforce is operating in the Bus Segment at Goa. Operations, at the pressings division, showed a good improvement as compared to last year.

Your Company's Product Sales (without duties & other income) for the financial year 2017-18 crossed the key milestone of ₹ 489 crores, reflecting a growth of 5% over the previous financial year. The Company's profit before tax during the financial year 2017-18 was at ₹ 32.77 crores (before other comprehensive income) as against ₹ 32.44 crores in the preceding financial year. Net profit after tax stood at ₹ 20.68 crores as compared to ₹ 20.96 crores in the preceding financial year. During FY 2017-18, your Company sold 5,734 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 (without duties & other income) from Bus Segment increased marginally to ₹ 405 crores in FY 2017-18, as compared to ₹ 404 crores in the preceding financial year. In FY 2017-18, 5,734 buses were sold as compared to 5,925 buses in the preceding financial year which is reduction of 191 buses.

Out of the 5,734 buses sold during the financial year 2017-18, 1,874 buses were for Export Application which was lower by 3%, as compared to the preceding financial year. The major factor in reduction of Export Application buses was reduced demand from Middle East caused by the economic slowdown as a result of drop in Oil Prices.

The Total Industry Volume growth in the domestic bus market remained stagnant in the financial year 2017-18 due to lesser State Transport Undertaking (STU) orders, pre buy as a result of transition from BS III to BS IV and the implementation of the Bus Body Code (Type Approval).

### Pressings Segment

Revenue (without duties & other income) from Press Segment increased significantly to ₹ 84 crores in FY 2017-18, as compared ₹ 63 crores in the preceding financial year.

This increase of 33% is a result of increase in the volumes from Tata Motors and Tata Cummins. In addition, the company has bagged business for new components in this segment contributing to this growth.

Share of pressings business in the overall revenue of the Company has increased from 13% in FY 2016-17 to 17% in FY 2017-18.

## HUMAN RESOURCE

As a result of ongoing endeavour of rationalising and rightsizing the workforce, the employee cost remains at 8.70% of total revenue (net of taxes and duties) notwithstanding increase in salaries & wages with the strength of permanent employees remaining nearly the same at 567 as on 31st March 2018 against 565 on 31st March 2017.

Three year wage settlement with the bargainable employees has ended on March 31, 2018. Negotiations with the Unions have started in the month of April, 2018. Industrial relations with staff and workmen across plants in Goa, Jejuri and Dharwad continued to be cordial.

## CORPORATE SOCIAL RESPONSIBILITY

The key focus areas of ACGL's CSR program are women empowerment, support of the differently abled, education, public health and environment. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

### Brief outline of the CSR Policy:

In ACGL, Corporate Social Responsibility (CSR) philosophy revolves around engagements in socially relevant activities for the underprivileged 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.

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 Board at its Meeting held on 27th April, 2018 has re-constituted the Corporate Social Responsibility Committee. The composition of the Committee as on date is as under:

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

The Annual Report on CSR activities for FY 2017-18 is annexed as "Annexure A".

### CORPORATE GOVERNANCE

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and SEBI circular dated October 13, 2015 a fresh Listing Agreement has been executed by the Company with BSE Limited within the prescribed time limit. 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, 2018 stood at ₹ 593.29 lakhs (previous year ₹ 239.12 lakhs). Cash and bank balance including earmarked balances (unpaid dividend account) stood at ₹ 210.26 lakhs (previous year ₹ 200.14 lakhs).

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year Mr Girish Wagh has been appointed as Additional (Non-Executive) Director on the Board of the Company effective October 30, 2017. Pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, Mr Girish Wagh vacates office and is eligible for appointment as Non-Executive Non Independent Director of the Company whose office shall be liable to retirement by rotation.

Mr Rohit Srivastava has been appointed as Additional (Non-Executive) Director on the Board of the Company effective April 27, 2018. Pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, Mr Rohit Srivastava vacates office and is eligible for appointment as Non-Executive Non Independent Director of the Company whose office shall be liable to retirement by rotation.

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.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr R Ramakrishnan retires by rotation and does not seek re-appointment. The Board hereby places its appreciation for the outstanding contribution made by Mr R Ramakrishnan during this tenure.

Members are requested to refer to Item No. 3, 5 and 6 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      | Pravin Satardekar (Upto 30.09.2017)          | Company Secretary        |
| 4      | Manisha Naik Shirgaonkar (w.e.f. 08.01.2018) | 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.

## Procedure for Nomination and Appointment of Directors

The Nomination and Remuneration Committee (NRC) is responsible for 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 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.

**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 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 Board's functioning was evaluated on various aspects, including 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.

Directors were evaluated on 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/CEO/Whole Time Director.

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, six Board Meetings and four Audit Committee Meetings were convened and held. There have been no instances during the year when 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 and external consultant 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 2017-18.

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 not appropriated against supply of goods or provision of services within a period of 365 days from the date of acceptance of such advance- Kindly Refer section V of the MGT 9).

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans/guarantees/investments 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, subject to ratification of their appointment at each AGM to be held after 37<sup>th</sup> AGM.

As per the requirement of the Act, BSR & Co. LLP have confirmed that the re-appointment if made would be within the limits specified under Section 141 (3) (g) of the Act and that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Companies (Audit & Auditors) Rules, 2014. Members are requested to ratify the appointment of BSR and authorise the Board of Directors to fix their remuneration.

### (2) Cost Audit

Cost audit for the financial year 2017-18 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. A10454 to undertake the Secretarial Audit of the Company for FY 2017-18. 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, 2018 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.

## 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".



## 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 2017-18.

## 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.

## 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 (amendment) Act, 2017 and Listing Regulations. The transactions with TML exceeds the materiality threshold as prescribed under regulation 23 of LODR. The Members, at their 35<sup>th</sup> Annual General Meeting held on July 31, 2015 have accorded their approval to the Board of Directors to enter into such material contracts/arrangements/transactions with Tata Motors Limited.

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 Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the web link: <http://acglgoa.com/wp-content/uploads/2015/11/RELATED-PARTY-TRANSACTION-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.

Though no Risk Management Committee meeting was held during the financial year under review, the Company had held a strategy meeting on 12.02.2018 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.

## 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 : April 27, 2018

**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 underprivileged 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 weblink of the Company's website 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 March, 2018  | <table> <tr> <td>Mr Shrinivas Dempo</td> <td>Chairman</td> </tr> <tr> <td>Dr Vaijayanti Pandit</td> <td>Member</td> </tr> <tr> <td>Mr Yatin Kakodkar</td> <td>Member</td> </tr> <tr> <td>Mr O V Ajay</td> <td>Member</td> </tr> </table>   | Mr Shrinivas Dempo | Chairman | Dr Vaijayanti Pandit | Member | Mr Yatin Kakodkar | Member | Mr O V Ajay | Member |
| Mr Shrinivas Dempo   | Chairman   |  |                    |          |                      |        |                   |        |             |        |
| Dr Vaijayanti Pandit | Member   |  |                    |          |                      |        |                   |        |             |        |
| Mr Yatin Kakodkar    | Member   |  |                    |          |                      |        |                   |        |             |        |
| Mr O V Ajay          | Member   |  |                    |          |                      |        |                   |        |             |        |
| 3                    | Average net profit of the Company for last three financial years.  | ₹ 2,700.03 lakhs   |                    |          |                      |        |                   |        |             |        |
| 4                    | Prescribed CSR Expenditure (not less than two percent of the amount as specified at item 3 above).   | ₹ 54.00 lakhs  |                    |          |                      |        |                   |        |             |        |
| 5                    | Details of CSR spent for the financial year:   |  |                    |          |                      |        |                   |        |             |        |
|                      | a. Total amount to be spent for the financial year.  | ₹ 54.00 lakhs  |                    |          |                      |        |                   |        |             |        |
|                      | b. Amount committed but unspent, if any.   | ₹ 6.60 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. | <p>From an amount of ₹ 20.62 lakhs which was committed during FY 2016-17, amount of ₹ 18.88 lakhs was spent during 2017-18 on manufacture of Mobile Library Bus and balance of ₹ 1.74 was outstanding. The said amount has now been allocated for FY 2017-18 as part funding towards the project for building 2 nos School buses for Lokvishwas Pratishthan and will be spent during FY 2018-19.</p> <p>Out of the various projects under taken by the Company in FY 2017-18, an amount of ₹ 4.86 lakhs has been committed and allotted towards the project of building of 2 nos School buses for special children of Lokvishwas Pratishthan, but remained unspent as on March 31, 2018. The same will be spent in FY 2018-19.</p>   |                    |          |                      |        |                   |        |             |        |
| 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

Shrinivas V Dempo  
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 uniforms to Govt Primary Schools at Bhuimpal and Honda, Goa   | Direct                         | Direct   | ₹ 2.39                       |
| 2       | Distribution of laptops to meritorious students of Bhumika Higher Secondary, Paryem, Goa and Govt. High School, Bhuimpal, Goa                   | Direct                         | Direct   | ₹ 2.25                       |
| 3       | Education Course fee for Diploma in Medical Laboratory Technology Sai Para Medical Institute, Sakhali, Goa                                      | Direct                         | Direct   | ₹ 0.10                       |
| 4       | Distribution of laptops for meritorious students of Bhumika Higher Secondary, Paryem, Goa   | Direct                         | Direct   | ₹ 0.27                       |
| 5       | Promoting Healthcare WINS at :<br>- Honda High School, Honda, Goa<br>- Progress High School, Sakhali, Goa<br>- Govt. High School, Bhuimpal, Goa | Rotary Club of Mid-Town Panaji | Rotary Club of Mid-Town Panaji                       | ₹ 7.00                       |
| 6       | 26/28-Seater School Buses for transportation of special students of Lokvishwas Pratishthan, Honda, Goa  | Direct                         | Direct   | ₹ 8.72                       |
| 7       | 26/28-Seater School Buses for transportation of special students of Lokvishwas Pratishthan, Canacona, Goa                                       | Direct                         | Direct   | ₹ 8.72                       |
| 8       | Audio-Visual (AV) Room for L H B D Govt High School, Thane, Goa   | Goa Institute of Management    | Goa Institute of Management                          | ₹ 5.00                       |
| 9       | Contribution to Matruchhaya' s Sahayata Home care Nursing for Promoting Employment by providing education for Home Care Nursing Attendants      | Rotary Club of Mid-Town Panaji | Rotary Club of Mid-Town Panaji                       | ₹ 3.00                       |
| 10      | Upgradation of the school classroom facilities for Bhumika Primary School, Parye, Goa   | Direct                         | Direct   | ₹ 9.00                       |
| 11      | Contribution under Sudharata project for promoting healthcare for needy people  | Rotary Club of Mid-Town Panaji | Rotary Club of Mid-Town Panaji                       | ₹ 2.68                       |

Note : An amount of ₹ 24.12 lakhs has been committed towards providing 2 School buses for special children of Lokvishwas Pratishthan out of which ₹ 6.60 remains unspent for FY 2017-18.





## ANNEXURE B TO DIRECTORS' REPORT

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

1. 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)

2. 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 2017-18 are given below: (Also refer Corporate Governance Section on Remuneration to Directors for further details)

| Name of the Director                       | Remuneration Paid in FY 17-18 (₹) | Remuneration Paid in FY 16-17 (₹) | Ratio to Median | Percentage increase in Remuneration |
|--|-----------------------------------|-----------------------------------|-----------------|-------------------------------------|
| <b>Non- Executive Director<sup>®</sup></b> |                                   |                                   |                 |                                     |
| Mr Shrinivas V Dempo                       | 400,000                           | 410,000                           | 0.74:1          | (2.44)                              |
| Mr R Pisharody                             | 1,183,000                         | 900,000                           | 2.18:1          | 31.44                               |
| Mr Steven Pinto                            | 1,313,000                         | 990,000                           | 2.42:1          | 32.63                               |
| Mr PFX D'Lima*<br>(upto 6.12.2016)         | 340,000                           | 770,000                           | 0.63:1          | NA                                  |
| Mr A Gajendragadkar*<br>(Upto 30.11.2016)  | 272,000                           | 580,000                           | 0.5:1           | NA                                  |
| Mr R Ramakrishnan                          | 810,000                           | 525,000                           | 1.49:1          | 54.29                               |
| Dr Vaijayanti Pandit                       | 792,000                           | 550,000                           | 1.46:1          | 44.00                               |
| Mr Yatin Kakodkar*<br>(w.e.f. 7.12.2016)   | 880,000                           | 185,000                           | 1.62:1          | NA                                  |
| Mr Abhay Bawale*<br>(w.e.f. 26.06.17)      | 355,000                           | -                                 | 0.65:1          | NA                                  |
| Girish Wagh*<br>(w.e.f. 30.10.17)          | 100,000                           | -                                 | 0.18:1          | NA                                  |

|   |            |            |         |      |
|---|------------|------------|---------|------|
| <b>CEO &amp; Executive Director<sup>#</sup></b> |            |            |         |      |
| Mr O V Ajay                                     | 13,656,981 | 13,597,837 | 25.09:1 | 0.43 |

|   |           |           |   |      |
|---|-----------|-----------|---|------|
| <b>Key Managerial Personnel<sup>§</sup></b>       |           |           |   |      |
| Mr Raghwendra Singh Butola - CFO                  | 5,736,125 | 5,342,896 | - | 7.36 |
| Mr Pravin Satardekar - CS*<br>(Upto 30.09.17)     | 1,187,101 | 1,829,188 | - | NA   |
| Ms Manisha Shirgaonkar - CS*<br>(w.e.f. 08.01.18) | 214,826   | -         | - | NA   |

\*Part of the year.

# 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. Incentive Remuneration for FY 2016-17 is paid in FY 2017-18. Similar principle is applied for the previous year's figures. The remuneration to Executive Director is within overall limits approved by the shareholders and within the limits defined under the Companies Act 2013.

@ Remuneration paid to Non-Executive Directors includes sitting fees paid to them during FY 2017-18 and Commission for FY 2016-17 paid in FY 2017-18. The Commission for the FY 17-18 will be paid in FY 18-19. 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 Company Act 2013.

§ Remuneration payment to KMPs includes payment made during the financial year (excluding retiral benefits) including perquisite as per Income Tax Act 1961 and PLP for FY 16-17. Similar principle is applied for the previous year's figures.



3. The percentage of the median remuneration of employees in the financial year is (3.66%) as compared to previous year's 27.48%. The percentage is lesser than previous year, as previous year figure includes Bonus paid to associate workers and PLP paid to staff members for two financial years i.e. FY 14-15 & FY15-16. For calculation of median remuneration, 550 permanent employees (Staff and Associates) who were on the rolls of the Company during the entire financial year have been considered.
4. The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2018 : 567.
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.
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:  
  
The Total Revenue (net of excise duty) of the Company for the year 2017-18 was ₹ 497.63 crores. Profit before tax (after OCI and exceptional item) during 2017-18 was ₹ 33.57 crores, while Profit after Tax (after OCI and exceptional item) for the year stood at ₹ 20.68 crores. The Company's 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 ₹ 10/- each at a premium of ₹ 465.00 per share. The market price of the Equity Shares of the Company as on March 31, 2018 was ₹ 1133.55 for shares of face value of Rs 10/- each, an increase of 143.77% over the period.  
  
The market capitalization of the Company as at March 31, 2018 is ₹ 727.92 crores, as against ₹ 407.32 crores as at March 31, 2017, an increase of 78.71% during the year under review. The price earnings ratio of the Company as at March 31, 2018 is 36.11, as against 19.42 as at March 31, 2017.
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 percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 5% (this increase computed on the employees present in the rolls of the company in FY16-17 and FY17-18). The increase is due to staff salary increments and VDA paid to associate workers. The general increment given to each individual employee is based on the consumer inflation rate, company performance and benchmarked against a comparable basket of relevant companies in India.
9. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:  
  
The Total Revenue with other income (net of excise duty) of the Company for the year 2017-18 was ₹ 497.63 crores. Profit before tax (after OCI and exceptional item) during 2017-18 was ₹ 33.57 crores, while Profit after Tax (after OCI and exceptional item) for the year stood at ₹ 20.68 crores. Remuneration to the Key Managerial Personnel (KMPs) is reviewed in terms of the performance of the Company 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 31, 2015, 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.

#### (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 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

#### 1. Efforts made towards Technology Absorption:

The Company has taken following initiatives for the Technology Absorption during the FY 17-18.

- Mass production commenced for Hybrid buses
- Approval and order received for water tight door for ships for Goa Shipyard Limited
- Implementation of 3D designing
- Development of Proto bus with optimized structure
- Development of new concept roof to improve aesthetic look, increase stiffness, reduce Vibration and reduce leakage.

#### 2. Benefits Derived from R & D and future plan of action

The company has received in-house R&D Recognition from 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.

#### 3. 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                           | ₹ | 28.46 lakhs  |
| b) Recurring                         | ₹ | 163.80 lakhs |
| d) Total                             | ₹ | 192.26 lakhs |
| e) Total as a percentage of turnover |   | 0.39%        |

#### C. Foreign Exchange earnings and outgo

|            |      |   |
|------------|------|---|
| Earnings : | i.   | On export of goods calculated on FOB basis - ₹ 13.21 Lakhs  |
|            | ii.  | The Company has exported bus bodies and component parts thereof through a merchant exporter - ₹ 17,588.74 Lakhs (excluding Excise duty) |
| Outgo :    | i.   | Travelling expenses - ₹ 103.39 Lakhs  |
|            | ii.  | Advance paid on spares - ₹ 1.08 Lakhs   |
|            | iii. | Survey & inspection certification on Doors - ₹ 0.84 Lakhs   |

On behalf of the Board of Directors

Place : Panaji, Goa.  
Date : April 27, 2018

**Shrinivas Dempo**  
Chairman

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018

[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, 2018 (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, 2018 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 there under 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, 2009(Not applicable to the Company during the audit period);
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (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, 1998 (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.

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 : April 27, 2018

**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 : April 27, 2018

**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, 2018

[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 6731218, Fax : 0832 6731262<br>E-mail: sectl@acglgoa.com Website: www.acglgoa.com  |
| 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, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.<br>Tel. No.: 91 22 6656 8484 Fax No.: 91 22 6656 8494<br>E-mail: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com |

#### 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                            | 83                                 |
| 2       | Pressed sheet metal parts/ components/sub assemblies and assemblies therefrom for various aggregates of automobiles | 29209                            | 17                                 |

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

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

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

##### i) Category-wise Share Holding

| Category code (I) | Category of Shareholder (II)         | Number of shares held at the beginning of the year 1st April, 2017 |          |                  |                  | Number of shares held at the end of the year 31st March, 2018 |          |                  |                  | % 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              | 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 (I) | Category of Shareholder (II)   | Number of shares held at the beginning of the year 1st April, 2017 |          |           |                  | Number of shares held at the end of the year 31st March, 2018 |          |           |                  | % 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                     |
|                   | Sub-Total (A) (2)  | 0  | 0        | 0         | 0.00             | 0   | 0        | 0         | 0.00             | 0.00                     |
|                   | Total Shareholding of Promoter (A) = (A) (1) + (A) (2)                       | 3,435,831  | 0        | 3,435,831 | 53.50            | 3,435,831   | 0        | 3,435,831 | 53.50            | 0.00                     |
| <b>(B)</b>        | <b>Public Shareholding</b>   |  |          |           |                  |   |          |           |                  |                          |
| <b>(1)</b>        | <b>Institutions</b>  |  |          |           |                  |   |          |           |                  |                          |
| (a)               | Mutual Funds   | 72,740   | 0        | 72,740    | 1.13             | 0   | 0        | 0         | 0.00             | -1.13                    |
| (b)               | Banks / Financial Institutions   | 0  | 1,754    | 1,754     | 0.02             | 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 Investor   | 0  | 1,400    | 1,400     | 0.02             | 0   | 650      | 650       | 0.01             | -0.01                    |
| (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                     |
|                   | Sub-Total (B) (1)  | 72,740   | 3,154    | 75,894    | 1.17             | 0   | 800      | 800       | 0.03             | -1.16                    |
| <b>(2)</b>        | <b>Non-Institutions</b>  |  |          |           |                  |   |          |           |                  |                          |
| <b>(a)</b>        | <b>Bodies Corporate</b>  |  |          |           |                  |   |          |           |                  |                          |
| i                 | Indian   | 390,384  | 3,352    | 393,736   | 6.14             | 398,363   | 2,396    | 400,759   | 6.24             | 0.10                     |
| ii                | Overseas   | 0  | 0        | 0         | 0.00             | 0   | 0        | 0         | 0.00             | 0.00                     |
| <b>(b)</b>        | <b>Individuals -</b>   |  |          |           |                  |   |          |           |                  |                          |
| i                 | Individuals shareholders holding nominal share capital upto ₹ 1 lakh         | 998,384  | 353,710  | 1,352,094 | 21.06            | 1,016,438   | 278,248  | 1,294,686 | 20.15            | -0.91                    |
| ii                | Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh | 1,164,067  | 0        | 1,164,067 | 18.13            | 1,219,005   | 0        | 1,219,005 | 18.98            | 0.86                     |
| <b>(c)</b>        | <b>Any Other (Specify)</b>   | 0  | 0        | 0         | 0                | 0   | 0        | 0         | 0                | 0                        |
|                   | Sub-Total (b) (2)  | 2,552,835  | 357,062  | 2,909,897 | 45.32            | 2,704,347   | 280,644  | 2,984,991 | 46.47            | 1.15                     |
|                   | Total Public Shareholding (B)=(B) (1)+(B) (2)                                | 2,625,575  | 360,216  | 2,985,791 | 46.50            | 2,704,347   | 281,444  | 2,985,791 | 46.50            | 0.00                     |
|                   | Total (A) + (B)  | 6,061,406  | 360,216  | 6,421,622 | 100.00           | 6,140,178   | 281,444  | 6,421,622 | 100.00           | 0.00                     |
| (C)               | Share 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                     |
|                   | GRAND TOTAL (A)+(B)+(C)  | 6,061,406  | 360,216  | 6,421,622 | 100.00           | 6,140,178   | 281,444  | 6,421,622 | 100.00           | 0.00                     |

**(ii) Shareholding of Promoters**

| Sl No. | Shareholder's Name   | Shareholding at the beginning of the year |                                  |  | Share holding at the end of the year |                                  |  | % 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 (formerly known as Sheba Properties Ltd) | 48,315                                    | 0.75                             | 0.00   | 48,315                               | 0.75                             | 0.00   | 0.00                                      |
|        | Total  | 3,435,831                                 | 53.50                            | 0.00   | 3,435,831                            | 53.50                            | 0.00   | 0.00                                      |



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

| Serial No. | PAN                  | Folio/Beneficiary Account No | Name of Shareholder  | Date        | Reason                       | Shareholding at the beginning of the year 01.04.2017 | 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-2017 | At the beginning of the year | 2,982,214  | 46.44                                   | 2,982,214     | 46.44                            |
| 1.1        |                      |                              |  | 31-Mar-2018 | 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-2017 | At the beginning of the year | 405,302  | 6.31                                    | 405,302       | 6.31                             |
| 2.1        |                      |                              |  | 31-Mar-2018 | 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 (formerly known as Sheba Properties Ltd) | 01-Apr-2017 | At the beginning of the year | 48,315   | 0.75                                    | 48,315        | 0.75                             |
| 3.1        |                      |                              |  | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 48,315        | 0.75                             |
| 3          | Total for AAACS0591F |                              |  |             | 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 Shareholder  | Date        | Reason                       | Shareholding at the beginning of the year 01.04.2017 | 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-2017 | At the beginning of the year | 298,285  | 4.65                                    | 298,285       | 4.65                             |
| 1.1        |                            |                              |  | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 298,285       | 4.65                             |
| 1          | Total of ABNPN8096M        |                              |  |             | Pan Total :                  | 298,285  | 4.65                                    | 298,285       | 4.65                             |
| 2.1        | ABWPR0544B                 | IN30281412714996             | Diana Dhun Ratnagar  | 01-Apr-2017 | At the beginning of the year | 80,000   | 1.25                                    | 80,000        | 1.25                             |
| 2.2        |                            |                              |  | 31-Mar-2018 | 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-2017 | At the beginning of the year | 0  | 0.00                                    | 0             | 0.00                             |
| 3.1        |                            |                              |  | 15-Dec-2017 | Increase                     | 25   | 0.00                                    | 25            | 0.00                             |
| 3.1        |                            |                              |  | 22-Dec-2017 | Increase                     | 61,710   | 0.96                                    | 61,735        | 0.96                             |
| 3.1        |                            |                              |  | 29-Dec-2017 | Increase                     | 5,043  | 0.08                                    | 66,778        | 1.04                             |
| 3.1        |                            |                              |  | 23-Mar-2018 | Increase                     | 2,438  | 0.04                                    | 69,216        | 1.08                             |
| 3.1        |                            |                              |  | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 69,216        | 1.08                             |
| 3          | Total for 1204720013676780 |                              |  |             | Pan Total :                  | 0  | 0.00                                    | 69,216        | 1.08                             |
| 4.1        | ABUPN0368B                 | IN30014210200799             | B N NAGAMANI   | 01-Apr-2017 | At the beginning of the year | 60,00  | 0.93                                    | 60,000        | 0.93                             |
| 4.1        |                            |                              |  | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 60,00         | 0.93                             |
| 4          | Total for ABUPN0368B       |                              |  |             | Pan Total :                  | 60,000   | 0.93                                    | 60,000        | 0.93                             |



| Serial No. | PAN                  | Folio/Beneficiary Account No | Name of Shareholder                      | Date        | Reason                       | Shareholding at the beginning of the year 01.04.2017 | Cumulative Shareholding during the year |               |                                  |
|------------|----------------------|------------------------------|--|-------------|------------------------------|--|---|---------------|----------------------------------|
|            |                      |                              |  |             |                              | No. of Shares  | % of total Shares of the company        | No. of Shares | % of total Shares of the company |
| 5.1        | AAACR2495M           | IN30154953154265             | Rachana Credit Capital Private Limited   | 01-Apr-2017 | At the beginning of the year | 58,500   | 0.91                                    | 58,500        | 0.91                             |
| 5.1        |                      |                              |  | 31-Mar-2018 | 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-2017 | At the beginning of the year | 56,000   | 0.87                                    | 56,000        | 0.87                             |
| 6.1        |                      |                              |  | 31-Mar-2018 | 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        | AFXPA4955L           | IN30002011711809             | Priti Agrawal                            | 01-Apr-2017 | At the beginning of the year | 0  | 0.00                                    | 0             | 0.00                             |
| 7.1        |                      |                              |  | 03-Nov-2017 | Increase                     | 5,506  | 0.09                                    | 5,506         | 0.09                             |
| 7.1        |                      |                              |  | 10-Nov-2017 | Increase                     | 17,419   | 0.27                                    | 22,925        | 0.36                             |
| 7.1        |                      |                              |  | 17-Nov-2017 | Increase                     | 9,540  | 0.15                                    | 32,465        | 0.51                             |
| 7.1        |                      |                              |  | 24-Nov-2017 | Increase                     | 6,356  | 0.10                                    | 38,821        | 0.60                             |
| 7.1        |                      |                              |  | 01-Dec-2017 | Increase                     | 144  | 0.00                                    | 38,965        | 0.61                             |
| 7.1        |                      |                              |  | 19-Jan-2018 | Increase                     | 8,035  | 0.13                                    | 47,000        | 0.73                             |
| 7.1        |                      |                              |  | 09-Feb-2018 | Increase                     | 3,142  | 0.05                                    | 50,142        | 0.78                             |
| 7.1        |                      |                              |  | 16-Feb-2018 | Increase                     | 2,858  | 0.04                                    | 53,000        | 0.83                             |
| 7.1        |                      |                              |  | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 53,000        | 0.83                             |
| 7          | Total for AFXPA4955L |                              |  |             | Pan Total :                  | 0  | 0.00                                    | 53,000        | 0.83                             |
| 8.1        | AADCT8291N           | 1203730000003064             | Trishakti Power Holdings Private Limited | 01-Apr-2017 | At the beginning of the year | 51,000   | 0.79                                    | 51,000        | 0.79                             |
| 8.1        |                      |                              |  | 30-Jun-2017 | Increase                     | 1,500  | 0.02                                    | 52,500        | 0.82                             |
| 8.1        |                      |                              |  | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 52,500        | 0.82                             |
| 8          | Total for AADCT8291N |                              |  |             | Pan Total :                  | 51,000   | 0.79                                    | 52,500        | 0.82                             |
| 9.1        | AAFHS4460P           | IN30154951847148             | Paresh Nandlal Sheth                     | 01-Apr-2017 | At the beginning of the year | 50,000   | 0.78                                    | 50,000        | 0.78                             |
| 9.1        |                      |                              |  | 31-Mar-2018 | 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-2017 | At the beginning of the year | 50,000   | 0.78                                    | 50,000        | 0.78                             |
| 10.1       |                      |                              |  | 31-Mar-2018 | 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       | AAACB2009H           | IN30115121939659             | Blue Moon Properties Pvt. Ltd.           | 01-Apr-2017 | At the beginning of the year | 47,000   | 0.73                                    | 47,000        | 0.73                             |
| 11.1       |                      |                              |  | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 47,000        | 0.73                             |
| 11         | Total for AAACB2009H |                              |  |             | Pan Total :                  | 47,000   | 0.73                                    | 47,000        | 0.73                             |
| 12.1       | AAPFP7724D           | IN30021417497136             | Mukul Agrawal                            | 01-Apr-2017 | At the beginning of the year | 60,000   | 0.93                                    | 60,000        | 0.93                             |
| 12.1       |                      |                              |  | 14-Apr-2017 | Decrease                     | -3,875   | -0.06                                   | 56,125        | 0.87                             |
| 12.1       |                      |                              |  | 21-Apr-2017 | Decrease                     | -3,797   | -0.06                                   | 52,328        | 0.81                             |
| 12.1       |                      |                              |  | 28-Apr-2017 | Decrease                     | -530   | -0.01                                   | 51,798        | 0.81                             |
| 12.1       |                      |                              |  | 12-May-2017 | Decrease                     | -1,200   | -0.02                                   | 50,598        | 0.79                             |
| 12.1       |                      |                              |  | 19-May-2017 | Decrease                     | -3,800   | -0.06                                   | 46,798        | 0.73                             |
| 12.1       |                      |                              |  | 26-May-2017 | Decrease                     | -798   | -0.01                                   | 46,000        | 0.72                             |
| 12.1       |                      |                              |  | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 46,000        | 0.72                             |
| 12         | Total for AAPFP7724D |                              |  |             | Pan Total :                  | 60,000   | 0.93                                    | 46,000        | 0.72                             |



| Serial No. | PAN                  | Folio/Beneficiary Account No | Name of Shareholder   | Date        | Reason                       | Shareholding at the beginning of the year 01.04.2017 | Cumulative Shareholding during the year |               |                                  |
|------------|----------------------|------------------------------|---|-------------|------------------------------|--|---|---------------|----------------------------------|
|            |                      |                              |   |             |                              | No. of Shares  | % of total Shares of the company        | No. of Shares | % of total Shares of the company |
| 13.1       | AADPR5435M           | IN30002030016774             | Pankaj Rakyan   | 01-Apr-2017 | At the beginning of the year | 38,516   | 0.60                                    | 38,516        | 0.60                             |
| 13.1       |                      |                              |   | 09-Jun-2017 | Increase                     | 5,059  | 0.08                                    | 43,575        | 0.68                             |
| 13.1       |                      |                              |   | 20-Jul-2017 | Increase                     | 250  | 0.00                                    | 43,825        | 0.68                             |
| 13.1       |                      |                              |   | 21-Jul-2017 | Increase                     | 273  | 0.00                                    | 44,098        | 0.69                             |
| 13.1       |                      |                              |   | 04-Aug-2017 | Decrease                     | -15,392  | -0.24                                   | 28,706        | 0.45                             |
| 13.1       |                      |                              |   | 11-Aug-2017 | Decrease                     | -286   | 0.00                                    | 28,420        | 0.44                             |
| 13.1       |                      |                              |   | 18-Aug-2017 | Decrease                     | -540   | -0.01                                   | 27,880        | 0.43                             |
| 13.1       |                      |                              |   | 08-Sep-2017 | Decrease                     | -27,880  | -0.43                                   | 0             | 0.00                             |
| 13.1       |                      |                              |   | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 0             | 0.00                             |
| 13.2       |                      | IN30021421344025             | Pankaj Rakyan   | 01-Apr-2017 | At the beginning of the year | 0  | 0.00                                    | 0             | 0.00                             |
| 13.2       |                      |                              |   | 08-Sep-2017 | Increase                     | 27,880   | 0.43                                    | 27,880        | 0.43                             |
| 13.2       |                      |                              |   | 29-Sep-2017 | Increase                     | 500  | 0.01                                    | 28,380        | 0.44                             |
| 13.2       |                      |                              |   | 06-Oct-2017 | Increase                     | 3  | 0.00                                    | 28,383        | 0.44                             |
| 13.2       |                      |                              |   | 20-Oct-2017 | Decrease                     | -10  | 0.00                                    | 28,373        | 0.44                             |
| 13.2       |                      |                              |   | 27-Oct-2017 | Decrease                     | -514   | -0.01                                   | 27,859        | 0.43                             |
| 13.2       |                      |                              |   | 03-Nov-2017 | Increase                     | 1,360  | 0.02                                    | 29,219        | 0.46                             |
| 13.2       |                      |                              |   | 10-Nov-2017 | Decrease                     | -165   | 0.00                                    | 29,054        | 0.45                             |
| 13.2       |                      |                              |   | 17-Nov-2017 | Increase                     | 719  | 0.01                                    | 29,773        | 0.46                             |
| 13.2       |                      |                              |   | 01-Dec-2017 | Decrease                     | -160   | 0.00                                    | 29,613        | 0.46                             |
| 13.2       |                      |                              |   | 08-Dec-2017 | Increase                     | 118  | 0.00                                    | 29,731        | 0.46                             |
| 13.2       |                      |                              |   | 29-Dec-2017 | Increase                     | 1,000  | 0.02                                    | 30,731        | 0.48                             |
| 13.2       |                      |                              |   | 05-Jan-2018 | Increase                     | 205  | 0.00                                    | 30,936        | 0.48                             |
| 13.2       |                      |                              |   | 12-Jan-2018 | Increase                     | 140  | 0.00                                    | 31,076        | 0.48                             |
| 13.2       |                      |                              |   | 19-Jan-2018 | Increase                     | 23   | 0.00                                    | 31,099        | 0.48                             |
| 13.2       |                      |                              |   | 26-Jan-2018 | Increase                     | 550  | 0.01                                    | 31,649        | 0.49                             |
| 13.2       |                      |                              |   | 02-Feb-2018 | Increase                     | 1,110  | 0.02                                    | 32,759        | 0.51                             |
| 13.2       |                      |                              |   | 14-Feb-2018 | Increase                     | 10   | 0.00                                    | 32,769        | 0.51                             |
| 13.2       |                      |                              |   | 16-Feb-2018 | Increase                     | 400  | 0.01                                    | 33,169        | 0.52                             |
| 13.2       |                      |                              |   | 23-Feb-2018 | Increase                     | 572  | 0.01                                    | 33,741        | 0.53                             |
| 13.2       |                      |                              |   | 02-Mar-2018 | Increase                     | 84   | 0.00                                    | 33,825        | 0.53                             |
| 13.2       |                      |                              |   | 09-Mar-2018 | Increase                     | 982  | 0.02                                    | 34,807        | 0.54                             |
| 13.2       |                      |                              |   | 16-Mar-2018 | Increase                     | 432  | 0.01                                    | 35,239        | 0.55                             |
| 13.2       |                      |                              |   | 23-Mar-2018 | Increase                     | 42   | 0.00                                    | 35,281        | 0.55                             |
| 13.2       |                      |                              |   | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 35,281        | 0.55                             |
| 13.3       |                      | IN30327010403871             | Pankaj Rakyan   | 01-Apr-2017 | At the beginning of the year | 5,020  | 0.08                                    | 5,020         | 0.08                             |
| 13.3       |                      |                              |   | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 5,020         | 0.08                             |
| 13         | Total for AADPR5435M |                              |   |             | Pan Total :                  | 43,536   | 0.68                                    | 40,301        | 0.63                             |
| 14.1       | AAATR0090B           | IN30016710119923             | Reliance Capital Trustee Co. Ltd-A/C Reliance Capital Builder Fund - Sr A | 01-Apr-2017 | At the beginning of the year | 72,740   | 1.13                                    | 72,740        | 1.13                             |
| 14.1       |                      |                              |   | 04-Aug-2017 | Decrease                     | -72,740  | -1.13                                   | 0             | 0.00                             |
| 14.1       |                      |                              |   | 31-Mar-2018 | At the end of the year       | 0  | 0.00                                    | 0             | 0.00                             |
| 14         | Total for AAATR0090B |                              |   |             | Pan Total :                  | 72,740   | 1.13                                    | 0             | 0.00                             |

(v) Shareholding of Directors and Key Managerial Personnel:

| Serial No. | PAN                  | Folio/Beneficiary Account No | Name of the Director and KMP | Date        | Reason                       | Shareholding at the beginning of the year 01.04.2017 | 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-2017 | At the beginning of the year | 250  | 0.00                                    | 250           | 0.00                             |
| 1.1        |                      |                              |                              | 31-Mar-2018 | 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 2017-18.

**V. INDEBTEDNESS**

(Amount in ₹)

**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 | 23,911,936                        | Nil             | 322,392    | 24,234,328         |
| Change in Indebtedness during the financial year    | 35,417,004                        | Nil             | 57,425     | 35,474,429         |
| Indebtedness at the end of the financial year       | 59,328,940                        | Nil             | 379,817    | 59,708,757         |

\*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:**

(Amount in ₹)

| Sr. No. | Particulars of Remuneration  | Mr O V Ajay CEO & ED* |
|---------|--|-----------------------|
| 1       | Gross salary   |                       |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(Note : Deputation Charges paid through Tata Motors exclusive of taxes) | 71,14,593             |
|         | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961   | 815,549               |
|         | (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#  | 5,700,000             |
| 5       | Others (Telephone Expenses)  | 26,839                |
|         | <b>Total</b>   | <b>13,656,981</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 Sixty Lakhs for FY 2016-17 is paid in FY 2017-18. The Incentive Remuneration amounting to ₹ Fifty Seven Lakhs for FY 17-18 will be paid in FY 18-19.

**B. Remuneration to other directors:**

(Amount in ₹)

| Independent Director |                      |   |   |        |
|----------------------|----------------------|---|---|--------|
| Sl No.               | Name of the Director | Fees for attending Board/ Committee Meetings paid in FY 17-18 | Commission for FY 17-18 payable in FY 18-19 | Others |
| 1                    | Mr Shrinivas V Dempo | 400,000   | NIL*  | -      |
| 2                    | Mr Steven Pinto      | 565,000   | 704,000                                     | -      |
| 3                    | Dr Vaijayanti Pandit | 350,000   | 384,000                                     | -      |
| 4                    | Mr Yatin Kakodkar    | 540,000   | 512,000                                     | -      |
|                      | Total (B1)           | 1,855,000   | 1,600,000                                   | -      |

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



(Amount in ₹)

| Other Non-Executive Director |                                     |   |   |        |
|------------------------------|-------------------------------------|---|---|--------|
| SI No.                       | Name of the Director                | Fees for attending Board/ Committee Meetings paid in FY 17-18 | Commission for FY 17-18 payable in FY 18-19 | Others |
| 1                            | Mr Ravindra Pisharody               | 435,000   | 576,000                                     | -      |
| 2                            | Mr R Ramakrishnan                   | 300,000   | 384,000                                     | -      |
| 3                            | Mr Abhay Bawale (w.e.f. 26.06.2017) | 355,000   | 320,000                                     | -      |
| 4.                           | Mr Girish Wagh (w.e.f. 30.10.2017)  | 100,000   | 320,000                                     | -      |
| Total (B2)                   |                                     | 1,190,000   | 1,600,000                                   | -      |
| Total B = B1+B2              |                                     | 3,045,000   | 3,200,000                                   | -      |

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

(Amount in ₹)

| Sr. No. | Particulars of Remuneration \$  | Raghwendra Singh Butola CFO | Pravin Satardekar Company Secretary (Upto 30.09.2017) | Manisha Naik Shirgaonkar Company Secretary (w.e.f. 08.01.2018) | Total     |
|---------|---|-----------------------------|---|--|-----------|
| 1       | Gross salary  |                             |   |  |           |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 5,394,787                   | 1,137,065   | 207,978  | 6,739,830 |
|         | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | 313,540                     | 35,152  | -  | 348,692   |
|         | (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 Expenses+others)  | 27,798                      | 14,884  | 6,848  | 49,530    |
|         | <b>Total</b>  | 5,736,125                   | 1,187,101   | 214,826  | 7,138,052 |

§ Remuneration to KMPs includes Performance Linked Payment (PLP) for FY 2016-17 which is paid in FY 2017-18. The PLP for FY 17-18 will be paid in FY 18-19

**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 2017-2018



Provided a Special Application Mobile Library Bus to Krishnadas Shama Goa State Central Library



Installed safe drinking water facilities, Hand wash stations and Sanitary Pad Vending machines, Incinerators and separate toilet for boys and girls at various Schools within the vicinity of the Factory under WINS project of Rotary Club of Panaji Midtown





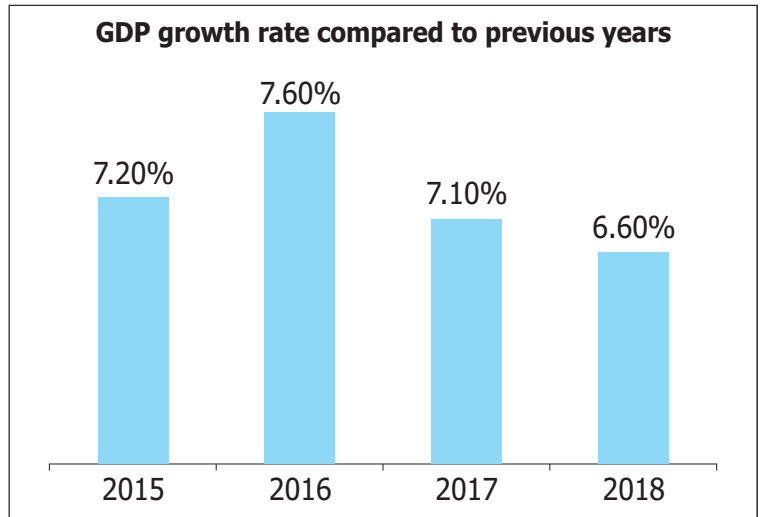
## MANAGEMENT DISCUSSION AND ANALYSIS

### Indian Economy Overview:

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to grow 6.6 per cent in 2017-18 and is expected to grow 7.3 percent in 2018-19. India's gross domestic product (GDP), at constant prices grew by 7.2 per cent in September-December 2017 quarter, as per the Central Statistics Organisation (CSO).

### Recent Economic Development:

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.



India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a year-on-year basis to US\$ 273.73 billion and US\$ 416.87 billion, respectively, during April-February 2017-18.

India's Foreign Direct Investment (FDI) inflows reached US\$ 208.99 billion during April 2014 - December 2017, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.

India's Index of Industrial Production (IIP) rose 7.5 per cent year-on-year in January 2018 while retail inflation reached a four month low of 4.4 per cent in February 2018.

Indian merchandise exports in dollar terms registered a growth of 4.48 per cent year-on-year in February 2018 at US\$ 25.83 billion, according to the data from Ministry of Commerce & Industry.

India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report. Moody's also upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.

The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around ₹ 3.9 trillion (US\$ 60 billion) in 2030.

The Government of India will spend around ₹ 1 lakh crore (US\$ 15.62 billion) during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY).

The Union Budget for FY 2018-19 was announced by Mr Arun Jaitley, Union Minister for Finance, Government of India, in Parliament on February 1, 2018. This year's budget will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022. A total of ₹ 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at ₹ 5.97 lakh crore (US\$ 93.85 billion) for FY 2018-19. All-time high allocations have been made to the rail and road sectors.



The Government of India, under the Make in India initiative, is trying to give boost to 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.

The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014.

The Government of India has decided to invest ₹ 2.11 trillion (US\$ 32.9 billion) to recapitalise public sector banks over the next two years and ₹ 7 trillion (US\$ 109.31billion) for construction of new roads and highways over the next five years. The bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.

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

**INDIAN AUTOMOBILE INDUSTRY**

**Production**

The industry produced a total 29,075,605 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle in April-March 2018 as against 25,330,967 in April-March 2017, registering a growth of 14.78 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 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 7.89 percent in April-March 2018 over the same period last year. Within the Passenger Vehicles, Passenger Cars, Utility Vehicle and Vans grew by 3.33 percent, 20.97 percent and 5.78 percent respectively in April-March 2018 over the same period last year.

The overall Commercial Vehicles segment grew by 19.94 percent in April-March 2018 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) grew by 12.48 percent and Light Commercial Vehicles grew by 25.42 percent in April-March 2018 over the same period last year.

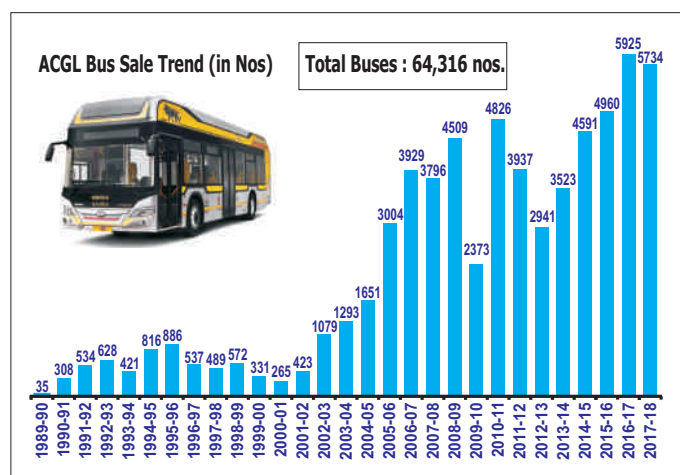
Three Wheelers sales grew by 24.19 percent in April- March 2018 over the same period last year. Within the Three Wheelers, Passenger Carrier & Goods Carrier sales registered a growth of 28.65 percent and 7.83 percent respectively in April-March 2018 over April-March 2017.

Two Wheelers sales registered a growth at 14.80 percent in April-March 2018 over April-March 2017. Within the Two Wheelers segment, Scooters and Motorcycles grew by 19.90 percent and 13.69 percent respectively, while Mopeds declined by (-) 3.48 percent in April-March 2018 over April-March 2017.

**Exports**

In April-March 2018, overall automobile exports increased by 16.12 percent. Two and Three Wheelers Segments registered a growth of 20.29 percent and 40.13 percent respectively, while Passenger Vehicles and Commercial Vehicles declined by (-)1.51 percent and (-)10.53 percent respectively in April-March 2018 over the same period last year.

Source : Indian Automobile Industry Statics Source-SIAM





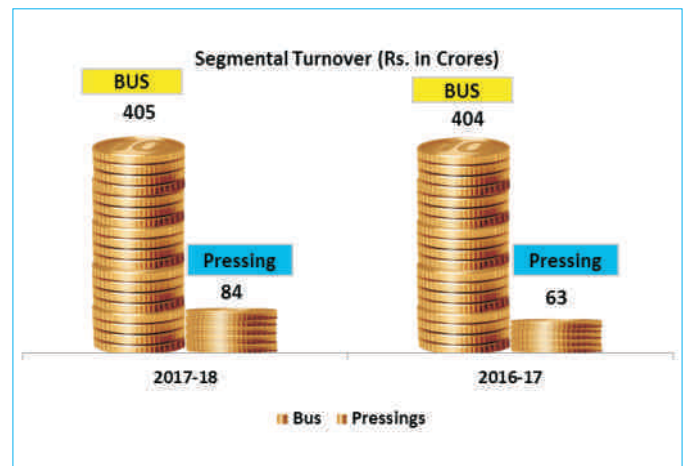
**COMPANY PERFORMANCE**

Your Company's Product Sale (without duties & other income) for the financial year 2017-18 crossed the key milestone of ₹ **489 crores**, reflecting a growth of 5% over the previous financial year. The Company's profit before tax during the financial year 2017-18 was at ₹ **32.77 crores** (before other comprehensive income) as against ₹ 32.44 crores in the preceding financial year. Net profit after tax stood at ₹ **20.68 crores** as compared to ₹ 20.96 crores in the preceding financial year. During FY 2017-18, your Company sold **5,734 buses**.

The Government Policy on the Emission Norms, Road & Infrastructure, Electric Vehicles, Bus Body Code and Replacement of the Old Vehicle 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 83% 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 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 which has contributed to this growth.



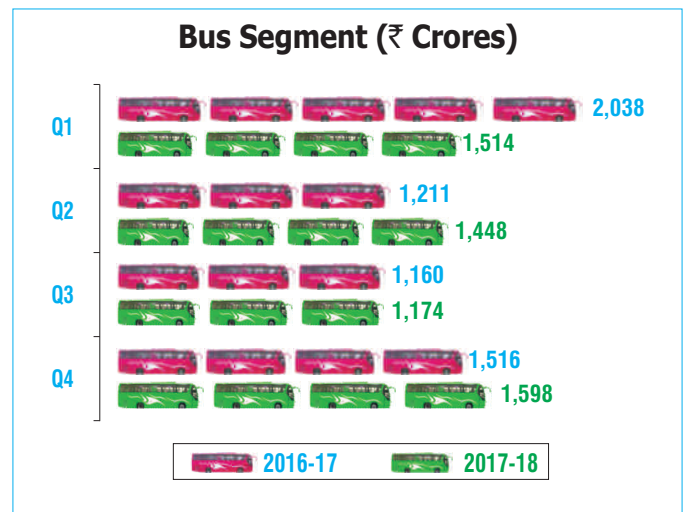
**1. Segment Review and Developments**

**A. BUS SEGEMENT**

Revenue from product sale in Bus Segment increased by **0.49%** at ₹ **405 crores** in FY 2017-18, as compared to ₹ **404 crores** in the preceding financial year. In FY 2017-18, **5,734 buses** were sold as compared to **5,925 buses** in preceding financial year which is reduction of **191 buses**.

Out of the 5,734 buses sold during the financial year 2017-18, 1,874 buses were for Export Application which was lower by 3%, as compared to the preceding financial year. The major factor in reduction of Export Application buses was reduced demand from Middle East caused by the economic slowdown as a result of drop in Oil Prices.

The Total Industry Volume growth in the domestic bus market remained stagnant in the financial year 2017-18 due to lesser State Transport Undertaking (STU) orders, pre buy as a result of transition from BS III to BS IV and implementation of the Bus Body Code (Type Approval).



With the range of school buses introduced in last year, your company has a product portfolio that covers virtually the complete spectrum of School Buses, and helps in leveraging every possible opportunity. Your Company also delivered prestigious Hybrid Bus Order of 25 Nos received through Tata Motors for MMRDA, which helped your Company to gain entry into a new emerging segment.

The major raw material used in Bus Body is steel. Steep increase in the prices of steel over past 2 years is putting pressure on the margins of the Bus Segment of your Company. Your Company has been in relentless pursuit to optimize cost of manufacturing and in this endeavor persistent efforts are put in the areas of Value Engineering, enhancing procurement efficiencies and Cost management to maintain profitability in the Bus Segment.

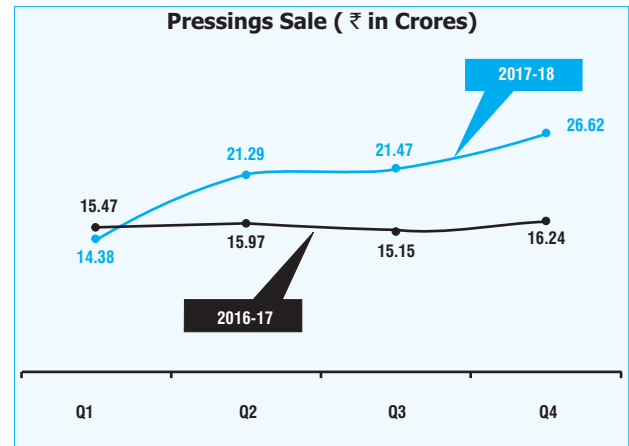


**B. PRESSING SEGMENT**

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) from this segment has shown an increase from ₹ 63 crores (FY 2016-17), to ₹ 84 crores in the given financial year due to higher volumes.

This increase of 33% is a result of increase in the volumes from Tata Motors and Tata Cummins which also includes a portfolio of new components.

Share of pressings business in the overall revenue of the Company has increased from 13% in FY 2016-17 to 17% in FY 2017-18, 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 26.10.16. Your Company is focussing on the innovation and technology development to enhance the value in the products and manufacturing procedures.

Your company is working on product up-gradation by enhancing design capability by implementing modern tools like Styling, 3D designing and continuously benchmarking its product with competition offerings.

**3. Entry into New segment**

Your Company is making efforts to gain entry into component manufacturing for the Ship industry. In its endeavour your Company has received an initial order for 60 Nos of Weather/Water Tight doors from Goa Ship Yard amounting ₹ 85 Lakhs. Your Company is also under discussion with other ship building companies for enhancing the business.



**4. Awards, Certification & Recognition**

In order to achieve International Quality Standards, your Company has applied for and has been awarded IATF 16949 QMS Certification for its Goa and Jejuri Plants in this year. We also received ISO 9001 certification for our Dharwad plant.

Your Company has also complied with GSO certification requirement for the new Bus Body code regulations in the Middle East and AIS 052 Bus Body code certification requirement for the domestic market.



## 5. Risks, Opportunities and Threats

### Risks and Concerns

Any significant downtrend in industry volume, may adversely affect 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 retaining 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 own 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 has gained entry into manufacturing of hybrid bus bodies in order to remain future ready considering the government thrust on the electric buses. Also your Company is focusing on enhancing the sales in pressing segment to mitigate any adverse impact in the sales volume of the bus segment.

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.

### Opportunities

Your Company has adequate production capacity to meet the 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 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 052/AIS 063/AIS 140) will fuel the increase in demand of fully built buses in the future.

### Threats

Your Company is facing challenge in maintaining margins due to increasing raw material cost especially steel and aluminium, competitive bus pricing in the market, increase in minimum wages, high wages increase demanded by workers in bargainable category 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.

Rapidly changing technology and increasing presence of multinationals in the bus domain requires technical up-gradation of product 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 for the designing i.e. 3D Designing and is regularly benchmarking its product with the competition for enhancing the value of the 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 in 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 the same operating effectively.

## 7. Financial and Operational Performance

Company's total revenue including other income (net of Excise Duty) stood at ₹ 498 crores, an increase by 5% with respect to that achieved in the previous year. Correspondingly, profit before tax (after OCI and exceptional item) marginally increased to ₹ 33.57 crores as compared to ₹ 32.41 crores in last financial year. Earnings per equity share marginally decreased to ₹ 31.39 as compared to ₹ 32.67 in last financial year.

| Particulars   | Percentage of Sales<br>Year ended 31 <sup>st</sup> March |             |
|---|--|-------------|
|   | 2018   | 2017        |
| <b>Total Revenue (including Excise Duty &amp; Other Income)</b> | 100  | 100         |
| <b>Expenditure :</b>  |  |             |
| Material (including change in stock)                            | 65.53  | 61.40       |
| Excise duty on sale of product #                                | 2.05   | 6.53        |
| Employee Cost   | 8.52   | 8.96        |
| Manufacturing Expenses  | 16.62  | 15.58       |
| Total Expenditure   | 92.72  | 92.47       |
| Profit before Interest, Depreciation, Exceptional Items and Tax | 7.28   | 7.53        |
| Depreciation  | 1.05   | 1.10        |
| Finance Cost  | 0.08   | 0.05        |
| Profit before Exceptional Items, OCI and Tax                    | 6.15   | 6.38        |
| Exceptional items   | 0.29   | 0.00        |
| Profit before tax and OCI                                       | 6.44   | 6.38        |
| Provision for Tax before OCI                                    | (2.48)   | (2.26)      |
| Other Comprehensive Income (net of tax)                         | 0.11   | 0.00        |
| <b>Profit After Tax</b>   | <b>4.07</b>  | <b>4.12</b> |

#Excise duty was applicable till the date of GST implementation (upto 30.06.2017)

## 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.

As a result of ongoing endeavour of rationalising and rightsizing the workforce, the employee cost remains at 8.70% of total revenue (net of taxes and duties) notwithstanding increase in salaries & wages with the strength of permanent employees remaining nearly the same at 567 as on 31<sup>st</sup> March 2018 against 565 on 31<sup>st</sup> March 2017. Industrial Relations with staff and workmen across the Plants at Goa, Jejuri and Dharwad continue to be cordial.

### Cautionary Statement

Statements in this Management Discussion and Analysis that describe 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 27 April 2018 is ten Directors. The Board comprises of one Executive Director who is the Chief Executive Officer of the Company. There are nine 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.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

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 ten 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.

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 2018 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 | Directorships <sup>(1)</sup> (including the Company) | Committee position <sup>(2)</sup> |        | Shareholding |
|---|--------------------------------|--------------------------------------|--|----------------------------|--|-----------------------------------|--------|--------------|
|   |                                |                                      |  |                            |  | Chairman                          | Member |              |
| Mr. Shrinivas Dempo                         | 00043413                       | Non-Executive Independent - Chairman | 5  | Yes                        | 13   | 1                                 | Nil    | Nil          |
| Mr. R Pisharody                             | 01875848                       | Non - Executive Non - Independent    | 6  | Yes                        | 2  | Nil                               | Nil    | Nil          |
| Mr. Steven Pinto                            | 00871062                       | Non-Executive Independent            | 6  | Yes                        | 6  | 2                                 | Nil    | 250          |
| Mr. R Ramakrishnan                          | 03394401                       | Non-Executive Non-Independent        | 6  | Yes                        | 2  | Nil                               | 1      | Nil          |
| Ms. Dr. Vaijayanti Pandit                   | 06742237                       | Non-Executive Independent            | 6  | Yes                        | 9  | Nil                               | 6      | Nil          |
| Mr. Yatin Kakodkar                          | 00001433                       | Non-Executive Independent            | 6  | Yes                        | 4  | 1                                 | 1      | Nil          |
| Mr. Abhay Bawale<br>(w.e.f. 26 June 2017)   | 07859752                       | Non - Executive Non - Independent    | 5  | Yes                        | 2  | Nil                               | 1      | Nil          |
| Mr. Girish Wagh<br>(w.e.f. 30 October 2017) | 03119361                       | Non - Executive Non - Independent    | 2  | NA                         | 4  | Nil                               | Nil    | Nil          |
| Mr. O V Ajay                                | 07042391                       | CEO & Executive Director             | 6  | Yes                        | 1  | Nil                               | 1      | Nil          |

Note: excludes the directorship held by Mr. Rohit Srivastava who was appointed on 27 April 2018.

(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.





During the financial year ended 31 March 2018, six Board Meetings were held on 08 May 2017, 27 July 2017, 30 October 2017, 12 December 2017, 29 January 2018 and 12 February 2018; 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.

The Board of Directors had on the recommendations of the Nomination and Remuneration Committee appointed the following directors since last AGM.

| S. No. | Name of the Director | Designation                        | Date of Appointment | Period of appointment  |
|--------|----------------------|------------------------------------|---------------------|------------------------|
| 1      | Mr. Girish Wagh      | Non - Executive<br>Non Independent | 30 October 2017     | Retirement by Rotation |
| 2      | Mr. Rohit Srivastava | Non - Executive<br>Non Independent | 27 April 2018       | Retirement by Rotation |

The Board has recommended the above appointments for the approval of the members of the Company. Attention of the members is invited to the relevant items in the Notice of the Annual General Meeting regarding appointment of the aforesaid Directors.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr R Ramakrishnan retires by rotation at the 38<sup>th</sup> Annual General Meeting (AGM) and does not seek re-election.

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/2014/09/Code-of-Conduct-Final.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 2018. 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/2015/11/TERMS-OF-APPOINTMENT-OF-INDEPENDENT-DIRECTORS.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 08 May 2017 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 Ms. Dr. Vaijayanti Pandit attended the Meeting of Independent Directors (IDs) held on 08 May 2017. 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>

### 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 2017-18.

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 2018 is given below. Four Audit Committee meetings were held on 08 May 2017, 27 July 2017, 30 October 2017 and 29 January 2018 during the financial year 2017-18, under review.

| Name of the Director   | Category                             | Position in the committee    | No. of meetings attended |
|------------------------|--------------------------------------|------------------------------|--------------------------|
| Mr. Steven Pinto       | Independent                          | Chairman                     | 4                        |
| Mr. Ravindra Pisharody | Non - Executive<br>Non - Independent | Member (upto 26 June 2017)   | 1                        |
| Mr. Yatin Kakodkar     | Independent                          | Member                       | 4                        |
| Mr. Abhay Bawale       | Non - Executive<br>Non - Independent | Member (w.e.f. 26 June 2017) | 3                        |

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.
- 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

Four Remuneration Committee meetings were held on 08 May 2017, 27 July 2017, 30 October 2017 and 12 December 2017 during the financial year 2017-18, under review.

Details of Composition of the Nomination and Remuneration Committee and the number of meetings attended by the members, as on 31 March 2018 are as under:

| Name of the Director | Category                      | Position in the committee | No. of meetings attended |
|----------------------|-------------------------------|---------------------------|--------------------------|
| Mr. Steven A Pinto   | Independent                   | Chairman                  | 4                        |
| Mr. Shrinivas Dempo  | Independent                   | Member                    | 4                        |
| Mr. R Pisharody      | Non-Executive Non-Independent | Member                    | 4                        |

The Chairman of the Nomination and Remuneration Committee, Mr Steven A Pinto was present at the Annual General Meeting of the Company held on 27 July 2017.

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.



## 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-imbursements 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 and conditions laid in the Agreement.



## Remuneration to Directors

Non-Executive Directors:

Sitting fee payable to Non-Executive Directors for attending Board Meeting is ₹ 50,000/-, Audit Committee ₹ 35,000/- and other Committee Meetings is ₹ 25,000/- per meeting. A sitting fee of ₹ 25,000/- was also paid to the Independent Directors who attended the meeting of the Independent Directors.

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

(₹)

| Name of the Director                         | Commission for 2017-18 (payable during FY 2018-19) | Commission for 2016-17 (paid in FY 2017-18) | Sitting Fees for 2017-18 |
|--|--|---|--------------------------|
| Mr. Shrinivas Dempo                          | Nil*   | Nil*  | 400,000                  |
| Mr. Ravindra Pisharody                       | 576,000  | 748,000                                     | 435,000                  |
| Mr. Steven Pinto                             | 704,000  | 748,000                                     | 565,000                  |
| Mr. R Ramakrishnan                           | 384,000  | 510,000                                     | 300,000                  |
| Ms. Dr. Vaijayanti Pandit                    | 384,000  | 442,000                                     | 350,000                  |
| Mr. Yatin Kakodkar                           | 512,000  | 340,000                                     | 540,000                  |
| Mr. Abhay Bawale                             | 320,000  | NA  | 355,000                  |
| Mr. Girish Wagh                              | 320,000  | NA  | 100,000                  |
| Mr. PFX D'Lima (upto 06 December 2016)       | NA   | 340,000                                     | NA                       |
| Mr. A Gajendragadkar (upto 30 November 2016) | NA   | 272,000                                     | NA                       |

\*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.

At the 35th Annual General Meeting held on 31 July 2015 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:

(₹)

| Name of the Director                      | Remuneration for FY 2017-18                        |           |
|---|--|-----------|
|   | Particulars  | Amount    |
| Mr. O V Ajay*<br>CEO & Executive Director | Basic Salary /Deputation Charges (excluding taxes) | 71,14,593 |
|   | Incentive Remuneration#                            | 5,700,000 |
|   | Perquisites & Allowances                           | 8,42,388  |

\*Mr. O V Ajay is on deputation from Tata Motors Limited. Out of the above, the remuneration which is directly paid by TataMotors 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 ₹ Sixty Lakhs for FY 2016-17 is paid in FY 2017-18. The Incentive Remuneration amounting to ₹ Fifty Seven Lakhs for FY 2017-18 will be paid in FY 2018-19.



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 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  | ₹ 550,000 p.m. – ₹ 700,000 p.m.  |
| 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

Two meetings of the Stakeholders Relationship Committee were held on 20 April 2017 and 25 July 2017 during the financial year ending 31 March 2018.

Composition of the Committee and the attendance is as under:

| Name of the Director | Category                 | Position in the committee | No. of meetings attended |
|----------------------|--------------------------|---------------------------|--------------------------|
| Mr. Yatin Kakodkar   | Independent              | Chairman                  | 2                        |
| Mr. O V Ajay         | CEO & Executive Director | Member                    | 2                        |

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.

Pursuant to resignation of Mr. Pravin Satardekar, 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) 6731214  
E-mail:cs.manisha@acglgoa.com

12 complaints were received during the year under review. All the complaints were resolved during the year. No complaints were pending as on 31 March 2018.



### Code of Conduct for Prevention of Insider Trading

The Company has adopted the Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with the shares of the Company. 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 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 29 January 2018 during the year under review.

The Composition of the Committee and the attendance as on 31 March 2018, is as under:

| Name of the Director    | Category                 | Position in the committee | No. of meetings attended |
|-------------------------|--------------------------|---------------------------|--------------------------|
| Mr. Shrinivas Dempo     | Independent              | Chairman                  | 1                        |
| Ms. Dr. Vijayati Pandit | Independent              | Member                    | 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 2017-18 forms a part of the Directors' Report.

### E) Risk Management Committee:

No Risk Management Committee meeting was held during the financial year under review. However, the Company had held a strategy meeting on 12 February 2018 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 |
|----------------------|--------------------------|---------------------------|
| Mr. Steven Pinto     | Independent              | Chairman                  |
| Mr. R. Ramakrishnan  | Non-Executive            | Member                    |
| Mr. O V Ajay         | CEO & Executive Director | Member                    |

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.

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    |
|---------|------|---------------|----------------------------------|---------|
| 2016-17 | AGM  | 27 July 2017  | Regd. Office Honda, Sattari, Goa | 3.30 pm |
| 2015-16 | AGM  | 1 August 2016 | Regd. Office Honda, Sattari, Goa | 3.30 pm |
| 2014-15 | AGM  | 31 July 2015  | 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.

Three Special Resolutions were passed during the last three AGM's held. During the year under review, no special resolution was put through by Postal Ballot.

Details of aforesaid Special Resolutions and Postal Ballot resolution are as under –

| Year    | Date of AGM  | Particulars of Special Resolution  |
|---------|--|--|
| 2016-17 | 27 July 2017   | Nil  |
| 2015-16 | 1 August 2016  | Nil  |
| 2014-15 | 31 July 2015   | i) Appointment of Mr. O V Ajay as the Chief Executive Officer and Executive Director (DIN 07042391) of the Company and payment of remuneration to him.<br>ii) Approval of Related Party Transactions with Tata Motors Limited. |
| 2014-15 | Postal Ballot<br>Special Resolution passed<br>on 25 March 2015 | Payment of 'One Time benefit' amount of ₹ 47,00,000/- to Mr. V Krishnamurthi, the outgoing Managing Director.  |

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) -<br>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: 28 July 2018 at 3:30 p.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 6 August 2018.

**Date of Book Closure:** 18 July 2018 to 24 July 2018 (Both days inclusive)

**Financial calendar :** Financial reporting for the quarter ending:  
 30 June 2018 -by 14 August 2018  
 30 September 2018 -by 15 November 2018  
 31 December 2018 -by 15 February 2019  
 31 March 2019 -by 30 March 2019 alongwith audited Annual Accounts





**Listing:**

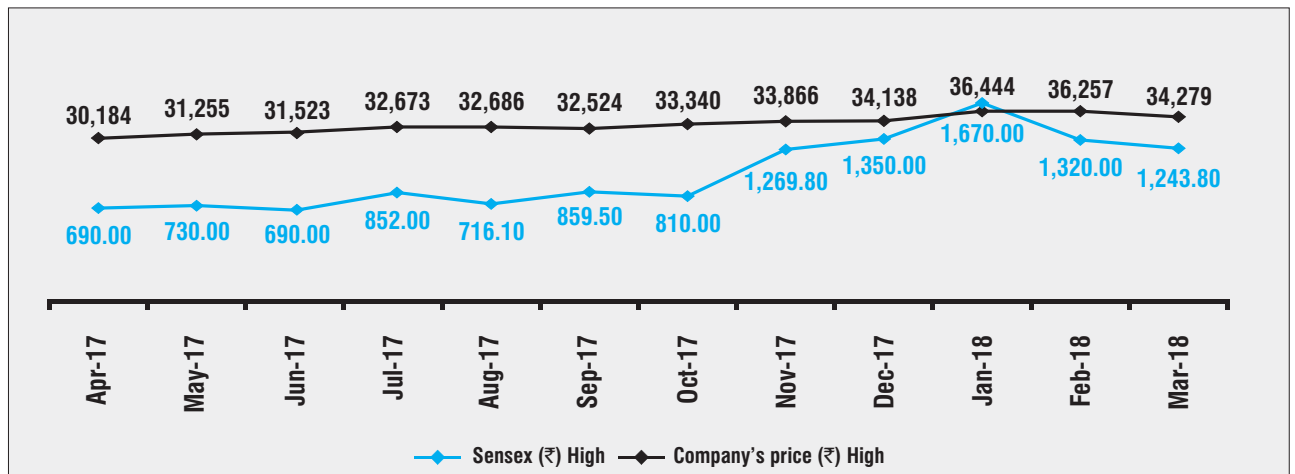
Equity Shares of the Company are listed on the BSE Limited, Mumbai. The Company has paid the Listing fee for the financial year 2018-19.

**Stock Code :** 505036    **ISIN No.:** INE 451C01013    **CIN :** L35911GA1980PLC000400

**Market Information:**

Market price data - monthly high/low during the financial year on the BSE vis-à-vis Sensex of the Company's Equity Shares is given hereunder: -

| Month           | Company's share price (₹) |          | Sensex    |           |
|-----------------|---------------------------|----------|-----------|-----------|
|                 | High                      | Low      | High      | Low       |
| April, 2017     | 690.00                    | 617.00   | 30,184.22 | 29,241.48 |
| May, 2017       | 730.00                    | 633.00   | 31,255.28 | 29,804.12 |
| June, 2017      | 690.00                    | 666.00   | 31,522.87 | 30,680.66 |
| July, 2017      | 852.00                    | 674.05   | 32,672.66 | 31,017.11 |
| August, 2017    | 716.10                    | 649.00   | 32,686.48 | 31,128.02 |
| September, 2017 | 859.50                    | 641.00   | 32,524.11 | 31,081.83 |
| October, 2017   | 810.00                    | 711.30   | 33,340.17 | 31,440.48 |
| November, 2017  | 1,269.80                  | 720.00   | 33,865.95 | 32,683.59 |
| December, 2017  | 1,350.00                  | 1,128.80 | 34,137.97 | 32,565.16 |
| January, 2018   | 1,670.00                  | 1,192.50 | 36,443.98 | 33,703.37 |
| February, 2018  | 1,320.00                  | 1,116.10 | 36,256.83 | 33,482.81 |
| March, 2018     | 1,243.80                  | 1,060.00 | 34,278.63 | 32,483.84 |



**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 Limited quoting their Folio no., DP-ID & Client-ID at the following address: -

TSR DARASHAW LIMITED  
 6-10, Haji Moosa Patrawala Industrial Estate  
 20, Dr. E. Moses Road,  
 Mahalaxmi,  
 Mumbai - 400 011  
 Tel: 022- 66568484  
 Fax: 022- 66568496, 022-66568494

E-mail – [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
 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 dematerialisation of shares to the shareholders.

### Secretarial Audit

- Mr Shivaram Bhat, Practicing Company Secretary has conducted the Secretarial Audit of the Company for the year 2017-18. 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 2018

| No. of Shares  | Holding          | Amount (₹)        | % to Capital  | No. of Holders | % to Total Holders |
|----------------|------------------|-------------------|---------------|----------------|--------------------|
| 1 to 100       | 367,345          | 3,673,450         | 5.72          | 8,497          | 76.64              |
| 101 to 500     | 427,600          | 4,276,000         | 6.66          | 2,231          | 20.12              |
| 501 to 1000    | 132,422          | 1,324,220         | 2.06          | 174            | 1.57               |
| 1001 to 2000   | 108,407          | 1,084,070         | 1.69          | 72             | 0.65               |
| 2001 to 5000   | 139,930          | 1,399,300         | 2.18          | 46             | 0.41               |
| 5001 and Above | 5,245,918        | 52,459,180        | 81.69         | 67             | 0.60               |
| <b>Total</b>   | <b>6,421,622</b> | <b>64,216,220</b> | <b>100.00</b> | <b>11,087</b>  | <b>100.00</b>      |

### Shareholding Pattern:

| Category   | As on<br>31 March 2018<br>No. of shares | As on<br>31 March 2018<br>% | As on<br>31 March 2017<br>No. of shares | As on<br>31 March 2017<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<br>(Formerly known as Sheba Properties Ltd.) | 48,315                                  | 0.75                        | 48,315                                  | 0.75                        |
| Mutual Funds / UTI   | 0.00                                    | 0.00                        | 74,344                                  | 1.15                        |
| Banks, Financial Institutions, Insurance Cos.                        | 150                                     | 0.00                        | 150                                     | 0.00                        |
| NRIs   | 16,004                                  | 0.25                        | 14,254                                  | 0.22                        |
| IEPF A/c   | 69,216                                  | 1.08                        | 0.00                                    | 0.00                        |
| Foreign Institutional Investors                                      | 1,625                                   | 0.03                        | 1,400                                   | 0.02                        |
| Others   | 2,898,796                               | 45.14                       | 2,865,643                               | 45.11                       |
| <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 2018

| 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 | 69,216           | 1.08                   |

#### Dematerialization of Shares

Electronic holding by members comprises of 95.62% (Previous year 94.39%) of the paid-up share capital of the Company (held through NSDL 86.74 % and CDSL 8.88%) as on 31 March 2018.

#### 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  |
|---|---|---|
| 2010-11 to 2016-17  | TSR Darashaw Limited                              | Letter on plain paper   |
| 1998-99 to 2003-04  | Not applicable due to non declaration of dividend | -<br>-  |
| 1985-86 to 1997-98 and 2004-05 to 2009-10 (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* |
|-------------------|---------------------|----------------------------------|
| 2010-11 (Final)   | 5 August 2011       | 4 August 2018                    |
| 2011-12 (Interim) | 14 January 2012     | 13 January 2019                  |
| 2011-12 (Final)   | 9 June 2012         | 8 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)   | 4 June 2014         | 3 June 2021                      |
| 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)   | 1 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                  |

\*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 - Honda, Sattari, Goa - 403 530   | Bus Bodies and component parts thereof  |
| Plant II* - Bhuimpal, Sattari, Goa - 403 530  | Bus Bodies and component parts thereof  |
| Plant IV - Jejuri Pressing Unit<br>Plot No.F-2, MIDC, Jejuri,<br>Taluka Purandar, Dist. Pune, Maharashtra | Pressed sheet metal parts/components/Sub assemblies and assemblies there from for various aggregates of automobiles |
| Plant V - 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) 6731218, 6731214 Fax : (0832) 6731262 Email: 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/2015/11/RELATED-PARTY-TRANSACTION-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 2018.
- 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/?page\\_id=1414](http://acglgoa.com/?page_id=1414)
- g) 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 2018.

For Automobile Corporation of Goa Ltd.,

Sd/-

O V Ajay  
CEO & Executive Director

Honda, Goa.  
Dated : 27 April 2018

## Independent Auditors' Certificate on Corporate Governance

To the Members of  
**Automobile Corporation of Goa Limited**

This certificate is issued in accordance with the terms of our engagement letter dated 23 April 2018.

The accompanying Report on Corporate Governance of Automobile Corporation of Goa Limited ("the Company") for the year ended 31 March 2018 contains details of the compliance of conditions stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), pursuant to the Listing Agreement of the Company with Stock exchanges

### Management's Responsibility

The preparation of the Report on Corporate Governance is the responsibility of the Management of the Company.

Further, the compliance of conditions of Corporate Governance by the Company, as stipulated in the aforementioned Listing Regulations, is the responsibility of the Company's Management, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant for ensuring such compliance.

Management is also responsible for providing all relevant information to the Securities and Exchange Board of India.

### Auditor's Responsibility

Pursuant to the requirements of the aforementioned Listing Regulations, it is our responsibility to obtain reasonable assurance and form an opinion as to whether the Company has complied with the conditions of Corporate Governance as stipulated in the aforementioned Listing Regulations.

We have examined the compliance of the conditions of Corporate Governance by the Company for the year ended 31 March 2018 as stipulated in the aforementioned Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance and the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), both issued by the Institute of Chartered Accountants of India and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

Based on our examination as above, in our opinion and to the best of our information and according to the explanations and representations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforementioned Listing Regulations, as applicable.

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

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

Firm Registration No: 101248W/ W-100022

**Swapnil Dakshindas**  
Partner

Membership no. 113896

Place: Mumbai  
Date: 27 April 2018

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Automobile Corporation of Goa Limited

#### Report on the Audit of Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Automobile Corporation of Goa Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including 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) prescribed 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 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 Ind AS 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 is 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

## Other Matters

The comparative financial information of the company for the year ended 31 March 2017 included in these Ind AS financial statements have been audited by the predecessor auditor who expressed an unmodified opinion on the financial results vide their report dated 8 May 2017.

Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - 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".
  - g) With respect to the other matters to be included in the Auditor's 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 on its financial position in its Ind AS financial statements - Refer Note 29 to the Ind AS 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.
    - 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed. Refer note 35 to the Ind As Financial Statements.

For **B S R & Co. LLP**  
**Chartered Accountants**  
Firm Registration No: 101248W/ W-100022

**Swapnil Dakshindas**  
Partner  
Membership no. 113896

Place: Mumbai  
Date: 27 April 2018



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT 31 MARCH, 2018

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 2018, 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:

| Particulars of the land and building                               | Gross Block as at 31 <sup>st</sup> March, 2018 | Net Block as at 31 <sup>st</sup> March, 2018 | Remarks   |
|--|--|--|---|
| Freehold land located at Mann, Pune admeasuring 8000.04 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 Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (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, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax, Value added tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax, Value added tax and other material statutory dues were in arrears as at 31 March 2018, for a period of more than six months from the date they became payable.

- (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<br>₹ | Period to which the Amount relates | Forum where dispute is pending                              |
|-----------------------------------|-----------------|-------------|------------------------------------|---|
| Central Excise Act, 1944          | Excise duty     | 51,625,648  | 1995-97, June 2005-February 2006   | Commissioner of Central Excise (Appeals)                    |
| Central Excise Act, 1944          | Excise duty     | 39,134,984  | 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   | 2011-12 and 2012-13                | Additional Commissioner of Commercial Tax                   |
| Income Tax Act, 1961              | Income Tax      | 3,732,969   | 1989-90                            | High Court of Bombay-Goa Bench                              |

- (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: Mumbai  
Date: 27 April 2018

## **Annexure B to the Independent Auditors' Report on the Ind AS Financial Statements of Automobile Corporation of Goa Limited**

**Referred to in paragraph 2(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of Automobile Corporation of Goa Limited on the Ind AS financial statements for the year ended 31 March 2018.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Automobile Corporation of Goa Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting 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 control over financial reporting includes 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 the 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place: Mumbai  
Date: 27 April 2018

For **B S R & Co. LLP**  
**Chartered Accountants**  
Firm Registration No: 101248W/ W-100022

**Swapnil Dakshindas**  
Partner  
Membership no. 113896



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018**

| Particulars  | Note | As at<br>31st March, 2018<br>₹ | As at<br>31st March, 2017<br>₹ |
|--|------|--------------------------------|--------------------------------|
| <b>I ASSETS</b>  |      |                                |                                |
| <b>(1) Non - current assets</b>                            |      |                                |                                |
| (a) Property, plant and equipment                          | 4    | 591,232,139                    | 629,136,243                    |
| (b) Capital work-in-progress                               | 4(A) | 77,038,527                     | 79,157,068                     |
| (c) Other intangible assets                                | 4(B) | 2,300,257                      | 314,404                        |
| (d) Advance income tax assets (net)                        |      | 22,569,719                     | 33,379,297                     |
| (e) Other non-current assets                               | 7    | 25,328,042                     | 29,900,278                     |
|  |      | <b>718,468,684</b>             | <b>771,887,290</b>             |
| <b>(2) Current assets</b>                                  |      |                                |                                |
| (a) Inventories  | 8    | 476,550,598                    | 538,878,396                    |
| (b) Financial assets                                       |      |                                |                                |
| (i) Investments  | 9    | 31,793,997                     | -                              |
| (ii) Trade receivables                                     | 10   | 582,545,105                    | 547,770,791                    |
| (iii) Cash and cash equivalents                            | 11   | 301,341                        | 255,265                        |
| (iv) Other bank balances                                   | 12   | 20,724,783                     | 19,759,157                     |
| (v) Loans  | 5    | 1,233,418,226                  | 912,106,708                    |
| (vi) Other financial assets                                | 6    | 22,920,438                     | 18,758,047                     |
| (c) Other current assets                                   | 7    | 19,328,704                     | 178,637,904                    |
|  |      | <b>2,387,583,192</b>           | <b>2,216,166,268</b>           |
| <b>Total Assets</b>  |      | <b>3,106,051,876</b>           | <b>2,988,053,558</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   | 1,973,343,759                  | 1,901,831,981                  |
|  |      | <b>2,037,559,979</b>           | <b>1,966,048,201</b>           |
| <b>(2) Non-current liabilities</b>                         |      |                                |                                |
| (a) Provisions   | 15   | 72,952,135                     | 82,941,901                     |
| (b) Deferred tax liabilities (net)                         | 16   | 50,280,910                     | 48,105,000                     |
|  |      | <b>123,233,045</b>             | <b>131,046,901</b>             |
| <b>(3) Current Liabilities</b>                             |      |                                |                                |
| (a) Financial liabilities                                  |      |                                |                                |
| (i) Borrowings   | 17   | 59,328,940                     | 23,911,936                     |
| (ii) Trade payables  | 18   | 720,987,599                    | 772,143,244                    |
| (iii) Other financial liabilities                          | 19   | 22,192,035                     | 26,030,604                     |
| (b) Other current liabilities                              | 20   | 117,979,400                    | 39,209,514                     |
| (c) Provisions   | 15   | 23,604,015                     | 20,723,474                     |
| (d) Current tax liabilities (net)                          |      | 1,166,863                      | 8,939,684                      |
|  |      | <b>945,258,852</b>             | <b>890,958,456</b>             |
| <b>Total Equity and Liabilities</b>                        |      | <b>3,106,051,876</b>           | <b>2,988,053,558</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

Swapnil Dakshindas  
Partner  
Membership No. 113896

Place : Mumbai  
Dated: 27th April, 2018

**Shrinivas Dempo**  
Chairman - DIN 00043413  
**Ravindra Pisharody**  
Director - DIN 01875848  
**Steven Pinto**  
Director - DIN 00871062  
**Girish Wagh**  
Additional Director - DIN 03119361  
**R.Ramakrishnan**  
Director - DIN 03394401  
**Vaijayanti Pandit**  
Director - DIN 06742237  
**Yatin Kakodkar**  
Director - DIN 00001433  
**Abhay Bawale**  
Director - DIN 07859752

**O. V. Ajay**  
CEO & Executive Director - DIN 07042391  
**Raghwendra Singh Butola**  
Chief Financial Officer  
**Manisha Naik Shirgaonkar**  
Company Secretary  
Place : Mumbai  
Dated : 27th April, 2018



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

| Particulars  | Note   | For the year ended<br>31st March, 2018<br>₹ | For the year ended<br>31st March, 2017<br>₹ |
|--|--------|---|---|
| I. Revenue from operations (net)   | 21     | 4,998,482,249                               | 5,005,905,808                               |
| II. Other income   | 22     | 82,174,686                                  | 77,985,117                                  |
| <b>III. Total Income ( I+II)</b>   |        | <b>5,080,656,935</b>                        | <b>5,083,890,925</b>                        |
| <b>IV. Expenses:</b>   |        |   |   |
| (a) Cost of materials consumed   | 23     | 3,302,742,575                               | 3,224,964,949                               |
| (b) Changes in inventories of finished goods,<br>work-in-progress and scrap        | 24     | 26,442,785                                  | (103,613,726)                               |
| (c) Excise duty on sale of products  |        | 104,316,560                                 | 331,747,688                                 |
| (d) Employee benefits expense  | 25     | 432,596,392                                 | 455,481,348                                 |
| (e) Finance costs  | 26     | 3,853,594                                   | 2,496,393                                   |
| (f) Depreciation and amortisation expense  | 4,4(B) | 53,161,002                                  | 56,160,028                                  |
| (g) Other expenses   | 27     | 844,515,277                                 | 792,290,169                                 |
| <b>Total Expenses</b>  |        | <b>4,767,628,185</b>                        | <b>4,759,526,849</b>                        |
| <b>V. Profit before, exceptional item and tax (III-IV)</b>                         |        | <b>313,028,750</b>                          | <b>324,364,076</b>                          |
| <b>VI. Exceptional item (Refer note 42)</b>  |        | <b>14,707,022</b>                           | <b>-</b>                                    |
| <b>VII. Profit before tax (V+VI)</b>   |        | <b>327,735,772</b>                          | <b>324,364,076</b>                          |
| <b>VIII. Tax expense :</b>   |        |   |   |
| (a) Current tax  | 16     | 126,753,473                                 | 107,185,000                                 |
| (b) Deferred tax   | 16     | (579,758)                                   | 7,388,847                                   |
|  |        | <b>126,173,715</b>                          | <b>114,573,847</b>                          |
| <b>IX. Profit for the year (VII -VIII)</b>   |        | <b>201,562,057</b>                          | <b>209,790,229</b>                          |
| <b>X. Other comprehensive income:</b>  |        |   |   |
| (A) (i) Items that will not be reclassified to profit and loss:                    |        |   |   |
| (a) Remeasurement gains and (losses) on defined benefit obligations                |        | 7,962,519                                   | (265,682)                                   |
|  |        | <b>7,962,519</b>                            | <b>(265,682)</b>                            |
| (ii) Income tax relating to items that will not be reclassified to profit or loss. |        | (2,755,668)                                 | 91,947                                      |
|  |        | <b>(2,755,668)</b>                          | <b>91,947</b>                               |
| <b>XI. Total Other comprehensive income for the year (net of taxes)</b>            |        | <b>5,206,851</b>                            | <b>(173,735)</b>                            |
| <b>XII. Total comprehensive income for the year (IX+XI)</b>                        |        | <b>206,768,908</b>                          | <b>209,616,494</b>                          |
| <b>XIII. Earnings per equity share:(Face value of Rs.10/- per share)</b>           |        |   |   |
| (i) Basic  | 32     | 31.39                                       | 32.67                                       |
| (ii) Diluted   | 32     | 31.39                                       | 32.67                                       |

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  
**Ravindra Pisharody**  
Director - DIN 01875848  
**Steven Pinto**  
Director - DIN 00871062  
**Girish Wagh**  
Additional Director - DIN 03119361

**R. Ramakrishnan**  
Director - DIN 03394401

**Vaijayanti Pandit**  
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**Yatin Kakodkar**  
Director - DIN 00001433

**Abhay Bawale**  
Director - DIN 07859752

**O. V. Ajay**  
CEO & Executive Director - DIN 07042391

**Raghwendra Singh Butola**  
Chief Financial Officer

**Manisha Naik Shirgaonkar**  
Company Secretary

Place : Mumbai  
Dated : 27th April, 2018

Swapnil Dakshindas  
Partner  
Membership No. 113896

Place : Mumbai  
Dated: 27th April, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

| Particulars  | 31st March, 2018 |               | 31st March, 2017 |               |
|--|------------------|---------------|------------------|---------------|
|  | ₹                | ₹             | ₹                | ₹             |
| <b>A. Cash flow from operating activities</b>                        |                  |               |                  |               |
| <b>Profit before tax</b>   |                  | 327,735,772   |                  | 324,364,076   |
| <b>adjustments for:</b>  |                  |               |                  |               |
| Depreciation   | 53,161,002       |               | 56,160,028       |               |
| Fair valuation of investments  | 1,706,002        |               | -                |               |
| Provision for doubtful debts/advances(net)                           | 734,991          |               | (454,131)        |               |
| Bad debts/advances written off                                       | 9,849            |               | 454,131          |               |
| Unrealised foreign exchange differences                              | (8,948)          |               | 47,612           |               |
| Loss on sale/scrap of fixed assets                                   | 1,741,977        |               | 29,523,664       |               |
| Finance costs  | 3,853,594        |               | 2,496,393        |               |
| Interest income  | (77,917,462)     |               | (72,522,385)     |               |
| Dividend income  | (546,728)        |               | -                |               |
| Profit on sale of fixed assets                                       | (128,106)        |               | (305,609)        |               |
|  |                  | (17,393,829)  |                  | 15,399,703    |
| <b>Operating profit before working capital changes</b>               |                  | 310,341,943   |                  | 339,763,779   |
| <b>Changes in working capital</b>                                    |                  |               |                  |               |
| <b>Adjustments for (increase)/decrease in operating assets.</b>      |                  |               |                  |               |
| Inventories  | 62,327,798       |               | (200,016,866)    |               |
| Trade receivables  | (35,510,206)     |               | (86,291,672)     |               |
| Other current assets   | 159,309,200      |               | 116,019,091      |               |
| Loans  | (1,311,518)      |               | (696,230)        |               |
| Other financial assets   | (4,230,000)      |               | -                |               |
| Other non-current assets   | 759,696          |               | 1,798,161        |               |
|  | 181,344,970      |               | (169,187,516)    |               |
| <b>Adjustments for increase/(decrease) in operating liabilities.</b> |                  |               |                  |               |
| Trade payables   | (51,155,645)     |               | 157,815,215      |               |
| Other financial liabilities (current)                                | 50,000           |               | 5,000            |               |
| Other current liabilities  | 78,786,179       |               | 11,648,428       |               |
| Financial liabilities (non-current)                                  | -                |               | (25,000)         |               |
| Provisions   | 853,294          |               | (25,812,228)     |               |
|  | 28,533,828       |               | 143,631,415      |               |
| <b>Cash generated from operations</b>                                |                  | 209,878,798   |                  | (25,556,101)  |
|  |                  | 520,220,741   |                  | 314,207,678   |
| Taxes paid   |                  | (123,716,716) |                  | (119,418,852) |
| <b>Net cash generated from operating activities</b>                  |                  | 396,504,025   |                  | 194,788,826   |
| <b>B. Cash flow from investing activities</b>                        |                  |               |                  |               |
| Acquisition of property, plant and equipment                         | (30,353,223)     |               | (42,333,650)     |               |
| Proceeds from property, plant and equipment                          | 12,169,794       |               | 2,337,242        |               |
| Other bank balances (net)  | (965,626)        |               | (2,042,099)      |               |
| Inter corporate deposit (net)  | (320,000,000)    |               | (90,000,000)     |               |
| Investment in mutual fund  | (33,499,999)     |               | -                |               |
| Interest received  | 77,985,071       |               | 78,682,466       |               |
| Dividend received  | 546,728          |               | -                |               |
| <b>Net cash from investing activities</b>                            |                  | (294,117,255) |                  | (53,356,041)  |
| <b>C. Cash flow from financing activities</b>                        |                  |               |                  |               |
| Borrowings   | 35,417,004       |               | (5,122,282)      |               |
| Dividend paid (including corporate dividend tax)                     | (133,887,811)    |               | (133,737,205)    |               |
| Interest paid  | (3,869,887)      |               | (2,439,525)      |               |
| <b>Net cash (used in) financing activities</b>                       |                  | (102,340,694) |                  | (141,299,012) |
| <b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>  |                  | 46,076        |                  | 133,773       |
| Cash and cash equivalents as at 31st March, 2017                     |                  | 255,265       |                  | 121,492       |
| Cash and cash equivalents as at 31st March, 2018                     |                  | 301,341       |                  | 255,265       |

**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<br>Swapnil Dakshindas<br>Partner<br>Membership No. 113896<br>Place : Mumbai<br>Dated : 27th April, 2018 | <b>Shrinivas Dempo</b><br>Chairman - DIN 00043413<br><b>Ravindra Pisharody</b><br>Director - DIN 01875848<br><b>Steven Pinto</b><br>Director - DIN 00871062<br><b>Girish Wagh</b><br>Additional Director - DIN 03119361 | <b>R.Ramakrishnan</b><br>Director - DIN 03394401<br><b>Vajjayanti Pandit</b><br>Director - DIN 06742237<br><b>Yatin Kakodkar</b><br>Director - DIN 00001433<br><b>Abhay Bawale</b><br>Director - DIN 07859752 | <b>O. V. Ajay</b><br>CEO & Executive Director - DIN 07042391<br><b>Raghwendra Singh Butola</b><br>Chief Financial Officer<br><b>Manisha Naik Shirgaonkar</b><br>Company Secretary<br>Place : Mumbai<br>Dated : 27th April, 2018 |
|---|---|---|---|



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

| A. Equity Share Capital                             |                            |                            |                 |                   |               |
|---|----------------------------|----------------------------|-----------------|-------------------|---------------|
|   | Amount                     |                            |                 |                   |               |
| Balance as at 1st April, 2017                       | 64,216,220                 |                            |                 |                   |               |
| Changes in equity share capital during the year     | -                          |                            |                 |                   |               |
| Balance as at 31st March, 2018                      | 64,216,220                 |                            |                 |                   |               |
| Balance as at 1st April, 2016                       | 64,216,220                 |                            |                 |                   |               |
| Changes in equity share capital during the year     | -                          |                            |                 |                   |               |
| Balance as at 31st March, 2017                      | 64,216,220                 |                            |                 |                   |               |
| B. Other Equity                                     |                            |                            |                 |                   |               |
|   | Reserves and Surplus       |                            |                 |                   | Total         |
|   | Securities premium account | Capital redemption reserve | General reserve | Retained earnings |               |
| Balance as at 1st 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 31st March, 2018                      | 680,818,433                | 92,006,000                 | 208,058,290     | 992,461,036       | 1,973,343,759 |
|   | Reserves and Surplus       |                            |                 |                   | Total         |
|   | Securities premium account | Capital redemption reserve | General reserve | Retained earnings |               |
| Balance as at 1st April, 2016                       | 680,818,433                | 92,006,000                 | 208,058,290     | 846,592,557       | 1,827,475,280 |
| Profit for the year                                 | -                          | -                          | -               | 209,790,229       | 209,790,229   |
| Other comprehensive income for the year, net of tax | -                          | -                          | -               | (173,735)         | (173,735)     |
| Dividends (including Dividend Distribution Tax)     | -                          | -                          | -               | (135,259,793)     | (135,259,793) |
| Balance as at 31st March, 2017                      | 680,818,433                | 92,006,000                 | 208,058,290     | 920,949,258       | 1,901,831,981 |

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  
**Ravindra Pisharody**  
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CEO & Executive Director - DIN 07042391

**Raghwendra Singh Butola**  
Chief Financial Officer

**Manisha Naik Shirgaonkar**  
Company Secretary

Place : Mumbai  
Dated : 27th April, 2018

Swapnil Dakshindas  
Partner  
Membership No. 113896

Place : Mumbai  
Dated: 27th April, 2018





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

### 1. Background and operations

Automobile Corporation of Goa Ltd. (ACGL) was incorporated on 1<sup>st</sup> 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 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<sup>st</sup> March, 2018 were approved by the Board of Directors and authorized for issue on 27<sup>th</sup> April, 2018.

### 2. Basis of preparation

#### a. Statement of compliance

These financial statements have been prepared in accordance with Indian accounting standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013.

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:

| Items                                    | Measurement basis   |
|--|---|
| 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 recognized 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 recognized 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31st MARCH, 2018

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. 36 for details of the key assumptions used in determining the accounting for these plans.

### 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31st MARCH, 2018

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 1st April 2018.

#### Ind AS 115 Revenue from contracts with customers:

The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard establishes a five step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry. The standard is effective from 01 April 2018.

The Company has preliminarily assessed that the impact on revenue and profit impact of IND AS 115 will be immaterial to the financial statements. The Company is still in the process of assessing the full impact of the application of IND AS 115 on the Company's financial statements, including on additional disclosures required.

### 3. Significant accounting policies

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

#### a. Revenue recognition

Revenues are measured at the fair value of the consideration received or receivable, net of discounts, outgoing GST and other indirect taxes excluding excise duty.

Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Company on its own account, revenue includes excise duty.

Revenue from sale of products is recognized on transfer of significant risks and rewards of ownership to the buyer.

#### 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 recognized 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 recognized in the statement of profit and loss.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31st MARCH, 2018

### 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 hither to adopted for various categories of fixed assets, which are different from those prescribed in Schedule II of the Act as under:

| Type of Asset          | Estimated useful life |
|------------------------|-----------------------|
| 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31st MARCH, 2018

### 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 recognized 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 recognized 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.

##### 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31st MARCH, 2018

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 recognized 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 recognized in profit or loss when the liabilities are de-recognised 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.

#### De-recognition

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized 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 recognized 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 recognized as an expense as the related service is rendered by employees.

### **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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31st MARCH, 2018**Measurement date

The measurement date of retirement plans is 31st March.

ii. Defined contribution planSuperannuation

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 benefitsCompensated 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 recognized 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 recognized 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 PERIOD AND YEAR ENDED 31ST MARCH, 2018**

**4. Property, plant and equipment, capital work-in-progress and other intangible assets**

(In ₹)

|   | Reconciliation of carrying amount |             |                     |                        |            |                   |            |               |
|---|-----------------------------------|-------------|---------------------|------------------------|------------|-------------------|------------|---------------|
|   | Freehold land                     | Buildings   | Plant and equipment | Furniture and fixtures | Vehicles   | Office equipments | Computers  | Total         |
| Cost as at 1st April, 2016                      | 2,734,780                         | 391,735,466 | 835,717,819         | 13,635,163             | 31,531,124 | 12,406,671        | 31,023,694 | 1,318,784,717 |
| Additions                                       | -                                 | 6,239,777   | 31,914,585          | -                      | 3,696,626  | 1,100,074         | 2,037,031  | 44,988,093    |
| Deductions                                      | -                                 | 705,541     | 131,883,006         | 100,862                | 5,365,364  | 286,478           | 4,421,094  | 142,762,345   |
| Cost as at 31st March, 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 |
| Accumulated depreciation as at 1st April, 2016  | -                                 | 121,391,479 | 470,476,674         | 8,973,979              | 9,702,759  | 9,002,353         | 28,081,400 | 647,628,644   |
| Depreciation for the year                       | -                                 | 10,746,696  | 40,238,536          | 400,035                | 2,751,972  | 1,234,799         | 558,298    | 55,930,336    |
| Deductions                                      | -                                 | 203,035     | 105,007,773         | 49,464                 | 1,978,553  | 242,612           | 4,203,321  | 111,684,758   |
| Accumulated depreciation as at 31st March, 2017 | -                                 | 131,935,140 | 405,707,437         | 9,324,550              | 10,476,178 | 9,994,540         | 24,436,377 | 591,874,222   |
| Net carrying amount as at 31st March, 2017      | 2,734,780                         | 265,334,562 | 330,041,961         | 4,209,751              | 19,386,208 | 3,225,727         | 4,203,254  | 629,136,243   |

|   |           |             |             |            |            |            |            |               |
|---|-----------|-------------|-------------|------------|------------|------------|------------|---------------|
| Cost as at 1st 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 31st 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 1st 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 31st 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 31st 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   |

**4(A) Capital work in progress**

(In ₹)

|                                    | Reconciliation of carrying amount           |                           |           |            |
|------------------------------------|---|---------------------------|-----------|------------|
|                                    | Buildings                                   | Plant and equipment       |           | Total      |
|                                    | Construction of factory building at Dharwad | Dies Fixture and Toolings | Others    |            |
| Balance as at 1st April, 2016      | 73,268,283                                  | 2,457,942                 | 2,371,069 | 78,097,294 |
| Additions                          | -   | 4,875,000                 | 104,360   | 4,979,360  |
| Assets capitalised during the year | -   | 44,908                    | 2,034,228 | 2,079,136  |
| Written off during the year        | -   | 1,840,450                 | -         | 1,840,450  |
| Balance as at 31st March, 2017     | 73,268,283                                  | 5,447,584                 | 441,201   | 79,157,068 |
| Balance as at 1st 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 31st March, 2018     | 73,268,283                                  | 572,584                   | 3,197,660 | 77,038,527 |





NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

4(B) Other intangible assets

(In ₹)

| Reconciliation of carrying amount               |                   |
|---|-------------------|
|   | Computer Software |
| Cost as at 1st April,2016                       | 33,595,774        |
| Additions                                       | -                 |
| Deductions                                      | 23,500            |
| Cost as of 31st March,2017                      | 33,572,274        |
| Accumulated amortisation as at 1st April,2016   | 33,051,678        |
| Amortisation for the year                       | 229,692           |
| Deductions                                      | 23,500            |
| Accumulated amortisation as at 31st March, 2017 | 33,257,870        |
| Net carrying amount as at 31st March,2017       | 314,404           |
| Cost as at 1st April,2017                       | 33,572,274        |
| Additions                                       | 2,271,853         |
| Deductions                                      | -                 |
| Cost as at 31st March,2018                      | 35,844,127        |
| Accumulated amortisation as at 1st April,2017   | 33,257,870        |
| Amortisation for the year                       | 286,000           |
| Deductions                                      | -                 |
| Accumulated amortisation as at 31st March,2018  | 33,543,870        |
| Net carrying amount as at 31st March,2018       | 2,300,257         |

|  | As at 31st March, 2018<br>₹ | As at 31st March, 2017<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>5) Loans</b>                                      |                             |                             |
| <b>Current</b>                                       |                             |                             |
| <b>Unsecured, considered good:</b>                   |                             |                             |
| (a) Inter corporate deposit to related party         | 560,000,000                 | 560,000,000                 |
| (b) Others:  |                             |                             |
| (i) Inter corporate deposits                         | 670,000,000                 | 350,000,000                 |
| (ii) Advances to employees                           | 3,418,226                   | 2,106,708                   |
|  | 673,418,226                 | 352,106,708                 |
| <b>Total</b>   | <b>1,233,418,226</b>        | <b>912,106,708</b>          |
| <b>6) Other financial assets</b>                     |                             |                             |
| <b>Current</b>                                       |                             |                             |
| (i) Interest accrued on deposits                     | 18,690,438                  | 18,758,047                  |
| (ii) Subsidy receivable from Government              | 4,230,000                   | -                           |
| <b>Total</b>   | <b>22,920,438</b>           | <b>18,758,047</b>           |
| <b>7) Other assets</b>                               |                             |                             |
| <b>Non-current</b>                                   |                             |                             |
| (a) Capital advances                                 | 159,960                     | 3,972,500                   |
| (b) Other than capital advances                      |                             |                             |
| (i) Security deposits                                | 5,422,004                   | 5,427,004                   |
| (ii) Balances receivable from Government authorities | 572,682                     | 653,807                     |
| (iii) Prepaid expenses                               | 19,173,396                  | 19,846,967                  |
| <b>Total</b>   | <b>25,328,042</b>           | <b>29,900,278</b>           |
| <b>Current</b>                                       |                             |                             |
| (a) Security deposits                                | 1,415,500                   | 1,015,500                   |
| (b) Other than capital advances                      |                             |                             |
| (i) Balances receivable from Government authorities  | 648,715                     | 167,671,452                 |
| (ii) Advances to suppliers and contractors           | 10,910,617                  | 3,865,772                   |
| (iii) Prepaid expenses                               | 6,353,872                   | 6,085,180                   |
| <b>Total</b>   | <b>19,328,704</b>           | <b>178,637,904</b>          |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

|   | As at 31st March, 2018<br>₹ | As at 31st March, 2017<br>₹ |
|---|-----------------------------|-----------------------------|
| <b>8) Inventories</b>   |                             |                             |
| (a) Raw materials and boughtouts components (includes Goods in transit of ₹ Nil/-) (Previous year ₹ 1,365,791/-)  | 284,241,549                 | 331,958,338                 |
| (b) Work-in-progress  | 161,710,656                 | 194,657,930                 |
| (c) Finished goods (Goods in Transit)   | 8,333,694                   | 2,524,360                   |
| (d) Scrap   | 1,716,751                   | 1,021,596                   |
| (e) Stores and spare parts (including packing materials and dies & toolings of third party)   | 20,547,948                  | 8,716,172                   |
| <b>Total</b>  | <b>476,550,598</b>          | <b>538,878,396</b>          |
| For mode of valuation of inventories, please refer under 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) 468,167.105 units (previous year Nil) in HDFC Prudence Fund - Direct Plan - Dividend  | 16,339,968                  | -                           |
| (ii) 506,689.489 units (previous year Nil) units in ICICI Prudential Balance Fund - Direct Plan - Monthly Dividend  | 15,454,029                  | -                           |
| <b>Total</b>  | <b>31,793,997</b>           | <b>-</b>                    |
| Aggregate amount of quoted investments and market value thereof   | -                           | -                           |
| Aggregate amount of unquoted investments and market value thereof   | 31,793,997                  | -                           |
| <b>10) Trade receivables</b>  |                             |                             |
| <b>Unsecured</b>  |                             |                             |
| Considered good   | 582,545,105                 | 547,770,791                 |
| Considered doubtful   | 2,690,927                   | 1,955,936                   |
|   | <b>585,236,032</b>          | <b>549,726,727</b>          |
| Less: Provision for doubtful trade receivables.   | 2,690,927                   | 1,955,936                   |
| <b>Total</b>  | <b>582,545,105</b>          | <b>547,770,791</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.<br>Customer wise trade receivables is as follows: |                             |                             |
| (i) Tata Motors Limited   | 509,520,969                 | 515,518,298                 |
| (ii) Tata Cummins Pvt. Limited  | 23,805,686                  | 10,643,971                  |
| (iii) Others  | 49,218,450                  | 21,608,522                  |
| <b>Total</b>  | <b>582,545,105</b>          | <b>547,770,791</b>          |
| <b>Age of receivables</b>   |                             |                             |
| (i) within the credit period  | 561,403,614                 | 529,551,966                 |
| (ii) 1 - 30 days past due   | 16,144,898                  | 12,134,677                  |
| (iii) 31- 60 days past due  | 235,119                     | 3,960,905                   |
| (iv) 61- 90 days past due   | 2,615,957                   | 692,270                     |
| (v) More than 90 days past due  | 2,145,517                   | 1,430,973                   |
| <b>Total</b>  | <b>582,545,105</b>          | <b>547,770,791</b>          |
| <b>11) Cash and cash equivalents</b>  |                             |                             |
| (a) Cash on hand  | 37,892                      | 19,829                      |
| (b) Balances with banks:<br>- In current accounts   | 263,449                     | 235,436                     |
| <b>Total</b>  | <b>301,341</b>              | <b>255,265</b>              |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

|  | As at 31st March, 2018<br>₹ | As at 31st March, 2017<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>12) Other bank balances</b>   |                             |                             |
| (a) <b>With upto 12 months maturity</b>  |                             |                             |
| (i) Earmarked balances (unpaid dividend accounts)  | 14,694,876                  | 13,325,557                  |
| (ii) In deposits accounts  | 32,268                      | 30,271                      |
| (iii) Margin money against bank guarantees   | 5,971,639                   | 6,377,329                   |
|  | 20,698,783                  | 19,733,157                  |
| (b) <b>With more than 12 months maturity</b>   |                             |                             |
| (i) In deposits accounts   | 25,000                      | 25,000                      |
|  | 25,000                      | 25,000                      |
| (c) <b>Others</b>  |                             |                             |
| (i) Post Office Savings Bank Account (security deposit)  | 1,000                       | 1,000                       |
| <b>Total</b>   | 20,724,783                  | 19,759,157                  |
| <b>13) Equity Share Capital</b>  |                             |                             |
| <b>Authorised :</b>  |                             |                             |
| 10,000,000 (Previous year:10,000,000) equity shares of ₹ 10/- each   | 100,000,000                 | 100,000,000                 |
| 1,500,000 (Previous year:1,500,000) preference shares of ₹ 100/- each  | 150,000,000                 | 150,000,000                 |
| <b>Total</b>   | 250,000,000                 | 250,000,000                 |
| <b>Issued:</b>   |                             |                             |
| 6,421,622(Previous year: 6,421,622) equity shares of ₹ 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 ₹ 10/- each   | 64,216,220                  | 64,216,220                  |
| <b>Total</b>   | 64,216,220                  | 64,216,220                  |
| <b>Notes:</b>  |                             |                             |
| (1) <b>Reconciliation of number of shares outstanding :</b>  |                             |                             |
| (i) <b>Ordinary equity shares</b>  | Numbers                     | Numbers                     |
| Number of shares at the commencement and end of the year.  | 6,421,622                   | 6,421,622                   |
| (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>   |                             |                             |
|  | As at 31st March, 2018      | As at 31st March, 2017      |
|  | Numbers % of holdings       | Numbers % of holdings       |
| (a) Tata Motors Limited  | 2,982,214 46.44%            | 2,982,214 46.44%            |
| (b) EDC Limited  | 405,302 6.31%               | 405,302 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 account</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  | 920,949,258                 | 846,592,557                 |
| Add : Profit for the year  | 206,768,908                 | 209,616,494                 |
| 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  | 22,878,745                  | 22,881,408                  |
|  | 992,461,036                 | 920,949,258                 |
| <b>Total</b>   | 1,973,343,759               | 1,901,831,981               |
| <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 PERIOD AND YEAR ENDED 31ST MARCH, 2018

|   | As at 31st March, 2018<br>₹ | As at 31st March, 2017<br>₹ |
|---|-----------------------------|-----------------------------|
| <b>15) Provisions</b>   |                             |                             |
| <b>Non-current</b>  |                             |                             |
| (i) Provision for product warranty (Refer note 33)                                    | 2,874,019                   | 7,560,974                   |
| (ii) Provision for compensated absences   | 59,292,956                  | 60,930,256                  |
| (iii) Provision for gratuity (Refer note 36)  | 10,785,160                  | 14,450,671                  |
| <b>Total</b>  | <b>72,952,135</b>           | <b>82,941,901</b>           |
| <b>Current</b>  |                             |                             |
| (a) Provision for employee benefits:  |                             |                             |
| (i) Provision for compensated absences  | 6,846,539                   | 5,693,724                   |
| (ii) Provision for gratuity (Refer note 36)   | 12,703,309                  | 12,351,849                  |
| (b) Others:   |                             |                             |
| (i) Provision for product warranty (Refer note 33)                                    | 4,054,167                   | 2,677,901                   |
| <b>Total</b>  | <b>23,604,015</b>           | <b>20,723,474</b>           |
| <b>16) Income tax</b>   |                             |                             |
| (a) Amount recognised in profit and loss account                                      |                             |                             |
| Current tax expense   |                             |                             |
| (i) For the year  | 119,377,000                 | 122,755,000                 |
| (ii) Change/ (credits) in respect of current tax for earlier years                    | 7,376,473                   | (15,570,000)                |
| Deferred tax - origination and reversal of temporary differences                      | (579,758)                   | 7,388,847                   |
| <b>Total tax expense for the year in profit and loss account</b>                      | <b>126,173,715</b>          | <b>114,573,847</b>          |
| (b) <b>Amount recognised in other comprehensive income</b>                            |                             |                             |
| Deferred tax (credit) / charge on :   |                             |                             |
| Re-measurement of defined benefit obligation  | (2,755,668)                 | 91,947                      |
| <b>Total tax expense for the year in other comprehensive income</b>                   | <b>(2,755,668)</b>          | <b>91,947</b>               |
| (c) <b>The income tax expenses for the year reconciled to the accounting profit :</b> |                             |                             |
| Accounting profit before tax  | 327,735,772                 | 324,364,076                 |
| Income tax expenses calculated at 34.61%  | 113,422,796                 | 112,255,919                 |
| Disallowable expenses   |                             |                             |
| Depreciation on leasehold land  | 639,853                     | 639,853                     |
| Corporate social responsibility   | 2,354,012                   | 1,466,527                   |
| Others  | 5,707,514                   | 211,548                     |
| Allowable expenses- R & D expenses  | (3,326,933)                 | -                           |
| Tax relating to prior years   | 7,376,473                   | -                           |
| <b>Total</b>  | <b>126,173,715</b>          | <b>114,573,847</b>          |
| Income tax expenses recognised in profit or loss                                      | 126,173,715                 | 114,573,847                 |

| (d) Sr. No. | Particulars   | Opening balance as at 1st April, 2017 | Recognised in profit or loss | Recognised in other comprehensive income | Closing balance as at 31st 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>                    |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018**

| Sr. No. | Particulars   | Opening balance as at 1st April, 2016 | Recognised in profit or loss | Recognised in other comprehensive income | Closing balance as at 31st March, 2017 |
|---------|---|---------------------------------------|------------------------------|--|--|
| (i)     | Property, plant and equipment and intangible assets         | (89,395,089)                          | 7,420,181                    | -  | (81,974,908)                           |
| (ii)    | Disallowances under section 43B of the Income Tax Act, 1961 | 25,463,578                            | (1,546,396)                  | -  | 23,917,182                             |
| (iii)   | Defined benefit obligations (provision for gratuity)        | 22,289,335                            | (13,105,466)                 | 91,947                                   | 9,275,816                              |
| (iv)    | Provision for doubtful debts                                | 834,076                               | (157,166)                    | -  | 676,910                                |
|         | <b>Total</b>  | <b>(40,808,100)</b>                   | <b>(7,388,847)</b>           | <b>91,947</b>                            | <b>(48,105,000)</b>                    |

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

**Liabilities:**

- (i) Differences in tax and books written down values of Property, plant and equipment and intangible assets

|   | As at 31st March, 2018<br>₹ | As at 31st March, 2017<br>₹ |
|---|-----------------------------|-----------------------------|
| (i) Differences in tax and books written down values of Property, plant and equipment and intangible assets | (84,157,429)                | (81,974,908)                |
|   | <b>(84,157,429)</b>         | <b>(81,974,908)</b>         |

**Assets:**

- (i) Disallowances under section 43B of the Income tax Act, 1961  
(ii) Defined benefit obligations (provision for gratuity)  
(iii) Provision for doubtful debts

|   |                   |                   |
|---|-------------------|-------------------|
| (i) Disallowances under section 43B of the Income tax Act, 1961 | 24,816,353        | 23,917,182        |
| (ii) Defined benefit obligations (provision for gratuity)       | 8,128,890         | 9,275,816         |
| (iii) Provision for doubtful debts                              | 931,276           | 676,910           |
|   | <b>33,876,519</b> | <b>33,869,908</b> |

**Net deferred tax liability**

|              |                     |                     |
|--------------|---------------------|---------------------|
| <b>Total</b> | <b>(50,280,910)</b> | <b>(48,105,000)</b> |
|--------------|---------------------|---------------------|

**17) Borrowings Secured**

- (a) Loans repayable on demand  
(i) From banks (Cash credit accounts)

|              |                   |                   |
|--------------|-------------------|-------------------|
| <b>Total</b> | <b>59,328,940</b> | <b>23,911,936</b> |
|--------------|-------------------|-------------------|

**Note:**

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.

**18) Trade payables**

- (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 31st March, 2018  
- Principal Amount  
- Interest due thereon

|            |            |
|------------|------------|
| 95,415,967 | 76,300,744 |
| 91,829     | 110,766    |

2. Amount of interest paid along with the amounts of payment made beyond the appointed day

|     |     |
|-----|-----|
| Nil | Nil |
|-----|-----|

3. Amount of interest due and payable (where the principal has already been paid but interest has not been paid)

|       |       |
|-------|-------|
| 5,359 | 2,715 |
|-------|-------|

4. The amount of interest accrued and remaining unpaid at the end of each accounting year.

|        |         |
|--------|---------|
| 97,188 | 113,481 |
|--------|---------|

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

|     |     |
|-----|-----|
| Nil | Nil |
|-----|-----|

- (ii) Dues to other than Micro, Small and Medium enterprises

|             |             |
|-------------|-------------|
| 625,571,632 | 695,842,500 |
|-------------|-------------|

|              |                    |                    |
|--------------|--------------------|--------------------|
| <b>Total</b> | <b>720,987,599</b> | <b>772,143,244</b> |
|--------------|--------------------|--------------------|

**19) Other financial liabilities**

- (a) Unpaid dividends  
(b) Security deposits received  
(c) Capital creditors

|              |                   |
|--------------|-------------------|
| 14,681,507   | 13,312,188        |
| 619,000      | 569,000           |
| 6,891,528    | 12,149,416        |
| <b>Total</b> | <b>22,192,035</b> |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

|  | As at<br>31st March, 2018<br>₹ | As at<br>31st March, 2017<br>₹              |  |
|--|--------------------------------|---|--|
| <b>20) Other current liabilities</b>   |                                |   |  |
| (a) Advance from customers   | 69,439,719                     | 29,300,142                                  |  |
| (b) Other payables   |                                |   |  |
| (i) Statutory dues   | 48,442,493                     | 9,795,891                                   |  |
| (ii) Interest accrued on trade payables  | 97,188                         | 113,481                                     |  |
|  | <u>48,539,681</u>              | <u>9,909,372</u>                            |  |
| <b>Total</b>   | <u>117,979,400</u>             | <u>39,209,514</u>                           |  |
|  | ₹                              | For the year ended<br>31st March, 2018<br>₹ | For the year ended<br>March, 2017<br>₹ |
| <b>21) Revenue from operations</b>   |                                |   |  |
| (a) Sale of products (Refer note (ii) below)   |                                | 4,885,119,639                               | 4,915,584,911                          |
| (b) Other operating revenue  |                                |   |  |
| (i) Scrap sales  | 104,973,966                    |   | 85,515,821                             |
| (ii) Other   | 8,388,644                      |   | 4,805,076                              |
|  |                                | <u>113,362,610</u>                          | <u>90,320,897</u>                      |
|  |                                | <u>4,998,482,249</u>                        | <u>5,005,905,808</u>                   |
| (i) Information about major customers.   |                                |   |  |
| (a) Tata Motors Limited (TML)  |                                | 4,340,401,071                               | 4,379,306,146                          |
| (b) Others   |                                | 544,718,568                                 | 536,278,765                            |
| No other single customer contributed 10% or more to the Company's revenue for both 2017-18 and 2016-17.  |                                |   |  |
| (ii) In accordance with the requirements of Ind AS, revenue for year ended 31st March, 2018 includes excise duty for the period up to 30th June,2017 and is net of GST for period from 1st July,2017. However, revenue for the year ended 31st March,2017 is inclusive of excise duty. |                                |   |  |
| <b>22) Other Income</b>  |                                |   |  |
| (a) Interest income  |                                |   |  |
| (i) on bank deposits   | 387,639                        |   | 380,190                                |
| (ii) on inter corporate deposits   | 75,202,255                     |   | 71,854,519                             |
| (iii) on corporate deposits  | 800,000                        |   | -                                      |
| (iv) other   | 1,527,568                      |   | 287,676                                |
|  |                                | <u>77,917,462</u>                           | <u>72,522,385</u>                      |
| (b) Dividend on current investments  |                                | 546,728                                     | -                                      |
| (c) Other non-operating income   |                                | 3,710,496                                   | 5,462,732                              |
|  |                                | <u>82,174,686</u>                           | <u>77,985,117</u>                      |
| <b>23) Cost of materials consumed</b>  |                                | 3,302,742,575                               | 3,224,964,949                          |
| <b>24) Changes in inventories of finished goods, work-in-progress and scrap</b>  |                                |   |  |
| <b>Opening stock</b>   |                                |   |  |
| Finished Goods (Goods in Transit)  | 2,524,360                      |   | 3,289,709                              |
| Work-in-progress   | 194,657,930                    |   | 90,437,806                             |
| Scrap  | 1,021,596                      |   | 862,645                                |
|  | <u>198,203,886</u>             |   | <u>94,590,160</u>                      |
| <b>Closing 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                              |
|  | <u>171,761,101</u>             |   | <u>198,203,886</u>                     |
| <b>Total</b>   |                                | <u>26,442,785</u>                           | <u>(103,613,726)</u>                   |
| <b>25) Employee benefits expense</b>   |                                |   |  |
| (a) Salaries and wages   | 331,145,032                    |   | 359,107,530                            |
| (b) Contribution to provident and other funds (Refer note 36)  | 53,129,640                     |   | 56,349,900                             |
| (c) Staff welfare expenses   | 48,321,720                     |   | 40,023,918                             |
|  |                                | <u>432,596,392</u>                          | <u>455,481,348</u>                     |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

|   | ₹           | For the year ended<br>31st March, 2018<br>₹ | For the year ended<br>31st March, 2017<br>₹ |
|---|-------------|---|---|
| <b>26) Finance costs</b>  |             |   |   |
| (a) Interest expense on   |             |   |   |
| (i) Cash credit accounts with bank  | 1,833,947   |   | 2,198,540                                   |
| (ii) Trade payables   | 97,188      |   | 113,481                                     |
| (iii) Others  | 1,922,459   |   | 184,372                                     |
|   |             | 3,853,594                                   | 2,496,393                                   |
| <b>27) Other expenses</b>   |             |   |   |
| (a) Consumption of stores and spare parts   | 219,295,998 |   | 223,501,479                                 |
| (b) Excise duty on finished goods   | (416,801)   |   | (76,393)                                    |
| (c) Power and Fuel  | 43,297,303  |   | 37,965,039                                  |
| (d) Rent (Refer note 31)  | 2,398,101   |   | 2,317,993                                   |
| (e) Repairs and maintenance:  |             |   |   |
| - buildings   | 20,337,608  |   | 23,738,431                                  |
| - machinery   | 7,732,943   |   | 8,694,857                                   |
| - others  | 1,628,286   |   | 1,590,022                                   |
|   | 29,698,837  |   | 34,023,310                                  |
| (f) Insurance   | 3,190,078   |   | 3,585,924                                   |
| (g) Rates and taxes   | 1,772,186   |   | 1,517,736                                   |
| (h) Fair valuation loss on investments  | 1,706,002   |   | -   |
| (i) Processing / labour charges   | 377,888,970 |   | 374,829,095                                 |
| (j) Packing, freight and forwarding expenses  | 45,709,055  |   | 26,512,857                                  |
| (k) Expenditure on corporate social responsibility (Refer note 34)  | 6,801,929   |   | 4,237,537                                   |
| (l) Miscellaneous expenses  | 113,173,619 |   | 83,875,592                                  |
|   |             | 844,515,277                                 | 792,290,169                                 |
|   |             | As at<br>31st March, 2018<br>₹              | As at<br>31st March, 2017<br>₹              |
| 28) Estimated amount of contracts remaining to be executed on Capital Account and not provided for.   |             | 920,550                                     | 21,649,973                                  |
| 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                                  | 1,939,003                                   |
| b) - Pending before CESTAT.   |             | 39,134,984                                  | 88,821,629                                  |
| c) - Pending before Additional Commissioner of Commercial Taxes   |             | -   | 4,226,431                                   |
| (ii) 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                                     |
| (iii) 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 any of the contentions of the parties. The matter is remanded back to Tax Appellate Tribunal, Panaji (ITAT). Registry to communicate the Order to the Tribunal. |             | 3,732,969                                   | 3,732,969                                   |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

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 resoration of cenvat reversal whereas appeal filed by Excise department against the Commissioner (Appeals).
- Appeal filed by company against Rule 10 A where any liability arising out of demand will be reimbursed by Tata Motors Limited.
- Appeal filed against Commercial Tax Department for disallowance of Input Tax Credit where grounds of disallowance stated by Department were incorrect.
- Income Tax notional demand for penalty which was dismissed by High Court. Thereafter set aside by Supreme court and sent back to High Court to review. The matter is remanded back to Tax Appellate Tribunal, Panaji (ITAT). Registry to communicate the Order to the Tribunal.

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) **Payment to Auditors**

- for audit
- for reimbursement of expenses
- for other services

|                                    | For the year ended<br>31st March, 2018 * | For the year ended<br>31st March, 2017 |
|------------------------------------|--|--|
|                                    | ₹  | ₹                                      |
| (i) for audit                      | 2,375,000                                | 3,378,025                              |
| (ii) for reimbursement of expenses | 203,538                                  | 94,993                                 |
| (iii) for other services           | 75,000                                   | -                                      |
|                                    | 2,653,538                                | 3,473,018                              |

\* Payment to statutory auditors includes an amount of ₹ 684,668/- paid to predecessor auditor.

31) **Operating Lease Rentals**

Lease rentals charged to the statement of Profit and Loss in respect of certain sheds and residential premises taken on cancellable operating lease.

549,243                      469,135

32) **Earnings per share (EPS)**

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:-

- Profit for the period from continuing operations.  
Weighted average number of shares outstanding during the year  
Basic and Diluted EPS (Rupees)  
Nominal value per share (Rupees)

|  | For the year ended<br>31st March, 2018 | For the year ended<br>31st March, 2017 |
|--|--|--|
|  | ₹                                      | ₹                                      |
|  | 201,562,057                            | 209,790,229                            |
|  | 6,421,622                              | 6,421,622                              |
|  | 31.39                                  | 32.67                                  |
|  | 10.00                                  | 10.00                                  |

33) **Warranty Provision**

Warranty pertains to replacement of defective parts and expenses incurred in relation to rectification of workmanship defects

| Particulars  | As at<br>31st March, 2018 | As at<br>31st March 2017 |
|--|---------------------------|--------------------------|
|  | ₹                         | ₹                        |
| Opening carrying amount  | 10,238,875                | 6,034,570                |
| Provision during the year  | 11,777,154                | 11,106,928               |
| Amount released during the year  | 8,903,135                 | 3,545,954                |
| Excess Provision written back  | 6,184,708                 | 3,356,669                |
| Closing carrying amount  | 6,928,186                 | 10,238,875               |
| The outflow on this count can arise any time during the period of 18/24 months |                           |                          |

34) **Corporate Social Responsibility**

| Sr. No. | Particulars   | For the year ended<br>31st March, 2018 | For the year ended<br>31st March 2017 |
|---------|---|--|---------------------------------------|
|         |   | ₹                                      | ₹                                     |
| 1       | Gross amount required to be spent during the year as per the section 135 of the Act | 5,400,100                              | 5,100,000                             |
| 2       | Amount spent during the year  |  |                                       |
| (I)     | Construction/acquisition of any assets  | -                                      | -                                     |
| (ii)    | On purpose other than (i) above   | 6,801,929                              | 4,237,537                             |
| 3       | Unspent amount in current year  | -                                      | 862,463                               |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

## 35) Specified Bank Notes disclosure (SBN)

The disclosures regarding details of specified bank notes held and transacted during 8th November,2016 to 30th December,2016 has not been made since the requirement does not pertain to financial year ended 31st March, 2018. Corresponding amounts as appearing in the audited Ind AS financial statements for the period ended 31st March, 2017 have been disclosed.

|                                       | SBNs   | Others denominations notes | Total   |
|---------------------------------------|--------|----------------------------|---------|
| Closing cash in hand as on 08.11.2016 | 34,500 | 1,029                      | 35,529  |
| (+) Permitted receipts                | -      | 391,674                    | 391,674 |
| (-) Permitted payments                | -      | 329,498                    | 329,498 |
| (-) Amount deposited in Banks         | 34,500 | -                          | 34,500  |
| Closing cash in hand as on 30.12.2016 | -      | 63,205                     | 63,205  |

## 36) 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 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>31st March, 2018<br>₹ | As at<br>31st March, 2017<br>₹ |
|---|--------------------------------|--------------------------------|
| <b>I. Change in present value of obligation.</b>  |                                |                                |
| Present value of benefit obligation at beginning of the year  | 140,603,465                    | 123,233,513                    |
| Current service cost  | 9,978,011                      | 8,954,078                      |
| Interest cost   | 10,559,319                     | 9,846,358                      |
| Actuarial (gain) / loss   | (8,558,565)                    | 2,342,280                      |
| Benefits paid   | (5,028,584)                    | (3,772,764)                    |
| Defined benefit obligation at year end  | 147,553,646                    | 140,603,465                    |
| <b>II. Change in fair value of plan assets</b>  |                                |                                |
| Fair value of plan assets at beginning of the year  | 113,800,945                    | 58,828,361                     |
| Expected return on plan assets  | 8,546,451                      | 4,700,386                      |
| Actuarial gain/(loss)   | (596,046)                      | 2,076,598                      |
| Employer contribution   | 7,342,411                      | 51,968,364                     |
| Benefits paid   | (5,028,584)                    | (3,772,764)                    |
| Fair value of plan assets at year end   | 124,065,177                    | 113,800,945                    |
| <b>III. Present value of benefits obligation at the end of the year</b>                                       |                                |                                |
| Present value of obligation as at 31st March, 2018  | 147,553,646                    | 140,603,465                    |
| Fair value of plan assets as at 31st March, 2018  | 124,065,177                    | 113,800,945                    |
| Amount recognized in Balance Sheet [assets/(liability)]   | (23,488,469)                   | (26,802,520)                   |
| <b>IV. Expense recognized during the year</b><br>(Under the head "Employee benefits expense" - Refer Note 25) |                                |                                |
| Current Service Cost  | 9,978,011                      | 8,954,078                      |
| Net interest Cost   | 2,012,869                      | 5,145,972                      |
| Net cost recognised in the statement of Profit and Loss   | 11,990,880                     | 14,100,050                     |
| <b>V. Expense recognized in other comprehensive income</b>  |                                |                                |
| Actuarial(Gains)/Losses on obligation for the year  | (8,558,565)                    | 2,342,280                      |
| Return on Plan assets, excluding interest income  | 596,046                        | (2,076,598)                    |
| Total actuarial losses recognised in OCI  | (7,962,519)                    | 265,682                        |
| <b>VI. Actuarial assumptions</b>  |                                |                                |
| Discount rate (per annum)   | 7.82%                          | 7.51%                          |
| Expected rate of return on plan assets (per annum)  | 7.82%                          | 7.51%                          |
| Salary escalation   | 5.00%                          | 5.00%                          |
| Remaining years of service  | 12.34                          | 12.70                          |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

|   | As at<br>31st March, 2018<br>₹ | As at<br>31st March, 2017<br>₹ |
|---|--------------------------------|--------------------------------|
| <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   | 147,553,646                    | 140,603,465                    |
| Fair value of the plan assets   | 124,065,177                    | 113,800,945                    |
| Surplus or (Deficit) in the plan  | (23,488,469)                   | (26,802,520)                   |
| Experience Adjustment   |                                |                                |
| - On Plan liability (gain) / loss   | (8,558,565)                    | 2,342,280                      |
| - On Plan assets gain / (loss)  | 596,046                        | (2,076,598)                    |
| <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.  |                                |                                |
| <b>Sensitivity Analysis</b>   |                                |                                |
| Projected benefit obligation on current assumptions   | 147,553,646                    | 140,603,465                    |
| Delta effect of +1% change in rate of discounting   | (9,443,752)                    | (9,682,114)                    |
| Delta effect of -1% change in rate of discounting   | 10,422,098                     | 10,755,399                     |
| Delta effect of +1% change in rate of salary increase   | 10,610,323                     | 10,917,135                     |
| Delta effect of -1% change in rate of salary increase   | (9,773,503)                    | (9,991,679)                    |
| Delta effect of +1% change in rate of employee turnover   | 1,650,076                      | 1,594,335                      |
| Delta effect of -1% change in rate of employee turnover   | (1,769,443)                    | (1,715,658)                    |
| 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 ₹ 18,373,347 /- (Previous year ₹ 19,651,848/-) |                                |                                |
| <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 ₹ 22,765,413 /- (Previous year ₹ 22,598,002/-).  |                                |                                |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

### 37) 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                     |
| Mr. O. V. Ajay   | Key Management Personnel - CEO & Executive Director             |
| Mr. Raghwendra Singh Butola                                  | Key Management Personnel - Chief Financial Officer              |
| Mr. Pravin Satardekar (up to 30th September, 2017)           | Key Management Personnel - Company Secretary                    |
| Mrs. Manisha Naik Shirgaonkar (from 8th January, 2018)       | Key Management Personnel - Company Secretary                    |
| Mr. Shrinivas Dempo  | Independent Director (Chairman)                                 |
| Mr. Ravindra Pisharody                                       | Non - Executive Director  |
| Mr. Steven A. Pinto  | Independent Director  |
| Mr. R. Ramakrishnan  | Non - Executive Director  |
| Dr. Vaijayanti Pandit  | Independent Director  |
| Mr. Yatin Kakodkar   | Independent Director  |
| Mr. Abhay Bawale (w.e.f. 26th June, 2017)                    | Non - Executive Director  |
| Mr. Girish Wagh (w.e.f. 30th October, 2017)                  | Additional Non - Executive Director                             |
| Mr. PFX D' Lima (Upto 6th December, 2016)                    | Independent Director  |
| Mr. Abhijit Gajendragadkar (Up to 30th November, 2016)       | 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 during the year:

(in ₹)

| Nature of Transactions  | For the year ended<br>31st March, 2018 | For the year ended<br>31st March, 2017 |
|---|--|--|
| <b>Tata Motors Limited - Enterprise exercising significant influence</b>                      |  |  |
| Sale of goods   | 5,327,140,306                          | 4,521,634,837                          |
| Purchase of goods   | 79,128,429                             | 55,019,188                             |
| Bad debts written off   | 9,849                                  | 454,131                                |
| Interim dividend paid   | 14,911,070                             | 14,911,070                             |
| Final dividend paid   | 37,277,675                             | 37,277,675                             |
| Expenses (recovered from Tata Motors Limited)   | 4,470,020                              | 7,022,590                              |
| Deputation charges  |  |  |
| - Mr. O. V. Ajay  | 8,336,547                              | 7,744,569                              |
| - Chief Internal Auditor  | 1,498,378                              | 1,621,094                              |
| Warranty expenses recovered by Tata Motors Limited  | 5,464,632                              | 1,935,161                              |
| Cervat benefit availed  | 118,188,216                            | 353,619,143                            |
| Cervat benefit adjusted   | 136,169,596                            | 349,792,653                            |
| IT support services   | 176,032                                | -                                      |
| Royalty expenses  | 75,296                                 | 47,677                                 |
| Inter corporate deposit given   | 590,000,000                            | 770,000,000                            |
| Inter corporate deposit repaid  | 590,000,000                            | 480,000,000                            |
| Interest received accrued on inter corporate deposit given                                    | 41,613,356                             | 25,810,616                             |
| <b>Employees' Benefit Plans where there is a significant influence - Provident Fund Trust</b> |  |  |
| Provident fund contribution deposited   | 47,783,735                             | 50,983,061                             |
| <b>Remuneration</b>   |  |  |
| Mr. O. V. Ajay (directly paid by the Company)   | 6,542,388                              | 6,824,522                              |
| Mr. Raghwendra Singh Butola   | 5,638,445                              | 5,255,600                              |
| Mr. Pravin Satardekar (up to 30th Septmeber, 2017)  | 1,187,101                              | 1,829,188                              |
| Mrs. Manisha Naik Shirgaonkar (from 8th January, 2018)  | 214,826                                | -                                      |
| Commission other benefits to Non - Executive and Independent Directors-                       |  |  |
| Commission  | 3,200,000                              | 3,400,000                              |
| Sitting fees  | 3,045,000                              | 2,410,000                              |

#### Balance outstanding as at the year end

|  | For the year ended<br>31st March, 2018 | For the year ended<br>31st March, 2017 |
|--|--|--|
| <b>Tata Motors Limited</b>                                   |  |  |
| Trade payables   | 5,575,363                              | 83,699,367                             |
| Trade receivables  | 509,520,968                            | 514,729,546                            |
| Inter corporate deposit placed and outstanding               | 560,000,000                            | 560,000,000                            |
| Advance from customer  | 7,662,527                              | 1,697,500                              |
| Managerial Remuneration                                      | 8,929,289                              | 9,469,227                              |
| Automobile Corporation of Goa Limited - Provident Fund Trust | 3,976,560                              | 3,941,471                              |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018****38) 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

| Particulars  |                    |                            |                     |                      | Previous year      |                            |                     |                      | (in ₹) |
|--|--------------------|----------------------------|---------------------|----------------------|--------------------|----------------------------|---------------------|----------------------|--------|
|  | Pressing division  | Bus Body building division | Eliminations        | Total                | Pressing division  | Bus Body building division | Eliminations        | Total                |        |
| <b>Revenue</b>   |                    |                            |                     |                      |                    |                            |                     |                      |        |
| From external customers  | 856,898,557        | 4,141,583,692              | -                   | 4,998,482,249        | 707,788,074        | 4,298,117,734              | -                   | 5,005,905,808        |        |
| Add: Inter-segment sales   | 20,619,260         | -                          | (20,619,260)        | -                    | 19,441,037         | -                          | (19,441,037)        | -                    |        |
| <b>Total revenue</b>   | <b>877,517,817</b> | <b>4,141,583,692</b>       | <b>(20,619,260)</b> | <b>4,998,482,249</b> | <b>727,229,111</b> | <b>4,298,117,734</b>       | <b>(19,441,037)</b> | <b>5,005,905,808</b> |        |
| <b>Result</b>  |                    |                            |                     |                      |                    |                            |                     |                      |        |
| <b>Segment result</b>  | <b>121,345,634</b> | <b>154,000,389</b>         | <b>-</b>            | <b>275,346,023</b>   | <b>17,323,766</b>  | <b>247,720,991</b>         | <b>-</b>            | <b>265,044,757</b>   |        |
| Unallocated corporate expenses   |                    |                            |                     | (25,931,343)         |                    |                            |                     | (16,169,405)         |        |
| Operating profit   |                    |                            |                     | 249,414,680          |                    |                            |                     | 248,875,352          |        |
| Other income   |                    |                            |                     | 3,227,045            |                    |                            |                     | 4,170,477            |        |
| Finance cost   |                    |                            |                     | (3,853,594)          |                    |                            |                     | (2,496,393)          |        |
| Unallocated other income   |                    |                            |                     | 78,947,641           |                    |                            |                     | 73,814,640           |        |
| Profit before tax  |                    |                            |                     | 327,735,772          |                    |                            |                     | 324,364,076          |        |
| Tax expense  |                    |                            |                     | 126,173,715          |                    |                            |                     | 114,573,847          |        |
| Net profit after tax (before OCI)  |                    |                            |                     | 201,562,057          |                    |                            |                     | 209,790,229          |        |
| <b>Other information</b>   |                    |                            |                     |                      |                    |                            |                     |                      |        |
| <b>Segment assets</b>  | <b>446,582,655</b> | <b>1,332,367,765</b>       | <b>-</b>            | <b>1,778,950,420</b> | <b>382,084,156</b> | <b>1,620,518,343</b>       | <b>-</b>            | <b>2,002,602,499</b> |        |
| Unallocated corporate assets   |                    |                            |                     | 1,327,101,456        |                    |                            |                     | 985,451,059          |        |
| Total assets   |                    |                            |                     | 3,106,051,876        |                    |                            |                     | 2,988,053,558        |        |
| <b>Segment liabilities</b>   | <b>134,956,901</b> | <b>796,987,029</b>         | <b>-</b>            | <b>931,943,930</b>   | <b>85,007,487</b>  | <b>834,150,857</b>         | <b>-</b>            | <b>919,158,344</b>   |        |
| Unallocated corporate liabilities  |                    |                            |                     | 136,547,967          |                    |                            |                     | 102,847,013          |        |
| Total liabilities  |                    |                            |                     | 1,068,491,897        |                    |                            |                     | 1,022,005,357        |        |
| <b>Capital expenditure during the year</b>                               |                    |                            |                     |                      |                    |                            |                     |                      |        |
| -Additions to segment assets   | 2,071,241          | 28,281,982                 | -                   | 30,353,223           | 18,037,459         | 24,296,191                 | -                   | 42,333,650           |        |
| <b>Depreciation/Amortisation</b>   | <b>20,430,297</b>  | <b>32,652,640</b>          | <b>-</b>            | <b>53,082,937</b>    | <b>22,425,964</b>  | <b>33,653,756</b>          | <b>-</b>            | <b>56,079,720</b>    |        |
| Unallocated corporate depreciation                                       |                    |                            |                     | 78,065               |                    |                            |                     | 80,308               |        |
| <b>Significant non-cash expense other than depreciation/amortisation</b> |                    |                            |                     |                      |                    |                            |                     |                      |        |
| Provision for doubtful debts/advances                                    | -                  | -                          | -                   | -                    | -                  | -                          | -                   | -                    |        |
| Bad debts/advances written off   | -                  | 9,849                      | -                   | 9,849                | -                  | 454,131                    | -                   | 454,131              |        |
| Provision for doubtful debts written back                                | -                  | -                          | -                   | -                    | -                  | 454,131                    | -                   | 454,131              |        |
| Unrealised exchange differences  | -                  | (8,948)                    | -                   | (8,948)              | -                  | 47,612                     | -                   | 47,612               |        |

The Company does not have any reportable secondary (geographical) segments.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018**

**39) Financial instruments - Fair values and risk management**

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.

(in ₹)

| Financial assets                                  | Carrying amount |                                   |   |                |                      | Fair value |            |         |
|---|-----------------|-----------------------------------|---|----------------|----------------------|------------|------------|---------|
|   | Note            | Fair value through profit or loss | Fair value through other Comprehensive income | Amortised cost | Total carrying value | Level 1    | Level 2    | Level 3 |
| As at 31st March, 2017                            |                 |                                   |   |                |                      |            |            |         |
| Financial assets measured at fair value           |                 |                                   |   |                |                      |            |            |         |
| Investments - mutual funds                        | 9               | -                                 | -   | -              | -                    | -          | -          | -       |
| Financial assets not measured at fair value*      |                 |                                   |   |                |                      |            |            |         |
| Trade receivables                                 | 10              | -                                 | -   | 547,770,791    | 547,770,791          |            |            |         |
| Cash and cash equivalents                         | 11              | -                                 | -   | 255,265        | 255,265              |            |            |         |
| Other bank balances                               | 12              | -                                 | -   | 19,759,157     | 19,759,157           |            |            |         |
| Loans   | 5               | -                                 | -   | 912,106,708    | 912,106,708          |            |            |         |
| Other financial assets                            | 6               | -                                 | -   | 18,758,047     | 18,758,047           |            |            |         |
| <b>Total financial assets</b>                     |                 | -                                 | -   | 1,498,649,968  | 1,498,649,968        | -          | -          | -       |
| <b>As at 31 st March, 2018</b>                    |                 |                                   |   |                |                      |            |            |         |
| <b>Financial assets measured at fair value</b>    |                 |                                   |   |                |                      |            |            |         |
| Investments - mutual funds                        | 9               | 31,793,997                        | -   | -              | 31,793,997           | -          | 31,793,997 | -       |
| Financial assets not measured at fair value*      |                 |                                   |   |                |                      |            |            |         |
| 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>                     |                 | 31,793,997                        | -   | 1,859,909,893  | 1,891,703,890        | -          | 31,793,997 | -       |
| Financial liabilities                             |                 |                                   |   |                |                      |            |            |         |
| As at 31 st March, 2017                           |                 |                                   |   |                |                      |            |            |         |
| Financial liabilities not measured at fair value* |                 |                                   |   |                |                      |            |            |         |
| Borrowings  | 17              | -                                 | -   | 23,911,936     | 23,911,936           |            |            |         |
| Trade payables                                    | 18              | -                                 | -   | 772,143,244    | 772,143,244          |            |            |         |
| Other financial liabilities                       | 19              | -                                 | -   | 26,030,604     | 26,030,604           |            |            |         |
| <b>Total financial liabilities</b>                |                 | -                                 | -   | 822,085,784    | 822,085,784          |            |            |         |
| <b>As at 31 st March, 2018</b>                    |                 |                                   |   |                |                      |            |            |         |
| Financial liabilities not measured at fair value* |                 |                                   |   |                |                      |            |            |         |
| 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>                |                 | -                                 | -   | 802,508,574    | 802,508,574          | -          | -          | -       |

\* 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, un paid dividends and other financial liabilities are largely short term in nature. The fair 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 PERIOD AND YEAR ENDED 31st MARCH, 2018

### 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 31st 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      |

The table below provides details regarding the contractual maturities of financial liabilities as at 31st March, 2017.

| Particulars                                       | Carrying amount | Due in 1st year |
|---|-----------------|-----------------|
| <b>Financial Liabilities</b>                      |                 |                 |
| (a) Borrowings                                    | 23,911,936      | 23,911,936      |
| (b) Trade payables                                | 772,143,244     | 772,143,244     |
| (c) Other financial liabilities at amortised cost | 26,030,604      | 26,030,604      |

As at period end the Company had access to following funding facilities

| Particulars  | 31st March, 2018 | 31st March, 2017 |
|--|------------------|------------------|
| Secured credit facility, reviewed annually and payable at call (refer note - (i)): |                  |                  |
| - amount used  | 59,328,940       | 23,911,936       |
| - amount unused  | 40,671,060       | 26,088,064       |

Note (i) - Credit facility includes cash credit, letter of credit, bank guarantee.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR PERIOD AND YEAR ENDED 31ST MARCH, 2018

## 40) Expenditure incurred on Research and Development.

| Sr. No. | Particulars   | For the year ended<br>31st March, 2018<br>₹ | For the year ended<br>31st March, 2017*<br>₹ |
|---------|---|---|--|
| 1       | Revenue expenditure - charged to statement of profit and loss | 16,380,342                                  | 14,354,323                                   |
| 2       | Capital expenditure   | 2,846,041                                   | 77,843                                       |
| 3       | Revenue received by R & D centre                              | -   | (12,500,508)                                 |

\* Research and Development expenditure and revenue pertains to period from 26.10.2016 which is from the date recognition of R and D by Department of Scientific and Industrial Research.

- 41) The Company does not have any long - term contract including derivative contract for which provision would be required for material foreseeable losses.
- 42) Exceptional items includes:
- (a) Income of ₹ 28,182,000/- lakhs received from Government of Maharashtra towards grant under Package Scheme of Incentives 2007 for expansion of manufacturing facilities at Jejuri (pressing segment).
- (b) Expense of ₹ 13,474,978/- lakhs towards provision for sub-lease charges payable in accordance with Goa-IDC (Transfer & Sub-Lease Regulations), 2018. ( bus segment).

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

**Ravindra Pisharody**  
Director - DIN 01875848

**Steven Pinto**  
Director - DIN 00871062

**Girish Wagh**  
Additional Director - DIN 03119361

**R.Ramakrishnan**  
Director - DIN 03394401

**O. V. Ajay**  
CEO & Executive Director - DIN 07042391

**Vaijayanti Pandit**  
Director - DIN 06742237

**Raghendra Singh Butola**  
Chief Financial Officer

Swapnil Dakshindas  
Partner  
Membership No. 113896

**Yatin Kakodkar**  
Director - DIN 00001433

**Manisha Naik Shirgaonkar**  
Company Secretary

Place : Mumbai  
Dated: 27th April, 2018

**Abhay Bawale**  
Director - DIN 07859752

Place : Mumbai  
Dated : 27th April, 2018



## ROUTE MAP TO THE VENUE OF THE 38<sup>TH</sup> ANNUAL GENERAL MEETING



### 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.

### E-VOTING PASSWORD



# AUTOMOBILE CORPORATION OF GOA LIMITED

Registered Office : Honda, Sattari, Goa - 403 530

## ATTENDANCE SLIP

Regd. Folio No \_\_\_\_\_

\*\* Client I.D. \_\_\_\_\_

### 38<sup>th</sup> Annual General Meeting - July 28, 2018

\*\* D.P. I.D. \_\_\_\_\_

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the **38<sup>th</sup> Annual General Meeting** of the Company held on **Saturday, July 28, 2018** at **3.30 pm** 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.**

User ID & Password for e-voting

Tear Here



# AUTOMOBILE CORPORATION OF GOA LIMITED

Registered Office : 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 for me/us and on my/our behalf at the 38<sup>th</sup> Annual General Meeting of the Company to be held on Saturday July 28, 2018 at 3.30 pm 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 R Ramakrishnan who retires by rotation and does not seek re-appointment **4.** To ratify appointment of Statutory Auditors and fix their remuneration **5.** To appoint Mr Girish Wagh as a Non Executive Director **6.** To appoint Mr Rohit Srivastava as a Non-Executive Director **7.** To re-appoint Mr O V Ajay as the CEO & ED **8.** To consider payment of commission to Non-Executive & Independent Directors **9.** To approve the material Related Party transactions with Tata Motors Ltd (TML)

Signed this .....day of .....20.....

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

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



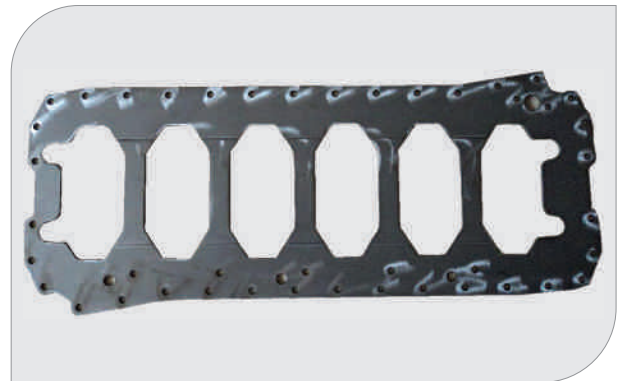
19 Ltr Truck Oil Pan



Assy Axle Break Front



Cover Gear BSIII



Cylinder Block Stiffener



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