

On the Path of Progressive Journey...

AUTOMOBILE CORPORATION OF GOA LIMITED

37th Annual Report
2016-2017

ACGL Product Range



ELANZA



HRTC - JUPITER



COMFORT



KIDZ



COMFORT EX



PLEASURE

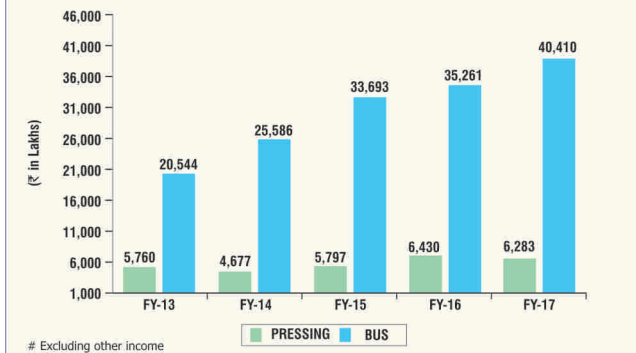
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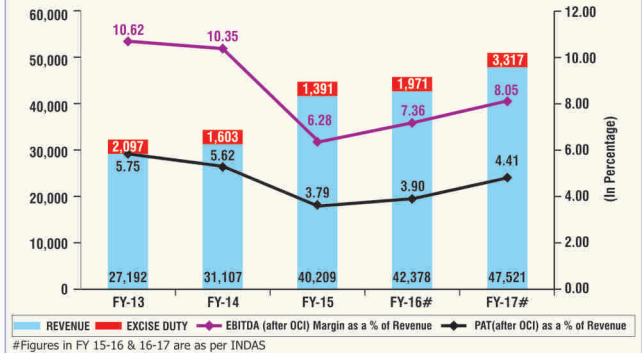




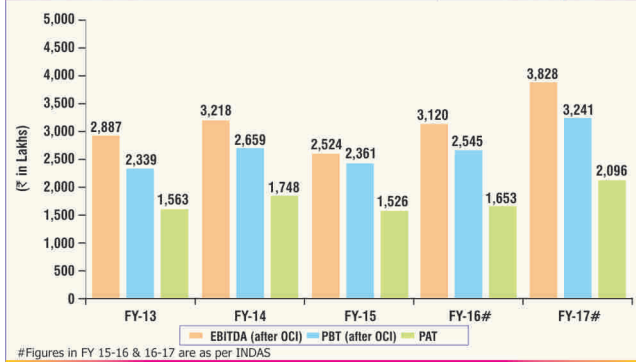
SEGMENT TURNOVER



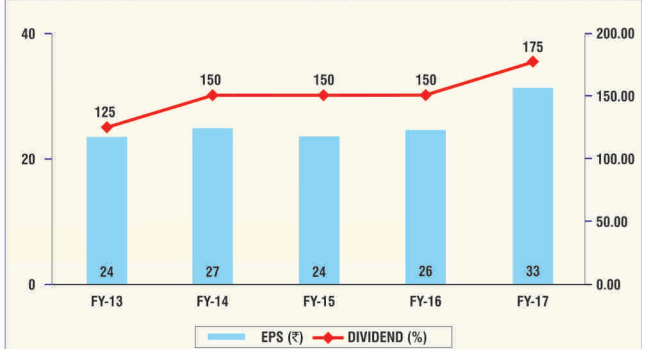
REVENUE (inclg. other income), EBITDA (after OCI) AND PAT AS% REVENUE



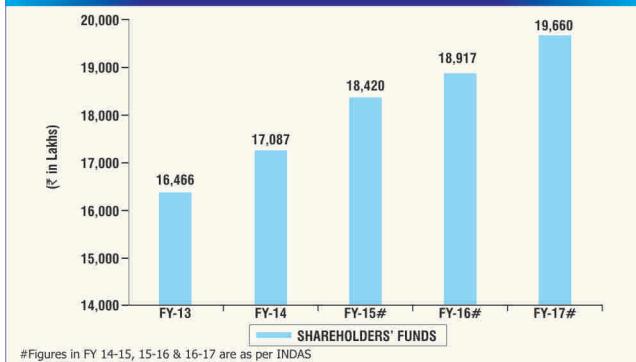
EARNINGS AND PROFITS (after OCI)



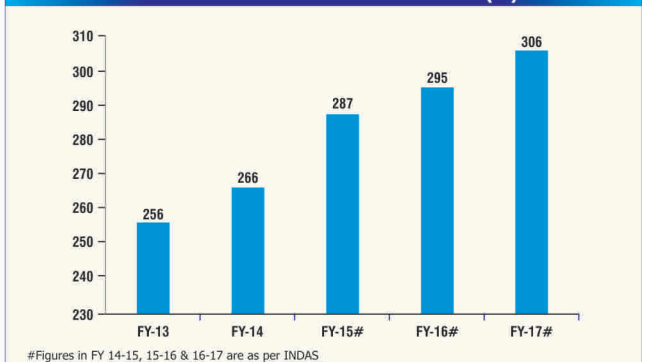
DIVIDEND (%) AND EPS



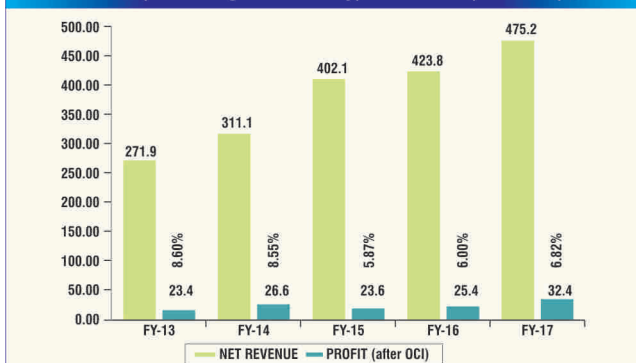
SHAREHOLDERS' FUNDS



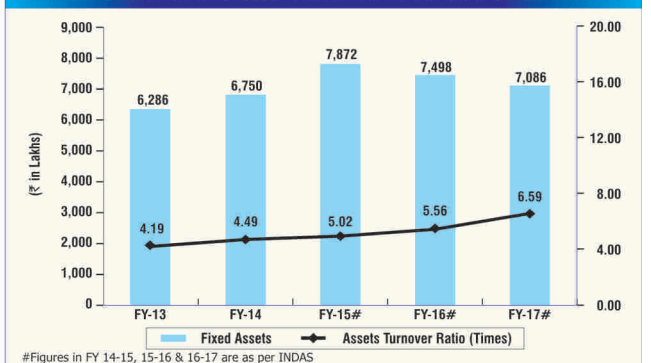
BOOK VALUE PER SHARE (₹)



Net Revenue (excluding Excise Duty) and Profit (after Oci) (₹ In Crs.)



FIXED ASSETS AND ASSET TURNOVER RATIO





CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Shrinivas Dempo
Chairman - Independent Director

Mr R Pisharody
Non-Executive Director

Mr Steven Pinto
Independent Director

Mr P F X D'Lima
Independent Director (upto 6.12.2016)

Mr A Gajendragadkar
Non-Executive Director (upto 30.11.2016)

Mr R Ramakrishnan
Non-Executive Director

Dr Vijayanti Pandit
Independent Director

Mr Yatin Kakodkar
Additional Independent Director (w.e.f. 7.12.2016)

Mr Abhay Bawale
Additional Non-Executive Director (w.e.f. 26.06.2017)

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 Pressings

Mr Smarajeet Tripathy
Sr General Manager - Head Marketing

Mr Christie Gomes
General Manager - Proto/PPTI

Mr Dilip Desai
Dy General Manager - Design

Mr Deepak Kade
Dy General Manager - Quality

Mr Y B Joshi
Dy General Manager - Production

Company Secretary

Mr Pravin Satardekar

Registered Office

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

Corporate Identity Number (CIN)

L35911GA1980PLC000400

Share Registrars

TSR Darashaw Limited

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

Bankers

State Bank of India
HDFC Bank Limited

Statutory Auditors

Deloitte Haskins & Sells LLP
(Registration No. 117366W/W-100018)

Chief Internal Auditor

Mr Suraj Singh

Secretarial Auditors

Mr Shivaram Bhat
Practicing Company Secretary
(Membership No 10454)

Works

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

37th ANNUAL GENERAL MEETING

July 27, 2017
3.30 p.m.
Honda, Sattari, Goa - 403 530.



BOARD OF DIRECTORS



SHRINIVAS DEMPO
Chairman - Independent Director



RAVINDRA PISHARODY
Non-Executive Director



STEVEN PINTO
Independent Director



YATIN KAKODKAR
Additional Independent Director



R RAMAKRISHNAN
Non-Executive Director



DR. VAJAYANTI PANDIT
Independent Director



ABHAY BAWALE
Additional Non-Executive Director



O V AJAY
CEO & Executive Director



MANAGEMENT TEAM



Seated Left to Right : Dilip Rane, Deepak Kadkade, Raghendra Butola, O. V. Ajay, Mahesh Pawaskar, C. G. Gomes, Y. B. Joshi
Standing Left to Right : Dattatraya Sinari, Smarajeet Tripathy, Prakash Naik, Carlton Colaso, Pravin Satardekar, James D'soza, Dilip Desai, Pradip Panjikar



Message From Chairman

Dear Shareholders,

I am pleased to be connecting with you in the matter of your Company's performance and prospect relating to yet another year.

The transport network is often called as the lifeline and arteries of modern society. Good transport network and logistics is crucial for sustained economic growth and development of any nation. Transport network is necessary for connecting villages with towns, markets, industrial & educational hubs, and in bringing together remote & developing regions closer to one another.

Recently, in April 2017, NITI Aayog released a three-year action agenda setting out India's development strategy. Infrastructure is a key component of the action plan which is for the period 2017-18 to 2019-20. For infrastructure, the agenda focuses on targets for the next three years as well as the possible action to be taken by the Central and the State Governments to achieve these targets. The action plan has focused quite extensively on the maintenance aspects of the road sector. The allocation towards capital expenditure for the construction and maintenance of roads is proposed to be increased from Rs. 310 billion at present to about 860 billion by 2019-20. By 2020, the Central Government aims to connect all unconnected villages with all-weather roads under the Pradhan Mantri Gram Sadak Yojana.

In the area of road safety, the strengthening of rules governed by the Motor Vehicles (Amendment Bill), 2016 is welcomed. However, the creation of road safety boards to effectively set and enforced rule is important.

The plan is certainly a sound one, as it is wide ranging in its scope and highlights some of the important policy loopholes which requires urgent attention. For the country to return to its 8% Growth trajectory in the next 2-3 years, speedy implementation of this step is not just a choice, but a necessity, especially if we are to close the infrastructure deficit i.e. constraining economic growth.

As the world is waking up to the harsh realities of the climate change, radical policies are being formulated. The situation in India is no different. After the commitment made at the Conference of Parties (COP) in Paris in 2015, India is taking strong measures to cut emissions and reduce the carbon footprint of various sources. With April 1, 2017 marking the mandatory adoption of the Bharat Stage (BS) – IV emission norms throughout the country (many parts had these in place much earlier), the Government is already working towards the next milestone – the transition from BS-IV to BS – VI emission norm by 2020, skipping the BS-V level.

We are conscious of the role that Automobile Industry play in developing India's infrastructure, and the important part that ACGL will have to play in this development. We are optimistic about the Government of India's focus on greater digitization and formalisation of the economy and such other initiatives as mentioned earlier, as these are enablers for strong and sustainable growth.

I am pleased to share with you, the commendable work that the management has done during this volatile period in a structured manner by utilizing the resources optimally. This has been an exciting year for ACGL and we have delivered a strong financial and



operational performance. We continued to focus on cost optimization and productivity enhancement while also benefiting from the recovery in bus markets during 2016-17. Together, these factors translated into strong Total Revenue of Rs.475 Crores, reflecting a growth of 12% over the previous financial year. The PBT is Rs.32.41 Crores compared to Rs.25.45 Crores in the preceding financial year. The Company has surpassed its own record of highest number of buses manufactured in a year - 4960 no. in FY 2015-16 by registering the next record of 5925 no of buses manufactured in FY 2016-17. I am pleased to mention that your Board of Directors have also recommended the declaration of an all-time high dividend for FY 2016-17 for your consideration.

CSR is fundamentally an inspirational exercise, and it is difficult to legislate aspirations. In April 2014, India became the only country to fix the quantum for Corporate Social Responsibility by law. Indian companies need to go beyond traditional CSR and catch up with the emerging needs of the society. Considering this need of the hour, your Company has been making organized and structured efforts targeting new social priorities such as sanitation, environment, education, women empowerment, gender parity and skill enhancement at the grass roots level.

Today, individuals and businesses need to embrace thought leadership-which is about coming up with new ways of thinking and reinventing as a strategy for growth. Furthermore, we need to fortify our thinking by providing cutting edge offerings that will distinguish us from the competition while working on counter-intuitive perspective, new value generating processes and operational practices that accelerate the transition from idea to reality. The ability to make connections that others cannot see creates new worlds of possibility. As a much-needed strategy, your Company needs to focus on the retail marketing and I am eager to see the results of our efforts in this direction.

We are excited about the opportunities in FY 2017-18 and beyond. We concluded FY 2016-17 on a strong note delivering on our strategic priorities and generating positive momentum across the board. We

continue to be guided by our mission, strong ethics, principles of humility, transparency, respect and continuous learning and adaptability. The Board believes that ACGL is certainly on a growth path and is prepared to discharge its performance in fulfilling the aspiration and expectations of its stakeholders.

There is visible growth across all sectors of the economy, which bodes very well for the Automobile sector and especially for ACGL's operating plan. We are encouraged by reforms including the Goods and Services Tax (GST), initiatives to develop infrastructure and focus on providing affordable housing. These are all transformative steps, designed to strengthen the country from within and unleash its full economic potential.

I am thankful to the board members for their continued sound guidance and contribution in making ACGL stronger and more efficient with each year that passes. During the year, Mr PFX Dlima and Mr Abhijit Gajendragadkar have separated from the services of the Board. We truly acknowledge their services and the contribution made in the growth of the Company. I am happy to introduce you to our new Directors-Mr Yatin Kakodkar and Mr Abhay Bawale who have wide and varied industry experience which would be an asset to the functioning of the Board. I would like to congratulate our committed and hardworking people whose innovation and initiatives have contributed to the Company's growth and sustainability. We will continue to seek our shareholders' participation and support, as we walk further on our journey to explore more fulfilling and enriching successes. I thank our principal shareholder on the Tata Group, the Government of Goa, our suppliers and commercial partners for their continued support during the year.

I am confident about the future we are contemplating for ACGL.

Sincerely,
Shrinivas Dempo
June 29, 2017



Message From Director

Dear Shareholders,

It has been a very challenging year for the Indian automobile industry with demonetization, uncertainty over GST implementation and later the BS IV transition affecting an already depressed market. However, I am happy to note that your Company has performed extremely strongly in this environment and continues to look to the future with confidence.

Bus penetration in India is woefully low and continues to lag behind many other emerging economies. However, in recent years successive governments, both at the central as well as state level, have outlined investments to improve the public transport networks. The Smart City initiative of the Government of India emphasizes on improved public transportation systems. This will lead to the expansion of BRTS, feeder, intracity and intercity bus networks that will drive a spurt in bus volumes.

The bus business in India is highly cyclical during the year. For example almost the entire school business, which constitutes 30-32% of total bus sales, takes place in only 4 months (April – July). Another example is the State Transport Undertaking (STU) business, which is entirely dependent on tenders and fund availability. This is the uncertainty that we need to be prepared to deal with if we are to be successful.

Until a decade ago, State transport undertakings (STUs) accounted for nearly 75 per cent of bus buying with the private sector's share being minuscule in contrast. Since then, there has been a huge shift to private acquisition thanks to the growth of captive segments like schools. While State buying has been stagnant and actually going down substantially, the private segment has proliferated with manufacturing factories and IT companies requiring buses to ferry their employees.

Looking forward we expect to see a number of changes in the regulatory and market environment that will fundamentally change our business. The push to greener emission norms globally and in India will see the emergence of hybrid and electric buses as preferred alternatives for public transport programs. We are already seeing indications of this through increasing tenders and requests for information (RFIs) for green buses from government undertakings across India. Your company, under the leadership of Tata Motors, is working on projects to introduce hybrid and full electric buses across various platforms. As an initial order, we are in the middle of fulfilling an order for 25 Hi-Tech Hybrid buses to the MMRDA to be deployed in Mumbai. Uniquely engineered for ease of operation, the Tata Starbus Diesel Series Hybrid Electric Bus uses diesel & electric in series hybrid mode, to propel the vehicle that complies with all UBS-II (Urban Bus Specifications), AIS 051 (Automotive Industry Standards) and CMVR (Central Motor Vehicle Rules). The vehicle works on



an electric mode producing zero emissions, while the diesel mode is BS-IV compliant. The bus is based on a modular chassis, with electronically controlled air suspension systems (ECAS) at the front & rear, electronically controlled braking systems and an automatic transmission.

Changing customer preferences and the entry of Global players into the Indian bus segment will lead to rapidly changing requirements, and only companies that are able to meet these requirements will succeed. While we have a strong range of products designed keeping customers preferences in mind, we will continue to innovate to ensure that we continue to meet the needs of our customers, in India and abroad.

The Government has also taken visible steps to promote coastal shipping and inland waterway transport as viable alternates to road and rail by compensating the cost incurred on first mile and last mile connectivity, for commodities with the potential to be moved through inland waterways or coastal networks. Your company's "Amphi Project" could help tap a lucrative opportunity in the above context.

Your Company has shown a strong financial and operational performance during the FY 2016-17. We are pleased with the performance but are looking forward to a stronger and even more exciting year ahead having further improved our product portfolio not just by setting technological benchmarks but also by adapting innovations effectively to suit customer travel conditions.

Our efforts are yielding a solid return in innovation, across multiple cost saving programmes, the details of which are captured elsewhere in this report. All our actions are focused towards creating a more sustainable enterprise. Besides business performance, we are also making significant investments in community engagements through implementation of CSR projects.

I would like to gratefully acknowledge the trust and confidence reposed in the Company by every one of you. I am sure the Company would strive even harder in the coming years to bring out more and more record breaking performances.

Yours Truly,

Ravi Pisharody
June 30, 2017



Message From CEO & Executive Director

Dear Shareholders,

India has emerged as the world's sixth largest manufacturing country, rising from the previous ninth position, and thus retaining its bright spot in the global economic landscape. The country's economic fundamentals continue to be strong; and I believe the 'Make in India' initiative and Smart City project will continue to drive metals and Infrastructure demand. We can already see the positive impact of 'Make in India' playing out in the auto sector, which is emerging as one of the most vibrant in the world today, with wide-ranging innovations.

We ended FY2017 reaping the benefits of our collective efforts reflecting a strong performance both on number of buses and the operating profits. Viewed from a financial perspective, Your Company achieved a 12% increase in Revenues at Rs 475 crores compared to Rs 424 crores, last year. Profit Before tax for the year stood at Rs 32.41 crores, as against Rs 25.45 crores in the previous year, recording a growth of 27%. Beating the past record set last year of 4960 buses manufactured in a year, your company achieved a higher number of 5925 buses in FY 2017. Your Company also achieved the landmark of 58,582 buses manufactured since FY 1990 to 2017. FY 2017 was also the year when your company returned record dividends to its shareholders. Further, the ACGL stock mirrored its strong operational performance registering an all-time high of Rs 752 in November 2016.

The resilience we showed in the last few years has produced encouraging outcomes this year. Once again, our core strategy focused around aggressive cost optimization, need based capex, responsive

supply chain and customer adaptability that allowed us to generate positive performance even at the most difficult parts of the economic cycle.

On the product side, your company achieved the largest numbers in the School Bus segment. School buses are about safety, comfort and punctuality. Impervious to fluctuation in the CV industry, this breed of buses often demands conflicting requirements. This has to stand up to the expectations and rigorous scrutiny of parents and the school management in addition to meeting the needs of the transport operators. By volume and variants both, school buses are a rapidly growing segment with stringent safety requirements. Starting with a single product four years back for the domestic market, your company is now a strong player in this segment, with a portfolio that spans from a small 26 seater bus right up to a 50 seater MCV. This is in addition to the school buses that your company supplies to countries in the Middle East through Tata Motors. These buses too have undergone significant changes with the evolving standards in those countries.

India has an immense potential for inland and coastal transportation, having 14,500 kilometers of navigable inland water ways and 7,500 kilometers of coastline. However presently, transportation through inland water ways has a share of less than 5% in the total logistics volumes. This is a great opportunity where our special application project like assembly and bus body manufacturing of Amphibious Vehicles gives us the leverage of a strong contender in the newly emerging segment. A vehicle that can run on both roads and water ways; the Amphi-Bus is a great resource for dovetailing water and land transport systems. Our prototype vehicles have generated a lot



of interest amongst some State Governments and we believe that going forward this is a product that has a great potential in India – not just as a tourism vehicle but also for the transportation of people and goods.

With the Government's emphasis on Clean and Green Fuels, we believe that the future bus propulsion would have a lot of electric or hybrid content. As a partner to Tata Motors, your company has already been manufacturing buses fueled by CNG for city transportation. This year we have extended the relationship further by manufacturing the Tata Starbus Hybrid bus which will soon be deployed for commercial use.

A large portion of all buses manufactured today are by unorganized local body builders. The gradual introduction of the bus body code is expected to standardize and regulate bus designs. This will provide an opportunity to your company to leverage its manufacturing expertise and expand to geographies not fully represented till now. Recognizing this, your company has created a marketing organization to focus on retail marketing of buses as an additional revenue channel. The newly set up marketing organization has already started its operations from select regions and will be fully functional within a year. Currently, retail marketing customers account for a very small percentage of all the bus bodies that your company manufactures. In future, we would like to see this share increase to a sizable number.

Indian Bus Market is becoming more competitive and customer expectations of product quality, features and performance is increasing. Coupled with this, the entry of many global manufacturers has altered the market equations making it a highly challenging business. As buses become increasingly sophisticated – seats with contoured profile, lumbar support and gas suspension, in-cabin entertainment, wireless connectivity and mood lighting have become the norm rather than an exception to product offerings. Your company has successfully tackled these challenges with a slew of cost optimized, technologically contemporary products by mustering on its core competencies, namely contemporary design, highly customized solutions and short delivery time.

To survive in an era of challenging business scenario, we have to constantly recalibrate the way we function. We are in a business where customers demand continual changes. We have realized that reacting to these changes alone will not be enough; in fact we have to anticipate and thus be able to lead the change. This demands that your company be agile and sensitive to the customer's voice.

The first steps in this regard were to enhance the R & D capabilities and design competencies. Your Company has achieved in-house R&D recognition from Department of Scientific and Industrial Research (DSIR), Government Of India for a period of 3 years starting from October 2016. This enables your company to put greater emphasis on new product development and R&D efforts and in addition claim tax benefits on the expenditure. As the next stage we plan to enhance our design efficiencies by radically moving from 2D design to 3D modelling for all new products. This coupled with manufacturing automation in the coming years will greatly enhance your company's product quality and consistency in addition to productivity and operator safety.

As a corporate philosophy, your company is committed to engaging with the communities in the vicinity of its area of operations to understand and acknowledge its social responsibilities towards them. This year too we have done our little bit through quality CSR projects, the details of which are enumerated in the section on CSR which is part of the Directors Report.

I would like to acknowledge my gratitude to all the stakeholders for their trust, support and encouragement during the year. We are well prepared for the ever-evolving business challenges and are confident of scaling new heights in the coming years. Our best days are ahead of us and we are all set to take your company to the next level.

Sincerely,
O V Ajay
June 30, 2017



N O T I C E

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

Dear Members,

NOTICE is hereby given that the 37th Annual General Meeting of the Members of AUTOMOBILE CORPORATION OF GOA LIMITED will be held on Thursday, July 27, 2017 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, 2017 together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend and declare a Final Dividend for the year ended March 31, 2017.
3. To appoint a Director in place of Mr Ravindra Pisharody (DIN 01875848), who retires by rotation and being eligible offer himself for re-appointment.
4. Appointment of Statutory Auditors of the Company and fixing their remuneration

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, 142 and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), be and is hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 42nd AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), at such remuneration plus applicable Taxes, Out-of-Pocket, Travelling and Living Expenses, etc., as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

5. Appointment of Mr Yatin Kakodkar (DIN 00001433) as an Independent Director

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 the provisions of Section 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Yatin Kakodkar (DIN 00001433), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors effective December 7, 2016 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 for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 consecutive years upto December 6, 2021, whose office shall not be liable to retirement by rotation."

6. Appointment of Mr Abhay Bawale (DIN 07859752) 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 Abhay Bawale (DIN 07859752) who was appointed as an Additional Director of the Company by the Board of Directors effective June 26, 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 for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a director of the Company, be and is hereby appointed a Non Executive director of the Company whose office shall be liable to retirement by rotation."

**Notes:**

- (a) The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item No. 5 and 6 above is annexed hereto. The relevant details of the Directors seeking re-appointment/ appointment under Item Nos. 3, 5 and 6 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 37th 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 Thursday, 13th July, 2017 to Monday, 17th July, 2017 (both days inclusive).**
- (e) Dividend as recommended by the Board of Directors, if approved at the meeting, will be paid/dispatched on or after August 1, 2017 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 12, 2017.
 - 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 12, 2017.
- (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 20, 2017, may cast their vote electronically. The e-Voting period for the Members who hold shares as on cut-off date commences on **Monday July 24, 2017 (9:00 am)** and ends on **Wednesday July 26, 2017 (5:00 pm)**. The e-voting module shall be disabled by CDSL for voting thereafter.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Monday July 24, 2017 (9:00 am)** and ends on **Wednesday July 26, 2017 (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 20, 2017** 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.
- (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 and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<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"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR 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"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



- (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 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.
 - 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 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, under help section or write an email to 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 20, 2017 ("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 20, 2017, may obtain the login Id and password by sending a request at 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
- (e) Mr. Shivaram Bhat, Practicing Company Secretary (ICSI Membership No.10454) 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 and on the website of CDSL 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 27, 2017.

Dated: June 28, 2017

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

By order of the Board of Directors

Pravin Satardekar
Company Secretary
ICSI Membership no. 24380



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

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") given hereunder sets out all material facts relating to the Special Business mentioned at item no. 5 and 6 of the accompanying Notice dated June 28, 2017. As additional information, the Explanatory Statement also contains material facts pertaining to Ordinary Business mentioned at Item no. 4 of the said Notice.

Item No. 4

This Explanatory Statement is provided though Statutorily not required as per Section 102 of the Act.

As per the provisions of the Section 139(2) of the Act read with Rule 6 of the Companies (Audit and Auditors) Rules 2014, no listed company can appoint or reappoint an Audit Firm as Auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided the Companies a period of three years from the date of commencement of the Act i.e. April 1, 2014 to comply with this requirement.

Deloitte Haskins & Sells LLP (DHS) Chartered Accountant (ICAI Firm Registration no. 117366W/W-100018) Mumbai had been the Statutory Auditors of the Company since FY 2007-08 and at 36th AGM held on August 1, 2016 had completed 9 years of audit assignment. Considering the transition period of 3 years for appointment of DHS was available under the Act, the Company appointed DHS as the Statutory Auditors of the Company at the AGM held on August 1, 2016 to hold office from the conclusion of the 36th AGM till the conclusion of the 37th AGM of the Company to be held in the year 2017. The transition period of 3 years available under the Act will get completed at the forthcoming AGM.

Accordingly, the term of DHS expires at the conclusion of the forthcoming AGM, hence it is proposed to appoint M/s B S R & Co. LLP, Chartered Accountants, (ICAI firm registration no. 101248W/W-100022), as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of 37th AGM till the conclusion of 42nd AGM to be held in the calendar year 2022, subject to ratification of their appointment at each AGM to be held after 37th AGM.

As per the requirement of the Act, B S R & Co. LLP have confirmed that the 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.

In view of the above, B S R & Co. LLP being eligible to act as Auditors of the Company and based on the recommendations of the Audit Committee at its meeting held on May 8, 2017 and pursuant Rule 3 of the Companies (Audit & Auditors) Rules, 2014, the Board recommends the resolution set forth at Item no. 4 for approval by the Members.

No director, key managerial personnel or their relatives, are interested or concerned, financially or otherwise in the Resolution at Item no.4 of the Notice.

The Directors commend the Ordinary Resolution at Item No.4 of the Notice for the approval of the Members of the Company.

Item No. 5

The Board of Directors at their meeting held on January 28, 2017 appointed Mr Yatin Kakodkar as an Additional (Independent) Director of the Company effective December 7, 2016, pursuant to Section 161 of the Companies Act, 2013 read with Article 154 of the Articles of Association of the Company.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Mr Kakodkar will hold office upto the date of ensuing AGM. A Notice has been received from a member as required under Section 160 of the Companies Act, 2013 proposing his candidature for appointment as an Independent Director. Brief particulars of Mr Yatin Kakodkar are given in the Annexure I.

The Company has received from Yatin Kakodkar, consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) 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, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr Yatin Kakodkar, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under and he is independent of the Management. A copy of the letter for the appointment of Mr Yatin Kakodkar as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the AGM.



Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the resolution seeks the approval of members for the appointment of Mr Yatin Kakodkar as an Independent Director of the Company for a term of 5 consecutive years upto December 6, 2022. He will not be liable to retire by rotation.

No director, key managerial personnel or their relatives, except Mr Yatin Kakodkar, to whom the resolution relates, is interested or concerned in the resolution. Mr Yatin Kakodkar is not related to any of the directors of 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 Abhay Bawale (DIN 07859752) as an Additional Director effective June 26, 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.

A notice has been received from a member as required under Section 160 of the Companies Act, 2013 proposing his candidature for appointment as a Director. Brief particulars of the Director being appointed is given in the Annexure I.

The Company has received from Mr Abhay Bawale, 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 Abhay Bawale, to whom the resolution relates, is interested or concerned in the resolution. Mr Abhay Bawale is not related to any of the directors of the Company.

The Directors commend the Ordinary Resolution at Item No.6 of the Notice for the approval of the Members of the Company.

Dated: June 28, 2017

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

By order of the Board of Directors

Pravin Satardekar
Company Secretary
ICSI Membership no. 24380



Annexure I

**Details of Directors seeking appointment / re-appointment at this Annual General Meeting
[Pursuant to SEBI Listing Regulation and Secretarial Standard - 2 on General Meetings]**

Particulars	Mr Yatin Kakodkar	Mr Ravindra Pisharody *	Mr Abhay Bawale
Director Identification Number (DIN)	00001433	01875848	07859752
Date of Birth & Age	1 st June 1964, 53 years	24 th November 1955, 61 years	2 nd August 1961, 56 years
Appointed on	7 th December, 2016	2 nd July, 2014	26 th June, 2017
Qualifications	B Com, Sydenham College, Mumbai, University of Bombay 1981-1984 MBA, Amos Tuck School of Business, Dartmouth College, USA 1987-1989	Alumnus of IIT, Kharagpur and IIM, Kolkata	Chartered Accountant
Expertise in Specific functional areas	Mr Yatin Kakodkar is President of The International Centre Goa (ICG) since 2013 and Life Trustee from 2004 onwards. ICG is Goa's leading ideational institute bringing together scholars, academics, thinkers, civil society, students, political leaders, activists, artistes and business community through lectures, seminars, workshops, debates, performances and literature festival. Member of Managing Committee of Goa Chamber of Commerce and Industries (GCCCI) since 2009 and Chairman Industry Sub-committee GCCCI since July 2015.	Mr. Ravindra Pisharody joined Tata Motors as Vice President Commercial Vehicles (Sales & Marketing) in 2007. He is also on the Boards of various Tata Motors Group Companies. Presently he is the Executive Director (Commercial Vehicles) since June 21, 2012. Before joining Tata Motors he worked with Castrol Ltd., a subsidiary of BP and with Philips India, a subsidiary of Dutch company in various roles.	Mr. Abhay Bawale is a hard-core finance professional with experience of more than 32 years in India and abroad. He has worked in Companies like KSB Pumps Limited, Cummins India Limited, Fiat India Automobiles Limited, Tata Daewoo Commercial Vehicle Co. Ltd, South Korea, Tata Motors Limited and professional firms like A F Ferguson & Co and KPMG. He has varied experience in Accounting, Auditing, Controlling, Taxation, Business planning etc. He was the Chief Financial Officer in Fiat India Automobiles Limited and Tata Daewoo Commercial Vehicle Co. Ltd.
Directorships held in other Companies	Apex Packing Products Pvt Ltd Kakodkar Agro Retailers Pvt Ltd DBB United Realities and Resorts Pvt Ltd	Tata Motors Ltd Tata Marcopolo Motors Ltd Tata International Ltd Tata Motors Finance Ltd Tata Cummins Pvt Ltd Tata Hispano Motors Carrosseries Maghreb, Morocco Tata International Singapore Pte Ltd. Nita Company Ltd., Bangladesh Tata Daewoo Commercial Vehicle Co. Ltd., Korea Tata Motors (SA)(Pty) Ltd Tata Motors (Thailand) Ltd PT Tata Motors Indonesia PT Tata Motors Distribusi Indonesia TMNL Motors Services Nigeria Limited	Nil



Particulars	Mr Yatin Kakodkar	Mr Ravindra Pisharody *	Mr Abhay Bawale
Memberships/ Chairpersonships of Audit and Stakeholders' Relationship Committees across public companies	Audit Committee Member - Automobile Corporation of Goa Ltd Stakeholders Relationship Committee - Chairman - Automobile Corporation of Goa Ltd	Audit Committee Member - Automobile Corporation of Goa Ltd (Upto June 26,2017) Audit Committee Member - Tata International Ltd Audit Committee Member - Tata Cummins Pvt Ltd	Audit Committee Member - Automobile Corporation of Goa Ltd (w.e.f. June 26, 2017)
Shareholding in the Company	Nil	Nil	Nil

* Details as on 8.5.2017

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 37th Annual Report and the audited statement of accounts for the year ended March 31, 2017.

FINANCIAL PERFORMANCE SUMMARY (As per INDAS)

₹ in Lakhs

A. FINANCIAL RESULTS:

Revenue from Operation (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 Tax (before OCI)
Provision for Tax (net)
Profit for the year from continuing operations
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

2016/17	2015/16
50,059.06	43,664.94
47,008.70	41,164.96
3,050.35	2,499.98
779.85	684.38
3,830.20	3,184.36
24.96	38.42
3,805.24	3,145.94
561.60	537.24
3,243.64	2,608.70
1,145.74	913.65
2,097.90	1,695.05
(1.74)	(41.96)
2,096.16	1,653.09
8,465.93	8,134.59
10,562.09	9,787.68
321.08	160.54
802.70	802.70
228.81	193.21
-	165.30
9,209.50	8,465.93

B. APPROPRIATIONS:

Equity Dividend

Interim
Final
Corporate Dividend Tax
Transfer to General Reserve

Balance carried to retained earnings

TRANSFER TO RESERVES

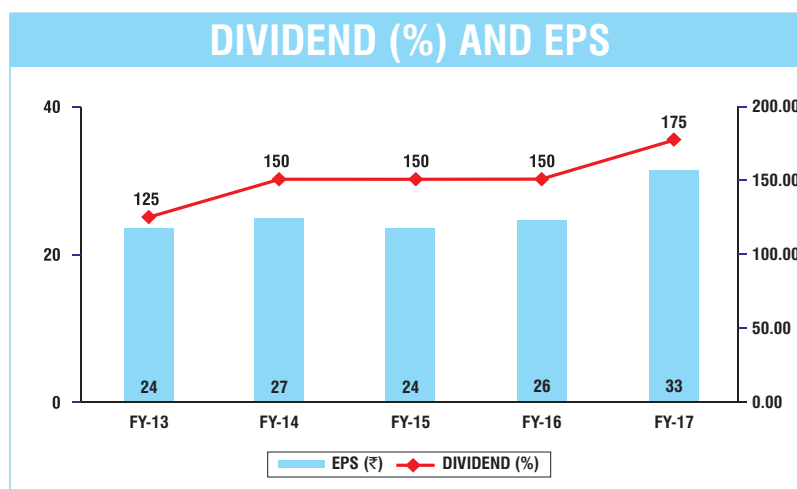
The Company has not transferred any amount to the General Reserve out of the amount available for appropriations.

DIVIDEND

The Company has paid an Interim Dividend of 50% (₹ 5/- per Equity Share) to the shareholders on February 23, 2017.

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 150%).



SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 was Rs 642.16 lakhs. During the year under review, the Company has not issued any shares.



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 87% during the year under review. Large portion of our workforce is operating in the bus segment at Goa. Operations, at the pressings division, under pressure showed a marginal decrease as compared to last year.

Your Company's Total Revenue including other income (net of excise) for the financial year 2016-17 crossed the key milestone of ₹ 475.21 crores, reflecting a growth of 12% over the previous financial year. The Company's profit before tax (after OCI) during the financial year 2016-17 was at ₹ 32.41 crores as against ₹ 25.45 crores in the preceding financial year. Net profit after tax (after OCI) stood at ₹ 20.96 crores as compared to ₹ 16.53 crores in the preceding financial year. During FY 2016-17, your Company sold highest number of buses (5,925 numbers), so far sold in any of previous financial years.

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

Bus Body Segment

Revenue from Bus Segment increased by 14.6% at ₹ 404.10 Crores in FY 2016-17, as compared ₹ 352.61 crores in the preceding financial year. In FY 2016-17, 5,925 buses were sold as compared to 4,960 buses in preceding financial year which is an increase of 965 buses. This is the highest number of buses manufactured so far in any of the previous financial year.

Out of the 5,925 buses sold during the financial year 2016-17, 2,153 buses were for Export Application which was lower by 19%, 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 Company able to grow its topline with the range of school bus introduced in the last year and orders received from State Transport Undertaking.

Pressings Segment

Sheet metal business is relatively in sync with the automobile industry and is dependent on the progress of the same. The segment is necessarily capital intensive which is presently having over capacity with respect to current industry demand. Sheet Metal business showed marginal decrease during the financial year 2016-17. Revenue (exclusive of miscellaneous income) from this segment has shown decrease from ₹ 64.30 crores (2015-16), to ₹ 62.83 crores with a decline of 2.28% in the given financial year.

The Company has been striving to grab new orders from Tata Motors-Dharwad & Pune, Tata Cummins- Phaltan & Jamshedpur and similar other customers which will help in increasing the Sheet Metal Division's capacity utilization in the financial year 2017-18.

Share of pressings business in the overall revenue of the Company has decreased from 15.42% in FY 2015-16 to 13.45% in FY 2016-17.

HUMAN RESOURCE

As a result of ongoing endeavour of rationalising and rightsizing the workforce, the employee cost remain 9.58% of net sale revenue beside increase in salaries & wage and overall strength of permanent employees came down to 565 as on 31st March 2017 against 572 on 31st March 2016. Industrial Relations with staff and workmen across the Plant at Goa, Jejuri and Dharwad continued to be cordial.

CORPORATE SOCIAL RESPONSIBILITY

The key focus areas of the 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 under-privileged sections of the society. The Company believes in inclusive growth to facilitate creation of a value-based and empowered society through continuous and purposeful engagement of society around. Our commitment to CSR is focused on initiatives that make a constructive contribution to the community and encourage sustainable development.

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



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

Composition of the Committee:

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

Mr Shrinivas V Dempo	Chairman
Mr Steven A Pinto	Member (upto 06.12.2016)
Mr P F X D'Lima	Member (upto 06.12.2016)
Dr Vijayanti Pandit	Member
Mr Yatin Kakodkar	Member (w.e.f.07.12.2016)
Mr O V Ajay	Member

The Annual Report on CSR activities for FY 2016-17 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, 2017 stood at ₹ 239.12 lakhs (previous year ₹ 290.34 lakhs). Cash and bank balance stood at ₹ 200.14 lakhs (previous year ₹ 178.39 lakhs).

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment, Resignation and Retirement of Directors:

During the year, Mr PFX D'Lima retired as Independent Director of the Company effective December 7, 2016, on reaching the retirement age as per the Governance Guidelines adopted by the Board. Mr Abhijit Gajendragadkar, Non Executive Director resigned from the services of the Company effective November 30, 2016. The Directors wish to place on record their deepest appreciation of the tremendous contribution made by Mr D'Lima and Mr Gajendragadkar in the success achieved by the Company during their association.

Mr Yatin Kakodkar has been appointed as Additional (Independent) Director on the Board of the Company effective December 7, 2016. Pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, Mr Kakodkar vacates office and is eligible for appointment as Independent Director of the Company. In compliance with the Provisions of the Section 149 read with Schedule IV of the Act, the appointment of Mr Yatin Kakodkar as Independent Director for a term of five years, is being placed before the Members in General Meeting for their approval. As per the Provisions of the Section 149 of the Act, he will not be liable to retire by rotation. Members are requested to refer to Item No.5 of the Notice of the Annual General Meeting for details.

Mr Abhay Bawale has been appointed as Additional (Non Executive) Director on the Board of the Company effective June 26, 2017. Pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, Mr Abhay Bawale 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 Ravindra Pisharody and Mr Abhay Bawale retire by rotation and are eligible for re-appointment.

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	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 Meetings dates are circulated in advance to the Directors. During the year, Five Board Meetings and Four Audit Committee Meetings were convened and held. There have been no instances during the year 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 2016-17.

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. Deloitte Haskins & Sells, LLP Chartered Accountants, Mumbai, (ICAI firm registration no.117366W/W-100018) as Statutory Auditors from the conclusion of the 36th Annual General Meeting till conclusion of 37th Annual General Meeting. Thus, the Auditors, M/s. Deloitte Haskins & Sells LLP, will be retiring at the forthcoming Annual General Meeting.

Deloitte Haskins & Sells LLP (DHS) Chartered Accountant (ICAI Firm Registration no. 117366W/W-100018) Mumbai had been the Statutory Auditors of the Company since FY 2007-08 and at 36th AGM held on August 1, 2016 had completed 9 years of audit assignment. Considering the transition period of 3 years for appointment of DHS was available under the Act, the Company appointed DHS as the Statutory Auditors of the Company at the AGM held on August 1, 2016 to hold office from the conclusion of the 36th AGM till the conclusion of the 37th AGM of the Company to be held in the year 2017. The transition period of 3 years available under the Act will get over at the forthcoming AGM.

Accordingly, the term of DHS expires at the conclusion of the forthcoming AGM, hence it is proposed to appoint 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 37th AGM till the conclusion of 42nd AGM to be held in the calendar year 2022, subject to ratification of their appointment at each AGM to be held after 37th AGM.

As per the requirement of the Act, BSR have confirmed that the 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 approve the appointment of BSR and authorise the Board of Directors to fix their remuneration.

(2) Cost Audit

Cost audit for the financial year 2016-17 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 Shivram Bhat, a Practicing Company Secretary – Membership no. 10454 to undertake the Secretarial Audit of the Company for FY 2016-17. 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, 2017 do not contain any qualification, reservation, adverse remark or disclaimer.

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 2016-17.

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 Listing Regulations. The transactions with TML exceed the materiality threshold as prescribed under regulation 23 of LODR. The Members, at their 35th 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://www.acglgoa.com>. 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.



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 : June 28, 2017

Shrinivas Dempo
Chairman



ANNEXURE A TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs	<p>ACGL has been an early adopter of Corporate Social Responsibility initiatives. In ACGL, Corporate Social Responsibility (CSR) philosophy revolves around engagements in socially relevant activities for the under-privileged sections of the society. The Company believes in inclusive growth to facilitate creation of a value-based and empowered society through continuous and purposeful engagement of society around. Our commitment to CSR is focused on initiatives that make a constructive contribution to the community and encourage sustainable development.</p> <p>A policy on CSR has been formulated by the Corporate Social Responsibility Committee (CSR Committee) and adopted by the Board of Directors. The contents and overview of CSR projects and programs alongwith the CSR policy are available on the website of the Company (www.acglgoa.com).</p>	
2	The Composition of the CSR Committee	Mr Shrinivas Dempo Mr PFX D'Lima Mr Steven Pinto Dr Vaijayanti Pandit Mr Yatin Kakodkar Mr O V Ajay	Chairman Member (upto 06.12.2016) Member (upto 06.12.2016) Member Member (w.e.f.07.12.2016) Member
3	Average net profit of the Company for last three financial years.	₹ 2,502 lakhs	
4	Prescribed CSR Expenditure (not less than two percent of the amount as specified at item 3 above).	₹ 51 lakhs	
5	Details of CSR spent for the financial year:		
	a. Total amount to be spent for the financial year.	₹ 51 lakhs	
	b. Amount committed but unspent, if any.	₹ 20.62 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>An amount of ₹ 15 lakhs which was committed but unspent in the last financial year has been duly spent as per the commitments.</p> <p>Out of the various projects under taken by the Company in FY 2016-17, an amount of ₹ 20.62 lakhs have been committed but remained unspent as on March 31, 2017 towards the Goa State Central Library project.</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 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/ committed for the Project
1	Sponsoring deserving students from Sattari area to pursue Vocational Nursing Course in Vishnu M Kuvelkar Nursing School, Ponda, Goa (4 students @ ₹ 90,000/- per student)	Sneha Mandir, Ponda, Goa/ Rotary Club of Mid-Town Panaji	Direct	₹ 3.60
2	Donation to Pradnya Pratibha Protsahan Project & D D Kosambi young Scientist Project which imparts special education to dropout/needly Children from socially backward & economically challenged families. (Donation is made towards Annual cost of stationary, uniforms, refreshment, school fees of the students and Teacher honorium)	Sneha Mandir, Ponda, Goa/ Rotary Club of Mid-Town Panaji	Direct	₹ 3.57
3	Up-gradation of Science and Computer Laboratories of Morlem High School, Morlem, Sattari, Goa.	Govt High School, Morlem, Goa	Goa Institute of Management	₹ 10.00
4	Up-gradation of Science and Computer Laboratories of Government High school, Bhuimpal, Sattari Goa.	Govt High School, Bhuimpal, Sattari, Goa	Goa Institute of Management	₹ 8.00
5	Promoting education, especially among children – sponsoring Uniform and Laptops to the Meritorious Students from neighboring schools.	Govt School, Bhuimpal & Bhumika School, Poriyem.	Direct	₹ 3.21
6	Sponsoring a Special Application Mobile Library Bus to the Central Library which will travel to various rural villages/schools of Goa making available a wide range of library services with latest technology and devices.	Central Library, Panaji/ Rotary Club of Mid-Town Panaji	Direct	₹ 20.62
7	Contribution towards Prime Ministers National Relief Fund	-	Direct	₹ 2.00



ANNEXURE B TO DIRECTORS' REPORT

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

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

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

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

The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company for the full financial year and the percentage increase in remuneration of the Directors during the financial year 2016-17 are given below: (Also refer Corporate Governance Section on Remuneration to Directors for further details)

Name of the Director	Remuneration Paid in FY 16-17	Remuneration Paid in FY 15-16	Ratio to Median	Percentage increase in Remuneration
Non- Executive Director[®]				
Mr Shrinivas V Dempo (w.e.f. 21.09.2015)	410,000	125,000*	0.73:1	NA
Mr R Pisharody	900,000	705,000	1.6:1	27.66
Mr Steven Pinto	990,000	1,000,000	1.76:1	-1.00
Mr PFX D'Lima (upto 6.12.2016)	770,000*	1,150,000	1.37:1	NA
Mr A Gajendragadkar (Upto 30.11.2016)	580,000*	755,000	1.03:1	NA
Mr R Ramakrishnan	525,000	415,000	0.93:1	26.51
Dr Vijayanti Pandit	550,000	250,000	0.98:1	120.00
Mr Yatin Kakodkar (w.e.f. 7.12.2016)	185,000*	NA	0.33:1	NA
CEO & Executive Director[#]				
Mr O V Ajay	12,597,837	7,797,863	22.39:1	61.55
Key Managerial Personnel^{\$}				
Mr Raghendra Singh Butola - CFO (w.e.f 21.10.2015)	5,342,896	1,770,430*	-	NA
Mr Pravin Satardekar - CS	1,829,188	1,438,200	-	27.19

*Part of the year.

On deputation from Tata Motors Limited. Salary amount includes Deputation Charges paid through Tata Motors exclusive of service tax. Incentive Remuneration is paid directly by the Company. Incentive Remuneration for FY 2015-16 is paid in FY 2016-17. The Incentive Remuneration for FY 16-17 will be paid in FY 17-18. Similar principle is applied for the previous year's figures.

@ Remuneration paid to Non-Executive Directors includes sitting fees paid to them during FY 2016-17 and Commission for FY 2015-16 paid in FY 2016-17. The Commission for the FY 16-17 will be paid in FY 17-18. Similar principle is applied for the previous year's figures. The remuneration to Directors is within the overall limits approved by the Shareholders.

\$ Remuneration to KMPs includes Performance Linked Payment (PLP) for FY 2014-15 & FY 2015-16 which is paid in FY 2016-17. The PLP for FY 16-17 will be paid in FY 17-18.



3. The percentage increase in the median remuneration of employees in the financial year is 27.48% as compared to previous year's 1.26% (Due to revision in the wages of the Associate Workers as a result of Long term settlement for 3 years and consolidated Bonus paid for FY 14-15 & FY15-16 paid in FY 16-17). For calculation of median remuneration, 560 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: 565.
5. The explanation on the relationship between average increase in remuneration and Company performance:
Remuneration of employees has a close linkage with the performance of the Company. The Performance Linked Payment (PLP), which is a variable component in the remuneration for all the management staff, has a direct correlation with the Company's performance. PLP is calculated based on both individual and Company performance. Company Performance has a higher weightage for senior positions and lower weightage for junior positions.
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 2016-17 was ₹ 475.21 crores. Profit before tax (after OCI) during 2016-17 was ₹ 32.41 crores, while Profit after Tax (after OCI) for the year stood at ₹ 20.96 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 per share. The market quotation of the Equity Shares of the Company as on March 31, 2017 was Rs 634.30 for shares of face value of Rs 10 each, an increase of 33.54% over the period.

The market capitalization of the Company as at March 31, 2017 is ₹ 407.32 crores, as against ₹ 270.80 crores as at March 31, 2016, an increase of 50.41% during the year under review. The price earnings ratio of the Company as at March 31, 2017 is 19.42, as against 15.97 as at March 31, 2016.
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 22.52%. (this increase excludes the employees joined and left during the comparable years). This increase is merely due to revision of wages of Associate Workers as a result of 3 years long term agreement, increment given to staff, consolidated bonus paid to Associate Workers for FY 14-15 and 15-16 in FY 16-17 and consolidated PLP paid to Staff for FY 14-15 and 15-16 in FY 16-17. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also 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 (net of excise duty) of the Company for the year 2016-17 was ₹ 475.21 crores. Profit before tax (after OCI) during 2016-17 was ₹ 32.41 crores, while Profit after Tax (after OCI) for the year stood at ₹ 20.96 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:

In the past few years, the Company has tried to improve energy efficiency significantly by various measures.

Steps taken to conserve energy include:

- At its Plants, the Company has carried out various actions to optimize energy consumption and reduce losses.
- Some of these measures include recovering waste heat.
- Energy efficient motors are being installed in order to optimize use of power.
- In its Plants and Offices, the Company has replaced conventional light fixtures with energy efficient fixtures such as LED lights and tubes.
- Installed LED highbay lights at newly developed Hybrid line by replacing conventional light fixtures total savings would be ₹ 67,000/- p.a.

(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.

- Water wastages avoided which resulted in Energy saving.
- Compressed Air wastages avoided which resulted in Energy saving.
- Provided Polycarbonate translucent sheets on shop Floor which resulted in power saving on day time.
- Avoided wastage of Electrical energy by close monitoring of Fixed Energy consumption such as Air conditioners, Fans, Tube lights, Street Lights etc.

(iii) Capital Investment on Energy Conservation Equipments:

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

B. Absorption of Technology

1. Efforts made towards Technology Absorption:

The Company have made following developments during the FY 16-17.

- Proto development of Amphi bus and Hybrid bus bodies.
- Development of water tight door for ships for Goa Shipyard Limited.
- Development of Automatically Operated Retro-Step for school bus using retrachable mechanism.
- Developed and productionised Front end Structure for chassis produced at Tata Motors, Dharwad.
- Development and productionisation of Oil Pan for BSIV engines for Tata Cummins.

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 in the products and manufacturing procedures.



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	₹	1.53 lakhs
b) Recurring	₹	414.13 lakhs
c) Depreciation	₹	2.18 lakhs
d) Total	₹	417.84 lakhs
e) Total as a percentage of turnover		0.88%

C. Foreign Exchange earnings and outgo

The Company earned Rs 20,471.07 lakhs (excluding Excise duty) by export of Buses and parts through a merchant exporter.

On behalf of the Board of Directors

Place: Panaji, Goa.
Date : June 28, 2017

Shrinivas Dempo
Chairman

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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 31st March, 2017 (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 31st March, 2017 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 : May 8, 2017

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

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

'ANNEXURE A'

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

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

Place : Panaji, Goa
Date : May 8, 2017

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, 2017**

[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. Tel : 0832 6731218, Fax : 0832 6731262 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. 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011. Tel. No.: 91 22 6656 8484 Fax No.: 91 22 6656 8494 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/	% to total turnover of the company
1	Bus Bodies and component parts thereof	29201	87
2	Pressed sheet metal parts/ components/sub assemblies and assemblies therefrom for various aggregates of automobiles	29209	13

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, 2016				Number of shares held at the end of the year 31st March, 2017				% change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(A)	Promoters									
(1)	Indian									
(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
	Sub-Total (A) (1)	3,435,831	0	3,435,831	53.50	3,435,831	0	3,435,831	53.50	0.00



Category code (I)	Category of Shareholder (II)	Number of shares held at the beginning of the year 1st April, 2016				Number of shares held at the end of the year 31st March, 2017				% change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(2)	Foreign									
(a)	NRI's - 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)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	152,723	0	152,723	2.38	72,740	0	72,740	1.13	-1.25
(b)	Banks / Financial Institutions	0	1,754	1,754	0.02	0	1,754	1,754	0.02	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	1,400	1,400	0.02	0.00
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B) (1)	152,723	3,154	155,877	2.42	72,740	3,154	75,894	1.17	-1.25
(2)	Non-Institutions									
(a)	Bodies Corporate									
I	Indian	284,724	3,352	288,076	4.49	390,384	3,352	393,736	6.14	1.65
II	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals -									
I	Individuals shareholders holding nominal share capital upto ₹ 1 lakh	983,474	362,460	1,345,934	20.97	998,384	353,710	1,352,094	21.06	0.09
II	Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	1,195,904	0	1,195,904	18.62	1,164,067	0	1,164,067	18.13	-0.50
(c)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (b) (2)	2,464,102	365,812	2,829,914	44.08	2,552,835	357,062	2,909,897	45.33	1.25
	Total Public Shareholding (B)=(B) (1)+(B) (2)	2,616,825	368,966	2,985,791	46.50	2,625,575	360,216	2,985,791	46.50	0.00
	Total (A) + (B)	6,052,656	368,966	6,421,622	100.00	6,061,406	360,216	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)	6,052,656	368,966	6,421,622	100.00	6,061,406	360,216	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	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 01.04.2016	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-2016	At the beginning of the year	2,982,214	46.44	2,982,214	46.44	
1.1				31-Mar-2017	At the end of the year	0	0.00	2,982,214	46.44	
1	Total for AAAC2727Q				Pan Total :	2,982,214	46.44	2,982,214	46.44	
2.1	AAACE4614K	IN30047640903772	EDC Limited	01-Apr-2016	At the beginning of the year	405,302	6.31	405,302	6.31	
2.1				31-Mar-2017	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	Sheba Properties Limited	01-Apr-2016	At the beginning of the year	48,315	0.75	48,315	0.75	
3.1				31-Mar-2017	At the end of the year	0	0.00	48,315	0.75	
3	Total for AAEC0591F				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 01.04.2016	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-2016	At the beginning of the year	298,075	4.64	298,075	4.64	
1.1				13-Jan-2017	Increase	210	0.00	298,285	4.65	
1.1				31-Mar-2017	At the end of the year	0	0.00	298,285	4.65	
1	Total for ABNPN8096M				Pan Total :	298,075	4.64	298,285	4.65	
2.1	ABWPR0544B	IN30064410041359	Diana Dhun Ratnagar	01-Apr-2016	At the beginning of the year	80,000	1.25	80,000	1.25	
2.1				19-Aug-2016	Decrease	-80,000	-1.25	0	0.00	
2.1				31-Mar-2017	At the end of the year	0	0.00	0	0.00	
2.1		IN30281412714996	Diana Dhun Ratnagar	01-Apr-2016	At the beginning of the year	0	0.00	0	0.00	
2.2				19-Aug-2016	Increase	80,000	1.25	80,000	1.25	
2.2				31-Mar-2017	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	AAATR0090B	IN30016710119923	Reliance Capital Trustee Co. Ltd A/C Reliance Capital Builder Fund-Sr A	01-Apr-2016	At the beginning of the year	0	0.00	0	0.00	
3.1				05-Aug-2016	Increase	51,500	0.80	51,500	0.80	
3.1				12-Aug-2016	Increase	500	0.01	52,000	0.81	
3.1				19-Aug-2016	Increase	700	0.01	52,700	0.82	
3.1				26-Aug-2016	Increase	40	0.00	52,740	0.82	
3.1				03-Feb-2017	Increase	7,375	0.11	60,115	0.94	
3.1				10-Feb-2017	Increase	12,625	0.20	72,740	1.13	
3.1				31-Mar-2017	At the end of the year	0	0.00	72,740	1.13	
3	Total for AAATR0090B				Pan Total :	0	0.00	72,740	1.13	



Serial No.	PAN	Folio/Beneficiary Account No	Name of Shareholder	Date	Reason	Shareholding at the beginning of the year 01.04.2016	Cumulative Shareholding during the year		
						No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
4.1	AAPFP7724D	IN30021417497136	Mukul Agrawal	01-Apr-2016	At the beginning of the year	60,000	0.93	60,000	0.93
4.1				31-Mar-2017	At the end of the year	0	0.00	60,000	0.93
4	Total for AAPFP7724D				Pan Total :	60,000	0.93	60,000	0.93
5.1	ABUPN0368B	IN30014210200799	B N Nagamani	01-Apr-2016	At the beginning of the year	60,000	0.93	60,000	0.93
5.1				31-Mar-2017	At the end of the year	0	0.00	60,000	0.93
5	Total for ABUPN0368B				Pan Total :	60,000	0.93	60,000	0.93
6.1	AAACR2495M	IN30154953154265	Rachana Credit Capital Private Limited	01-Apr-2016	At the beginning of the year	58,500	0.91	58,500	0.91
6.1				31-Mar-2017	At the end of the year	0	0.00	58,500	0.91
6	Total for AAACR2495M				Pan Total :	58,500	0.91	58,500	0.91
7.1	AADCJ8555D	1202200000093861	Jyoni Consultancy Private Limited	01-Apr-2016	At the beginning of the year	0	0.00	0	0.00
7.1				03-Feb-2017	Increase	56,000	0.87	56,000	0.87
7.1				31-Mar-2017	At the end of the year	0	0.00	56,000	0.87
7	Total for AADCJ8555D				Pan Total :	0	0.00	56,000	0.87
8.1	AADCT8291N	1203730000003064	Trishakti Power Holdings Private Limited	01-Apr-2016	At the beginning of the year	50,000	0.78	50,000	0.78
8.1				15-Jul-2016	Increase	1,000	0.02	51,000	0.79
8.1				31-Mar-2017	At the end of the year	0	0.00	51,000	0.79
8	Total for AADCT8291N				Pan Total :	50,000	0.78	51,000	0.87
9.1	AAFHS4460P	IN30154951847148	Paresh Nandlal Sheth	01-Apr-2016	At the beginning of the year	50,000	0.78	50,000	0.78
9.1				31-Mar-2017	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-2016	At the beginning of the year	50,000	0.78	50,000	0.78
10.1				31-Mar-2017	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	AADPR5435M	IN30002030016774	Pankaj Rakyan	01-Apr-2016	At the beginning of the year	51,261	0.80	51,261	0.80
11.1				27-May-2016	Increase	1,444	0.02	52,705	0.82
11.1				13-Jan-2017	Decrease	-1,260	-0.02	51,445	0.80
11.1				03-Feb-2017	Decrease	-5,268	-0.08	46,177	0.72
11.1				24-Feb-2017	Decrease	-102	0.00	46,075	0.72
11.1				03-Mar-2017	Decrease	-1,359	-0.02	44,716	0.70
11.1				31-Mar-2017	At the end of the year Decrease	-6,200	-0.10	38,516	0.60
11.2		IN30327010403871	Pankaj Rakyan	01-Apr-2016	At the beginning of the year	0	0.00	0	0.00
11.2				26-Aug-2016	Increase	1,193	0.02	1,193	0.02
11.2				21-Oct-2016	Increase	3,777	0.06	4,970	0.08
11.2				17-Feb-2017	Increase	50	0.00	5,020	0.08
11.2				31-Mar-2017	At the end of the year	0	0.00	5,020	0.08
11	Total for AADPR5435M				Pan Total :	51,261	0.80	43,536	0.68
12.1	AAAJD0430B	IN30005410028124	Dsp Blackrock Micro Cap Fund	01-Apr-2016	At the beginning of the year	152,723	2.38	152,723	2.38
12.1				29-Jul-2016	Decrease	-1,602	-0.02	151,121	2.35
12.1				05-Aug-2016	Decrease	-151,121	-2.35	0	0.00
12.1				31-Mar-2017	At the end of the year	0	0.00	0	0.00
12	Total for AAJD0430B				Pan Total :	152,723	2.38	0	0.00



Serial No.	PAN	Folio/Beneficiary Account No	Name of Shareholder	Date	Reason	Shareholding at the beginning of the year 01.04.2016	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	ARAPS6023J	IN30068510123528	Jyoti Hareesh Shah	01-Apr-2016	At the beginning of the year	56,000	0.87	56,000	0.87
13.1				23-Dec-2016	Decrease	-56,000	-0.87	0	0.00
13.1				31-Mar-2017	At the end of the year	0	0.00	0	0.00
13.2		IN30154951269616	Jyoti Hareesh Shah	01-Apr-2016	At the beginning of the year	0	0.00	0	0.00
13.2				23-Dec-2016	Increase	56,000	0.87	56,000	0.87
13.2				27-Jan-2017	Decrease	-56,000	-0.87	0	0.00
13.2				31-Mar-2017	At the end of the year	0	0.00	0	0.00
13	Total for ARAPS6023J				Pan Total :	56,000	0.87	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 01.04.2016	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-2016	At the beginning of the year	0	0.00	0	0.00
1.1				29-Apr-2016	Increase	250	0.00	250	0.00
1.1				31-Mar-2017	At the end of the year	0	0.00	250	0.00
1.2		IN30324510018772	Steven Angelo Pinto	01-Apr-2016	At the beginning of the year	250	0.00	250	0.00
1.2				29-Apr-2016	Decrease	-250	0.00	0	0.00
1.2				31-Mar-2017	At the end of the year	0	0.00	0	0.00
1					Pan Total :	250	0.00	250	0.00

Note:

- Mr PFX D'Lima, Independent Director of the Company retired from the Board on December 6, 2016. He was holding 1,930 shares in the Company.
- Except above mentioned Director, none of the Directors and KMPs held shares at the beginning nor brought any shares during the FY-2016-17.

V. INDEBTEDNESS

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	29,034,218	Nil	195,306	29,229,524
Change in Indebtedness during the financial year	(5,122,282)	Nil	(195,306)	(5,317,588)
Indebtedness at the end of the financial year	23,911,936	Nil	-	23,911,936

*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 (Note : *Deputation Charges paid through Tata Motors exclusive of service tax)	6,773,315
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	793,366
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	- As a % of Profit	-
	- Incentive Remuneration#	6,000,000
5	Others (Telephone Expenses)	31,156
	Total	13,597,837

*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 service tax (cenvatable) as may be applicable from time to time.

Incentive Remuneration is paid directly by the Company. Incentive Remuneration amounting to Rs Fifty Lakhs for FY 2015-16 is paid in FY 2016-17.

The Incentive Remuneration amounting to Rs Sixty Lakhs for FY 16-17 will be paid in FY 17-18.

B. Remuneration to other directors:

(Amount in ₹)

Independent Director				
Sl No.	Name of the Director	Fees for attending Board/ Committee Meetings paid in FY 16-17	Commission for FY 16-17 payable in FY 17-18	Others
1	Mr Shrinivas V Dempo	410,000	NIL*	-
2	Mr Steven Pinto	465,000	748,000	-
3	Mr PFX D Lima (Upto 6.12.2016)	245,000	340,000	-
4	Dr Vijayanti Pandit	300,000	442,000	-
5	Mr Yatin Kakodkar (w.e.f. 7.12.2016)	185,000	340,000	-
	Total (B1)	1,605,000	1,870,000	-

*Mr Shrinivas Dempo voluntarily opted not to accept the Commission

(Amount in ₹)

Other Non-Executive Director				
Sl No.	Name of the Director	Fees for attending Board/ Committee Meetings paid in FY 16-17	Commission for FY 16-17 payable in FY 17-18	Others
1	Mr Ravindra Pisharody	325,000	748,000	-
2	Mr Abhijit Gajendragadkar (upto 30.11.2016)	205,000	272,000	-
3	Mr R Ramakrishnan	275,000	510,000	-
	Total (B2)	805,000	1,530,000	-
	Total B = B1+B2	2,410,000	3,400,000	-

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration \$	Raghwendra Singh Butola CFO	Pravin Satardekar Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,015,638	1,736,116	6,751,754
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	303,451	67,726	371,177
	(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)	23,807	25,346	49,153
	Total	5,342,896	1,829,188	7,172,084

\$ Remuneration to KMPs includes Performance Linked Payment (PLP) for FY 2014-15 & FY 2015-16 which is paid in FY 2016-17. The PLP for FY 16-17 will be paid in FY 17-18.

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)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					



SOME OF THE CSR INITIATIVE 2016-2017



Installation of Safe Water Drinking plant at Dr K B Hedgewar School, Bambolim, Goa.



Construction of additional floor at Vidhyavardhak Mandal's Shree Shantadurga Higher Secondary School, Bicholim, Goa.



Up-gradation of Science and Computer Laboratories at Govt High School, Honda, Sattari, Goa.



Contribution towards Pradnya Pratibha Protsahan & D D Kosambi young Scientist special education programme for dropout/needy children from socially backward/economically challenged families and Sponsoring of 4 students for Vishnu M Kuvelkar Nursing School, Bandora, Ponda, Goa.



MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

The Government of India announced demonetisation of high denomination bank notes of ₹ 1,000 and ₹ 500, with effect on November 8, 2016, in order to eliminate black money and the growing menace of fake Indian currency notes, thereby creating opportunities for improvement in economic growth.

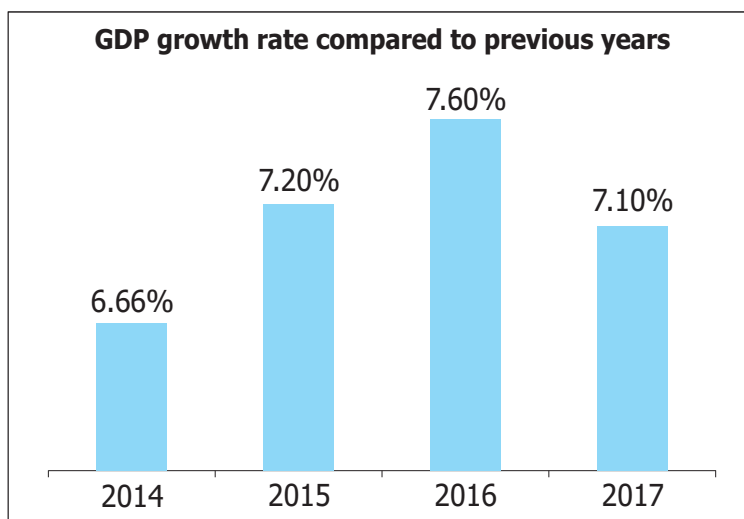
In the Union Budget 2017-18, the Finance Minister, Mr Arun Jaitley, verified that the major push of the budget proposals is on stimulating growth, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

India's unemployment rate has declined to 4.8 per cent in February 2017 compared to 9.5 per cent in August 2016, as a result of the Government's increased focus towards rural jobs and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Government of India has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. 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.

According to The World Bank, the Indian economy is likely to grow at 7 per cent in 2016-17, followed by further acceleration to 7.6 per cent in 2017-18 and 7.8 per cent in 2018-19. Demonetisation is expected to have a positive impact on the Indian economy, which will help foster a clean and digitised economy in the long run, according to Ms Kristalina Georgieva, Chief Executive Officer of The World Bank.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price water house Coopers. Also, the Prime Minister, Mr. Narendra Modi has stated that India has become the world's fastest growing large economy, and is expected to grow five-fold by 2040, owing to a series of policy measures.



INDIAN AUTOMOBILE INDUSTRY

Production

The industry produced a total 25,316,044 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle in April-March 2017 as against 24,016,599 in April-March 2016, registering a growth of **5.41 percent** over the same period last year.

Your Company mainly caters to 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 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 Bus services. This has greatly contributed to the growth of the Bus Industry.



Domestic Sales

The sales of Passenger Vehicles grew by **9.23 percent** in April-March 2017 over the same period last year. Within the Passenger Vehicles, Passenger Cars, Utility Vehicles and Vans grew by **3.85 percent**, **29.91 percent** and **2.37 percent** respectively.

The overall Commercial Vehicles segment registered a growth of **4.16 percent** in April-March 2017 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) grew by **0.04 percent** and Light Commercial Vehicles grew by **7.41 percent** during April-March 2017 over the same period last year.

Three Wheelers sales declined by **(-) 4.93 percent** in April-March 2017 over the same period last year. Passenger Carrier sales declined by **(-) 8.83 percent** and Goods Carrier sales grew by **12.75 percent** in April-March 2017 over April-March 2016.

Two Wheelers sales registered a growth at **6.89 percent** during April-March 2017 over April-March 2016. Within the Two Wheelers segment, Scooters, Motorcycles and Mopeds grew by **11.39 percent**, **3.68 percent** and **23.02 percent** respectively.

Exports

In April-March 2017, overall automobile exports declined by **(-) 4.50 percent**. While Passenger Vehicles and Commercial Vehicles exports registered a growth of **16.20 percent** and **4.99 percent** respectively, exports of Three Wheelers and Two Wheelers declined by **(-) 32.77 percent** and **(-) 5.78 percent** respectively in April-March 2017 over April-March 2016.

Indian Automobile Industry Statics Source-SIAM

COMPANY PERFORMANCE

Your Company's Total Revenue including Other income (net of excise) for the financial year 2016-17 crossed the key milestone of ₹ **475 Crores**, reflecting a growth of **12%** over the previous financial year. The Company's profit before tax (after OCI) as per INDAS during the financial year 2016-17 was at ₹ **32.41 Crores** as against ₹ **25.45 Crores** in the preceding financial year. Net profit after tax (after OCI) stood at ₹ **20.96 Crores** as compared to ₹ **16.53 Crores** in the preceding financial year. During FY 2016-17, your Company sold highest **5925** number of buses, so far manufactured in any financial year. Your Company also achieved the landmark of **58,582** buses sold from FY 1989-90 to 2016-17.

The Government Policy on the Emission Norms, Bus Body Code and Replacement of the Old Vehicle may stimulate the demand in next few years and the customer base is also expected to grow at a high rate.

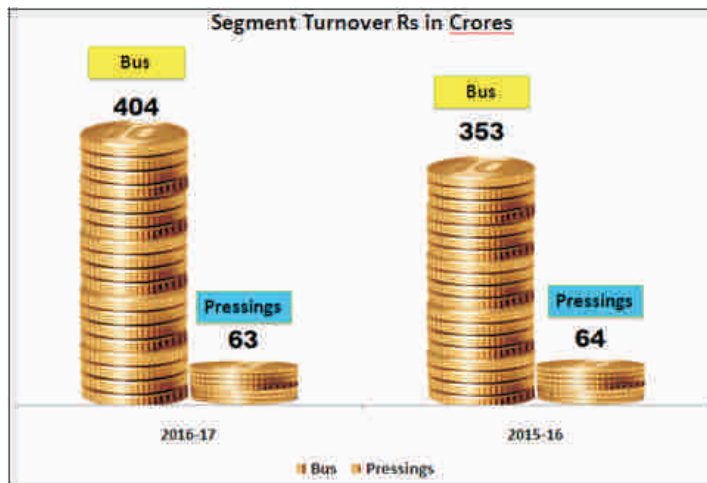
Segment Overview

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 87% 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 marginal decline from compared to last year mainly due to reduction in tool amortization cost in pricing after the completion of amortization period and low growth in models supplied to the OEM.

Bus Sale Trend (Nos)



Segment Turnover Rs in Crores





1. Segment Review and Developments

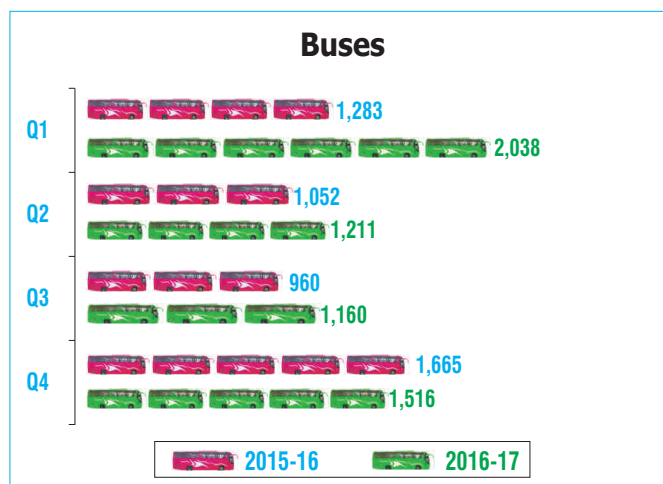
A. BUS SEGMENT

Revenue from product sale in Bus Segment increased by **14.6%** at ₹ **404.10 Crores** in FY 2016-17, as compared ₹ **352.61 Crores** in the preceding financial year. In FY 2016-17, **5,925** buses were sold as compared to **4,960** buses in preceding financial year which is an increase of **965** buses. This is the highest number of buses sold so far in any of the previous financial year.

Out of the 5,925 buses sold during the financial year 2016-17, 2,153 buses were for Export Application which was lower by 19%, 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.

With the range of school bus 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 catered State Transport Undertaking Orders of 906 buses in the financial year 2016-17, which helped your company to grow its top-line.

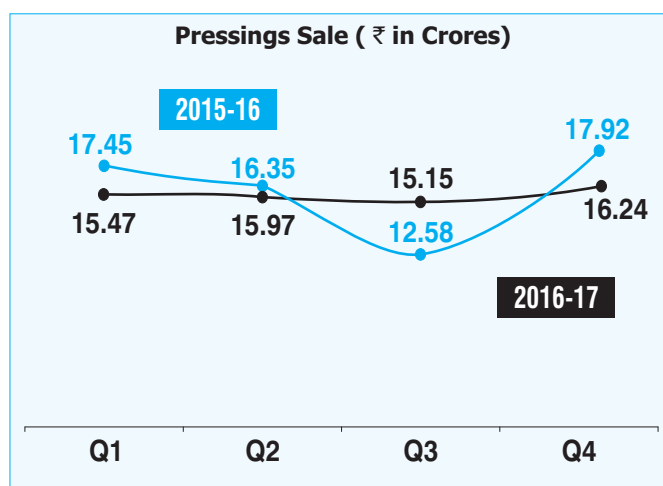
Managing steep increase in commodity prices especially steel and increase in minimum wages has been the key challenge for your company. Your company has been in relentless pursuit to optimize cost of manufacturing and in this endeavor persistent efforts are put in the areas of Value Engineering, enhancing procurement efficiencies and Cost management which has helped the Company to increase its contribution and profitability.



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 there is over capacity with respect to current industry demand. This leads to often unrealistic cost pressure and is very sensitive to price of steel. Revenue from product sale (exclusive of other income) from this segment has shown a marginal decline from ₹ 64.30 crores (FY 2015-16), to ₹ 62.83 crores in the given financial year mainly due to reduction in tool amortization cost in pricing after the completion of amortization period and low growth in models supplied to the OEM.

Your Company is working on getting new orders from Tata Motor-Dharwad, Tata Motor-Pune and Tata Cummins - Phaltan & Jamshedpur, which will help in increasing the Sheet Metal Division's capacity utilization in the financial year 2017-18.



Share of pressings business in the overall revenue of the company is 13% in the financial year 2016-17.

2. R&D Recognition by DSIR

Your Company received In-house R&D recognition from 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.



3. Setup of New Manufacturing Line for High end Buses in Goa

Your Company has setup the new manufacturing line for High end buses like Luxury Coaches and Hybrid Buses in its Goa Plant. Mass production has been started for MMRDA Hybrid buses in the new line which is commissioned in Dec'16.



4. Awards & Recognition

Your Company has received Best Vendor Award from Tata Motors Limited – Spare Part Division for Pre-Packaging implementation and Best Vendor Award from Tata Cummins Limited for Vendor Quality.



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 its both business requirements of international as well as the domestic markets. In view of unstable economy of the Middle East due to increased terrorism, dropping of oil prices and foray of Chinese Buses which are very aggressively priced, the Company is facing great challenges in retaining the volumes in export business. In order to mitigate this risk, efforts are being made in increasing 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 minimize the impact of market cyclicality. Company has appointed Chief Marketing Officer and Regional Marketing Sales team for increasing market share in the Domestic Bus market.

Investments at Dharwad in terms of lease-hold land from Karnataka Industrial Area Development Board (KIADB) and a factory shed is still under utilized. 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 expected growth in Agricultural sector due to anticipated good monsoon, Reduction in interest rates, Government Policy on pollution control through BS IV 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, expansion in fleet by Operators due to increased profitability as a result of low fuel prices and implementation of Bus Body Code (AIS 052/AIS 063) 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 after Minimum Import Price (MIP), competitive bus pricing in the market, Increase in Minimum wages, High wages increase demanded by workers in bargain-able category and low productivity of workers in bargain-able category.

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 is working on a technical up-gradation of product and process technology with the help of a Technical Consultant.

Your Company is working aggressively on cost saving initiatives like Value Engineering, enhancing Procurement efficiencies and rigorous Cost management to reduce the impact of increased cost due to Raw Material, Labour Cost, etc.

Your Company is also focusing on upgradation of its manufacturing infrastructure and in this regard has set up a World Class Facility with latest Technology for High end buses like Luxury Coaches and Hybrid Buses. Your Company has already introduced a couple of new models for domestic and export business, which are well accepted by Customers. Company has also taken the productivity commitment from the bargain-able category permanent workers during the last long term wage settlement agreement.

3. 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 same operating effectively.



4. Financial and Operational Performance

Company's Total Revenue including Other Income (net of Excise Duty) stood at ₹ 475 crores, an increase by 12% with respect to that achieved in the previous year. Correspondingly, profit before tax (after OCI) increased to ₹ 32.41 Crores as compared to ₹ 25.45 Crores in last financial year. Earnings Per Equity Share increased to ₹ 32.67 as compared to ₹ 26.40 in last financial year.

Particulars	Percentage of Sales Year ended 31 st March	
	2017	2016
Total Revenue (including Excise Duty & Other Income)	100	100
Expenditure :		
Material (including change in stock)	61.40	64.76
Excise duty on sale of product	6.53	4.45
Employee Cost	8.96	9.52
Manufacturing Expenses	15.58	14.09
Total Expenditure	92.47	92.82
Profit before Interest, Depreciation, Exceptional Items and Tax	7.53	7.18
Depreciation	1.10	1.21
Finance Cost	0.05	0.09
Profit before Exceptional Items, OCI and Tax	6.38	5.88
Provision for Tax	(2.25)	(2.06)
Other Comprehensive Income (net of tax)	(0.00)	(0.09)
Profit After Tax	4.12	3.73

5. 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 9.58% of net sale revenue beside increase in salaries & wage and overall strength of permanent employees remain 565 as on 31st March 2017 against 572 on 31st March 2016, beside increase in overall revenue by 12 %.

Industrial relations with staff and workmen across the plants at Goa, Jejuri and Dharwad continued to be cordial. Your Company has settled Long Term Wage Agreement with bargain-able category of workers in Goa with productivity commitment.

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. Present strength of the Board is Seven Directors. The Board comprises of one Executive Director who is the Chief Executive Officer of the Company. There are Six 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. None of the Directors are related to each other and 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 31st March, 2017 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 ⁽¹⁾ (including the Company)	Committee position ⁽²⁾		Shareholding
						Chairman	Member	
Shrinivas Dempo	00043413	Non-Executive Independent - Chairman	5	Yes	13	1	Nil	Nil
R Pisharody	01875848	Non - Executive Non - Independent	5	Yes	6	Nil	3	Nil
Steven Pinto	00871062	Non-Executive Independent	5	Yes	3	2	Nil	Nil
P F X D'Lima (upto 06.12.2016)	00001890	Non-Executive Independent	2	Yes	NA	NA	NA	NA
A Gajendragadkar (upto 30.11.2016)	02727909	Non-Executive Non-Independent	2	Yes	NA	NA	NA	NA
R Ramakrishnan	03394401	Non-Executive Non-Independent	5	Yes	4	Nil	1	Nil
Vaijayanti Pandit	06742237	Non-Executive Independent	5	Yes	10	Nil	7	Nil
Yatin Kakodkar (w.e.f. 07.12.2016)	00001433	Non-Executive Independent	2	NA	4	1	1	Nil
O V Ajay	07042391	CEO & Executive Director	5	Yes	1	Nil	1	Nil

(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 year under review, Five Board Meetings were held on 25.05.16, 01.08.16, 04.11.16, 28.01.17 and 11.03.17; 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 Yatin Kakodkar	Non - Executive Independent	07.12.2016	Term of 5 years Upto 06.12. 2021
2	Mr Abhay Bawale	Non - Executive Non - Independent	26.06.2017	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.

Mr A Gajendragadkar and Mr PFX D'Lima, Directors of the Company resigned effective November 30, 2016 and retired effective December 06, 2016 respectively from the Board of Directors. The Board has placed on record its appreciation for the contributions made by them during their association with the Company.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr Ravindra Pisharody retires by rotation and is eligible for re-appointment.

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. 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 31st March, 2017. 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.

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 May 25, 2016 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 and Dr. Vijayanti Pandit attended the Meeting of Independent Directors (IDs) held on May 25, 2016. Upon request, leave of absence was granted to Mr PFX D'Lima. 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://www.acglgoa.com>

Board and Director Evaluation and criteria for evaluation

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 for the FY 2016-17.

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 is given below. Four Audit Committee meetings were held on 25.05.16, 01.08.2016, 04.11.16 and 28.01.2017 during the year under review.

Name of the Director	Category	Position in the committee	No. of meetings attended
Steven Pinto	Independent	Chairman	4
Shrinivas Dempo	Independent	Member (upto 01.08.16)	1
P F X D'Lima	Independent	Member (upto 06.12.16)	2
A Gajendragadkar	Non - Executive Non - Independent	Member (upto 30.11.16)	3
Ravindra Pisharody	Non - Executive Non - Independent	Member (w.e.f. 27.01.17)	0
Yatin Kakodkar	Independent	Member (w.e.f. 07.12.16)	1

All members of the Audit Committee have relevant finance 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

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 feed-back 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.

Three Remuneration Committee meeting were held on 25.05.2016, 04.11.2016 and 28.01.2017 during the year under review.



Details of Composition of the Nomination and Remuneration Committee and the number of meetings attended by the members are as under:

Name of the Director	Category	Position in the committee	No. of meetings attended
P F X D'Lima	Independent	Chairman (upto 06.12.16)	1
Steven A Pinto	Independent	Chairman (w.e.f. 07.12.16)	1
Shrinivas Dempo	independent	Member	3
R Pisharody	Non-Executive Non-Independent	Member	3

The then Chairman of the Nomination and Remuneration Committee, Mr P F X D'Lima was present at the Annual General Meeting of the Company held on August 1, 2016.

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:

- 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;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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 to enable a certain level of lifestyle and to offer scope for savings. 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 rest of the employees a performance linked payment. The performance linked payment would be driven by the outcome of the performance appraisal process and the performance of the Company.

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 Director who attended the meeting of the Independent Directors.

(₹)

Name of the Director	Commission for 2016-17 (payable during FY 2017-18)	Commission for 2015-16 (paid in FY 2016-17)	Sitting Fees for 2016-17
Shrinivas Dempo	Nil*	Nil*	410,000
Ravindra Pisharody	748,000	575,000	325,000
Steven Pinto	748,000	525,000	465,000
PFX D'Lima (upto 06.12.2016)	340,000	525,000	245,000
A Ganjendragadkar (upto 30.11.2016)	272,000	375,000	205,000
R Ramakrishnan	510,000	250,000	275,000
Vaijayanti Pandit	442,000	250,000	300,00
Yatin Kakodkar (w.e.f. 07.12.2016)	340,000	NA	185,000

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

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

At the 35th Annual General Meeting held on July 31, 2015 members had approved the payment of remuneration by way of commission to the non-whole time 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	
O V Ajay* CEO & Executive Director	Particulars	Amount
	Basic Salary /Deputation Charges	6,773,315
	Incentive Remuneration#	60,00,000
	Perquisites & Allowances	824,522

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

Incentive Remuneration is paid directly by the Company. Incentive Remuneration amounting to Rs Fifty Lakhs for FY 2015-16 is paid in FY 2016-17. The Incentive Remuneration amounting to Rs Sixty Lakhs for FY 16-17 will be paid in FY 17-18.



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 Directors out of the profits for the financial year, within the overall ceiling stipulated in the Companies Act. 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	O V Ajay
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 March 16, 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

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.

Three meetings of the Stakeholders Relationship Committee were held on 12.07.2016, 18.10.2016 and 17.01.2017 during the year.

Composition of the Committee and the attendance is as under -

Name of the Director	Category	Position in the committee	No. of meetings attended
P F X D'Lima	Independent	Chairman (upto 06.12.16)	2
Yatin Kakodkar	independent	Chairman (w.e.f. 07.12.16)	1
O V Ajay	CEO & Executive Director	Member	3

4 complaints were received during the year under review, All the complaints were resolved during the year. No complaints were pending as on March 31, 2017.

Mr. Pravin Satardekar, Company Secretary, 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: prs@acglgoa.com



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:

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 2016-17 forms a part of the Directors' Report.

One Corporate Social Responsibility Committee meeting was held on 28.01.2017 during the year under review.

The Composition of the Committee and the attendance is as under:

Name of the Director	Category	Position in the committee	No. of meetings attended
Shrinivas Dempo	Independent	Chairman	1
P F X D'Lima	Independent	Member (upto 06.12.16)	NA
Steven Pinto	Independent	Member (upto 06.12.16)	NA
Vaijayati Pandit	Independent	Member	1
Yatin Kakodkar	Independent	Member (w.e.f. 07.12.16)	1
O V Ajay	CEO & Executive Director	Member	1

E) Risk Management Committee:

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 the 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 will co-ordinate its activities with the Audit Committee in instances where there is any overlap with Audit activities.

One Risk Management Committee meeting was held on 11.03.2017 during the year under review.

Composition of the Committee and the attendance is as under:

Name of the Director	Category	Position in the committee	No. of meetings attended
Steven Pinto	Independent	Chairman	1
P F X D'Lima (upto 06.12.16)	Independent	Member	NA
R. Ramakrishnan	Non-Executive	Member	1
O V Ajay	CEO & Executive Director	Member	1

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
2015-2016	AGM	1 st August, 2016	Regd. Office Honda, Sattari, Goa	3.30 pm
2014-2015	AGM	31 st July, 2015	Regd. Office Honda, Sattari, Goa	3.30 pm
2013-2014	AGM	4 th June, 2014	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 Extra-Ordinary 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
2015-16	1 st August, 2016	Nil
2014-15	31 st 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 ii) Approval of Related Party Transactions with Tata Motors Limited
2014-15	Postal Ballot Special Resolution passed on 25 th March, 2015	Payment of 'One Time benefit' amount of ₹ 4,700,000/- to Mr V Krishnamurthi, the outgoing Managing Director
2013-14	4 th June, 2014	Revision in terms of remuneration of Mr V Krishnamurthi, 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) - Local newspaper and in Financial Express - National newspaper
Any website, where displayed	www.acglgoa.com
Whether Management Discussion & Analysis is part of Annual Report	Yes

A 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: July 27, 2017 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 after August 1, 2017.

Date of Book Closure : July 13, 2017 to July 17, 2017 (Both days inclusive)

Financial calendar : Financial reporting for the quarter ending:
 June 30, 2017 - by 15th August, 2017
 September 30, 2017 - by 15th November, 2017
 December 31, 2017 - by 15th February, 2018
 March 31, 2018 - by May 30, 2018 alongwith audited Annual Accounts



Listing:

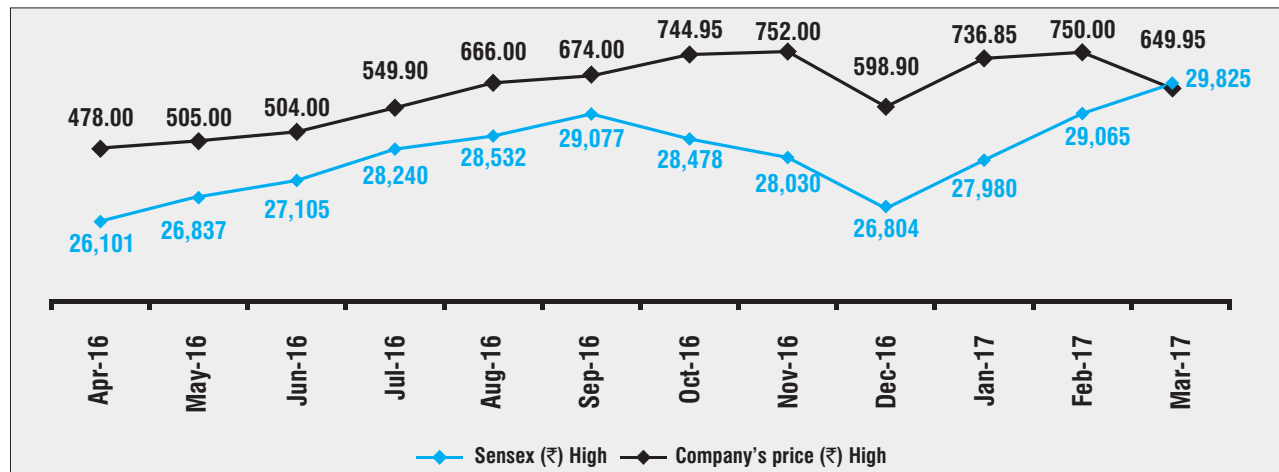
Equity Shares of the Company are listed on the BSE Limited, Mumbai. The Company has paid the Listing fee for the financial year 2017-18.

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, 2016	478.00	415.00	26,100.54	24,523.20
May, 2016	505.00	444.00	26,837.20	25,057.93
June, 2016	504.00	446.10	27,105.41	25,911.33
July, 2016	549.90	462.20	28,240.20	27,034.14
August, 2016	666.00	470.00	28,532.25	27,627.97
September, 2016	674.00	557.00	29,077.28	27,716.78
October, 2016	744.95	565.10	28,477.65	27,488.30
November, 2016	752.00	540.00	28,029.80	25,717.93
December, 2016	598.90	546.00	26,803.76	25,753.74
January, 2017	736.85	557.00	27,980.39	26,447.06
February, 2017	750.00	633.00	29,065.31	27,590.10
March, 2017	649.95	600.00	29,824.62	28,716.21



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
Website: 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 Shivram Bhat, Practicing Company Secretary has conducted the Secretarial Audit of the Company for the year 2016-17. 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, sub-division, 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 March 31, 2017

No. of Shares	Holding	Amount (₹)	% to Capital	No. of Holders	% to Total Holders
1 to 100	410,025	4,100,250	6.39	8,922	76.70
101 to 500	445,543	4,455,430	6.94	2,369	20.37
501 to 1000	119,467	1,194,670	1.86	155	1.33
1001 to 2000	115,252	1,152,520	1.79	75	0.64
2001 to 5000	142,062	1,420,620	2.21	46	0.40
5001 and Above	5,189,273	51,892,730	80.81	65	0.56
Total	6,421,622	64,216,220	100.00	11,632	100.00

Shareholding Pattern:

Category	As on March 31, 2017 No. of shares	As on March 31, 2017 %	As on March 31, 2016 No. of shares	As on March 31, 2016 %
Promoters :				
EDC Ltd.	405,302	6.31	405,302	6.31
Tata Motors Ltd.	2,982,214	46.44	2,982,214	46.44
Sheba Properties Ltd.	48,315	0.75	48,315	0.75
Mutual Funds / UTI	74,344	1.15	154,327	2.40
Banks, Financial Institutions, Insurance Cos.	150	0.00	150	0.00
NRIs	14,254	0.22	13,480	0.21
Foreign Institutional Investors	1,400	0.02	1,400	0.02
Others	2,895,643	45.11	2,816,434	43.87
Total	6,421,622	100.00	6,421,622	100.00


Top Shareholders (holding in excess of 1%) as on March 31, 2017

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

Dematerialization of Shares

Electronic holding by members comprises of 94.39% (Previous year 94.25%) of the paid-up Share Capital of the Company (held through NSDL 86.65 % and CDSL 7.74%) as on March 31, 2017.

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
2009-10 to 2015-16	TSR Darashaw Limited	Letter on plain paper
1998-99 to 2003-04	Not applicable due to non declaration of dividend	-
1996-97 to 1997-98 and 2004-05 to 2008-09	- (Balance remaining in the un-paid dividend accounts of respective years has been transferred to IEPF)	- (Balance remaining in the un-paid dividend accounts of respective years has been transferred to IEPF)
1985-86 to 1995-96	The Registrar of Companies Company Law Office, Plot No.21, EDC Complex, Patto Plaza, Panaji, Goa – 403 001. Tel : (0832) 2438617/18	Claim in Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government Rules, 1978)

- 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.
- iii) Following table gives information relating to outstanding dividend accounts and due dates for claiming dividend:

Financial Year	Date of Declaration	Last date for Claiming Dividend*
2009-10	7 th August, 2010	6 th August, 2017
2010-11 (Interim)	18 th January, 2011	17 th January, 2018
2010-11 (Final)	5 th August, 2011	4 th August, 2018
2011-12 (Interim)	14 th January, 2012	13 th January, 2019
2011-12 (Final)	9 th June, 2012	8 th June, 2019
2012-13 (Interim)	21 st January, 2013	20 th January, 2020
2012-13 (Final)	28 th June, 2013	27 th June, 2020
2013-14 (Interim)	16 th January, 2014	15 th January, 2021
2013-14 (Final)	4 th June, 2014	3 rd June, 2021
2014-15 (Interim)	14 th January, 2015	13 th January, 2022
2014-15 (Final)	31 st July, 2015	30 th July, 2022
2015-16 (Interim)	25 th January, 2016	24 th January, 2023
2015-16 (Final)	1 st August, 2016	31 st July, 2023
2016-17(Interim)	28 th January, 2017	27 th January, 2024

*Indicative dates. Actual dates may vary.

**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 III - Bhuimpal Pressing Unit Bhuimpal, Sattari, Goa - 403 530	This plant is clubbed with Plant II to cater to the needs of Bus body manufacture facilities. Presently no activity planned
Plant IV - Jejuri Pressing Unit Plot No.F-2, MIDC, Jejuri, Taluka Purandar, Dist. Pune, Maharashtra	Pressed sheet metal parts/components/Sub assemblies and assemblies there from for various aggregates of automobiles
Plant V - Dharwad Plot 560-A, Belur Industrial Area, Belur, Dharwad, Karnataka	Door Assemblies, Cowl Assembling

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 : www.acglgoa.com.
- b) All Related Party Transaction 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 31st March, 2017.
- 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.
- g) The Company has prepared the Financial Statements in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("IndAS"). Upto the year ended March 31, 2016, the Company prepared its Financial Statements in accordance with Generally Accepted Accounting Principles in India, including Accounting Standards read with Section 133 of the Act notified under the Company's (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first IndAS Financial Statements.
- h) 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.
 - 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 31st March, 2017.

For Automobile Corporation of Goa Ltd.,

Sd/-

O V Ajay
CEO & Executive Director

Honda, Goa.
Dated : May 08, 2017

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF AUTOMOBILE CORPORATION OF GOA LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. MB/98 dated 29th August, 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Automobile Corporation of Goa Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), 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 and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. 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

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2017.
9. We 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W / W-100018)

Mohammed Bengali
Partner
(Membership No. 105828)

Mumbai, June 28, 2017

INDEPENDENT AUDITOR'S REPORT

To The Members of Automobile Corporation of Goa Limited

Report on the 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 31st March, 2017, and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity 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.

Auditor's Responsibility

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

In conducting 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 believe that the audit evidence obtained by us 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 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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, as amended, 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 28 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 Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that disclosures are in accordance with the books of accounts maintained by the Company.
- 2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W / W-100018)

Mohammed Bengali
Partner
(Membership No. 105828)

Mumbai, May 8, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting 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 at 31st March, 2017 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 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, to the best of our information and according to the explanations given to us, 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 31st March, 2017, 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 issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm Registration No. 117366W / W-100018)

Mohammed Bengali

Partner

(Membership No. 105828)

Mumbai, May 8, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Re: Automobile Corporation of Goa Limited

(Referred to in paragraph (2) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified by the Management during the year in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land and building	Gross Block as at 31 st March, 2017	Net Block as at 31 st March, 2017	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

In respect of immovable properties of land and sheds that have been taken on lease and buildings constructed on such leasehold lands and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical 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) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable
- (c) There were no disputed amounts payable in respect of Sales Tax, Customs duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2017. Details of dues of Income-tax, Service Tax, Excise Duty and Cess which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Statute	Nature of the dues	Forum where dispute is pending	Period to which the Amount relates	Amount ₹
Central Excise Act, 1944	Excise duty	Commissioner of Central Excise (Appeals)	1995- 97 and 2010- 11	1,939,003
Central Excise Act, 1944	Excise duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2001-14	88,821,629
The Goa Value Added Tax Act, 2005	Value Added Tax	Additional Commissioner of Commercial Tax	2011-12 and 2012-13	4,226,431
Income Tax Act, 1961	Income Tax	High Court of Bombay-Goa Bench	1989-90	3,732,969

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud 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 Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W / W-100018)

Mohammed Bengali
Partner
(Membership No. 105828)

Mumbai, May 8, 2017

Balance Sheet as at 31st March, 2017

Particulars	Note Nos.	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at 1st April, 2015 ₹
I ASSETS				
(1) Non - current assets				
(a) Property, Plant and Equipment	2	629,136,243	671,156,073	663,305,124
(b) Capital work-in-progress		79,157,068	78,097,294	123,131,829
(c) Other Intangible assets	2(A)	314,404	544,096	779,799
(d) Financial Assets				
(i) Loans and Advances	3	-	150,000,000	-
(ii) Other Financial Assets	4	-	5,534,079	-
(e) Advance Income tax assets (net)	5	33,379,297	27,540,433	27,494,719
(f) Other non-current assets	6	29,900,278	35,020,659	31,519,252
		771,887,290	967,892,634	846,230,723
(2) Current assets				
(a) Inventories	7	538,878,396	338,861,530	307,827,471
(b) Financial Assets				
(i) Trade receivables	8	547,770,791	461,526,731	538,032,105
(ii) Cash and cash equivalents	9	255,265	121,492	76,692
(iii) Other bank balances	10	19,759,157	17,717,058	16,648,317
(iv) Loans and Advances	3	912,106,708	671,410,478	603,367,302
(v) Other Financial Assets	4	18,758,047	19,384,049	31,785,909
(c) Other current assets	6	178,637,904	294,656,995	461,397,245
		2,216,166,268	1,803,678,333	1,959,135,041
Total Assets		2,988,053,558	2,771,570,967	2,805,365,764
II EQUITY AND LIABILITIES				
1) Equity				
(a) Equity Share Capital	11	64,216,220	64,216,220	64,216,220
(b) Other Equity	12	1,901,831,981	1,827,475,280	1,777,811,352
		1,966,048,201	1,891,691,500	1,842,027,572
(2) Non-current liabilities				
(a) Financial Liabilities				
(i) Deposit received		-	25,000	45,000
(b) Provisions	13	7,560,974	2,491,283	2,172,977
(c) Deferred tax liabilities (net)	14	48,105,000	40,808,100	47,826,100
(d) Other non-current liabilities	15	14,450,671	52,624,328	41,272,602
		70,116,645	95,948,711	91,316,679
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	23,911,936	29,034,218	35,282,596
(ii) Trade Payables (Includes dues to Micro, Small and Medium Enterprises Rs.76,300,744/- (as at 31st March, 2016 Rs.58,427,610/- and 1st April, 2015 Rs.2,807,592/-))	17	772,143,244	614,328,029	687,508,509
(iii) Other financial liabilities	18	26,030,604	23,633,309	39,297,472
(b) Other current liabilities	19	51,561,363	39,285,042	43,242,249
(c) Provisions	13	69,301,881	62,315,486	57,390,464
(d) Current Tax Liabilities (net)	5	8,939,684	15,334,672	9,300,223
		951,888,712	783,930,756	872,021,513
Total Equity and Liabilities		2,988,053,558	2,771,570,967	2,805,365,764
See accompanying notes to the financial statements.	1-40			

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Mohammed Bengali
Partner

Place : Mumbai
Dated: May 8, 2017

Shrinivas Dempo
Chairman - DIN 00043413

Ravindra Pisharody
Director - DIN 01875848

Steven Pinto
Director - DIN 00871062

R.Ramakrishnan
Director - DIN 03394401

Vaijayanti Pandit
Director - DIN 06742237

Yatin Kakodkar
Additional Director - DIN 00001433

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

Raghwendra Singh Butola
Chief Financial Officer

Pravin Satardekar
Company Secretary

Place : Mumbai
Dated : May 8, 2017

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note Nos.	For the year ended, 31st March, 2017 ₹	For the year ended, 31st March, 2016 ₹
I. Revenue from operations	20	5,005,905,808	4,366,493,792
II. Other income	21	77,985,117	68,438,403
III. Total Income (I+II)		5,083,890,925	4,434,932,195
IV. Expenses:			
(a) Cost of materials consumed	22	3,224,964,949	2,862,946,704
(b) Changes in inventories of finished goods, work-in-progress and scrap	23	(103,613,726)	9,244,747
(c) Excise duty on sale of products		331,747,688	197,138,356
(d) Employee benefits expense	24	455,481,348	422,355,751
(e) Finance costs	25	2,496,393	3,841,939
(f) Depreciation and amortisation expense	2	56,160,028	53,723,717
(g) Other expenses	26	792,290,169	624,811,375
Total Expenses		4,759,526,849	4,174,062,589
V. Profit before tax (III-IV)		324,364,076	260,869,606
VI. Tax expense :			
(a) Current tax	14	107,185,000	96,162,147
(b) Deferred tax	14	7,388,847	(4,797,405)
		114,573,847	91,364,742
VII. Profit for the year from continuing operations. (V -VI)		209,790,229	169,504,864
VIII. Other Comprehensive Income:			
(A) (i) Items that will not be reclassified to profit and loss:			
(a) Remeasurement gains and (losses) on defined benefit obligations (net).		(265,682)	(6,416,420)
		(265,682)	(6,416,420)
(ii) Income tax relating to items that will not be reclassified to profit or loss.		91,947	2,220,595
		-	-
		91,947	2,220,595
IX. Total Other comprehensive income for the year (net of taxes)		(173,735)	(4,195,825)
X. Total comprehensive income for the year (VII+IX)		209,616,494	165,309,039
XI. Earnings Per Equity share: (Face value of Rs.10/- per share)			
(i) Basic		32.67	26.40
(ii) Diluted		32.67	26.40

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Shrinivas Dempo
Chairman - DIN 00043413

Ravindra Pisharody
Director - DIN 01875848

Vaijayanti Pandit
Director - DIN 06742237

Raghendra Singh Butola
Chief Financial Officer

Mohammed Bengali
Partner

Steven Pinto
Director - DIN 00871062

Yatin Kakodkar
Additional Director - DIN 00001433

Pravin Satardekar
Company Secretary

Place : Mumbai
Dated: May 8, 2017

R.Ramakrishnan
Director - DIN 03394401

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

Place : Mumbai
Dated : May 8, 2017

Cash flow statement for the year ended 31st March, 2017

Particulars	31st March, 2017		Previous Year	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Total Comprehensive income before tax adjustments for:		324,098,394		254,453,186
Depreciation	56,160,028		53,723,717	
Provision for doubtful debts/ advances (net)	(454,131)		525,914	
Bad debts/advances written off	454,131		-	
Unrealised exchange differences	47,612		23,611	
Loss on sale /scrap of fixed assets	29,523,664		2,841,592	
Finance costs	2,496,393		3,841,939	
Interest Income	(72,522,385)		(65,843,939)	
Profit on sale of fixed assets	(305,609)		-	
Operating profit before working capital changes		15,399,703		(4,887,166)
Changes in working capital		339,498,097		249,566,020
Adjustments for (Increase)/ Decrease in operating assets.				
Inventories	(200,016,866)		(31,034,059)	
Trade receivables	(86,291,672)		75,955,849	
Other current assets	116,019,091		166,740,250	
Loan and advances	(696,230)		1,956,824	
Other Non - Current Assets	1,798,161		1,764,537	
	(169,187,516)		215,383,401	
Adjustments for Increase/(Decrease) in operating liabilities.				
Trade payables	157,815,215		(73,180,480)	
Other Financial Liabilities (Current)	5,000		(376,000)	
Other non current liabilities	(38,173,657)		11,351,726	
Other current liabilities	12,219,453		(3,930,949)	
Financial Liabilities (Non - Current)	(25,000)		(20,000)	
Provisions - Current	6,986,395		4,925,022	
Provisions - Non - Current	5,069,691		318,306	
	143,897,097	(25,290,419)	(60,912,375)	154,471,026
Cash generated from operations		314,207,678		404,037,046
Taxes paid		(119,418,852)		(90,173,412)
Net cash generated from operating activities		194,788,826		313,863,634
B. Cash flow from investing activities				
Purchase of fixed assets	(42,333,650)		(41,524,863)	
Sale of fixed assets	2,337,242		820,899	
Other bank balances (net)	(2,042,099)		(1,068,741)	
Inter corporate deposit (net)	(90,000,000)		(220,000,000)	
Interest received	78,682,466		72,711,720	
Net cash from investing activities		(53,356,041)		(189,060,985)
C. Cash flow from financing activities				
Borrowings	(5,122,282)		(6,248,378)	
Dividend paid (including corporate dividend tax)	(133,737,205)		(114,641,274)	
Interest paid	(2,439,525)		(3,868,197)	
Net cash (used in) financing activities		(141,299,012)		(124,757,849)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)		133,773		44,800
Cash and cash equivalents as at 31st March, 2016		121,492		76,692
Cash and cash equivalents as at 31st March, 2017		255,265		121,492

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
For Deloitte Haskins & Sells LLP
Chartered Accountants

Mohammed Bengali
Partner
Place : Mumbai
Dated: May 8, 2017

Shrinivas Dempo
Chairman - DIN 00043413
Ravindra Pisharody
Director - DIN 01875848
Steven Pinto
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O. V. Ajay
CEO & Executive Director - DIN 07042391

Raghendra Singh Butola
Chief Financial Officer
Pravin Satardekar
Company Secretary
Place : Mumbai
Dated : May 8, 2017



Statement of Changes in Equity

A. Equity Share Capital

	Amount
Balance as at 1st April, 2015	64,216,220
Changes in equity share capital during the year	-
Balance as at 31st March, 2016	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, 2015	680,818,433	92,006,000	191,528,290	813,458,629	1,777,811,352
Profit for the year	-	-	-	169,504,864	169,504,864
Other comprehensive income for the year, net of tax	-	-	-	(4,195,825)	(4,195,825)
Transfer to General Reserve	-	-	16,530,000	(16,530,000)	-
Dividends (including Dividend Distribution Tax)	-	-	-	(115,645,111)	(115,645,111)
Balance as at 31st March, 2016	680,818,433	92,006,000	208,058,290	846,592,557	1,827,475,280

	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 Deloitte Haskins & Sells LLP
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Shrinivas Dempo
Chairman - DIN 00043413

Ravindra Pisharody
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Director - DIN 06742237

Raghwendra Singh Butola
Chief Financial Officer

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Company Secretary

Place : Mumbai
Dated: May 8, 2017

R. Ramakrishnan
Director - DIN 03394401

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

Place : Mumbai
Dated : May 8, 2017



Notes forming part of the Financial Statements

Notes to Financial Statements

1. Background and operations

Automobile Corporation of Goa Ltd. (ACGL) was incorporated on 1st 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 31st March, 2017 were approved by the Board of Directors and authorised for issue on 8th May, 2017.

2. Significant accounting policies

a. Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2016. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at 31st March, 2016 and 1st April, 2015 and of the comprehensive net income for the period ended 31st March, 2016.

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

b. Basis of preparation

These financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These financial statements are presented in Indian Rupees (INR) and all values are rounded to nearest Rupees, except when otherwise indicated.

c. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

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

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, in respect of useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingencies.

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.

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 2h.

Provisions and contingencies

A provision is recognized where the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements.

d. Revenue recognition

The Company recognises revenues on the sale of products, net of discounts and sales incentives, when the products are delivered to the customer, which is when risks and rewards of ownership pass to the customer and no significant uncertainty as to measurability or collectability exists. Sale of products is presented gross of excise duty which is shown under expenditure and net of other indirect taxes.

e. 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.



Notes forming part of the Financial Statements

f. Provisions and contingencies

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

g. Foreign currency

The functional currency of the Company is Indian rupee (INR).

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency denominated assets and liabilities are translated at the exchange rates prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

h. 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.

i. 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

j. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less 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 and further adjusted for exchange differences relating to long-term foreign currency borrowings, where applicable, attributable to depreciable capital asset.

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

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.

k. Intangible assets

Intangible assets in the nature of computer software are stated at cost less accumulated depreciation. Computer software are amortised over 4 years being their estimated useful life on straight line methods.



Notes forming part of the Financial Statements

I. Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are 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.

m. Financial instruments

Classification, initial recognition and measurement

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 instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognized at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets held at amortised cost

Financial assets that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

These include trade receivables, balances with banks, short-term deposits with banks, other financial assets and investments with fixed or determinable payments.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

n. Impairment of financial assets held at amortised cost

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

o. Employee benefits

i. Defined benefits plans

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employee's. The plan provides for a lump-sum payment to vested employee's 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. Vesting occurs upon completion of five years of service. The Company has obtained group gratuity policy with Life Insurance Corporation of India, HDFC Standard Life Insurance Company Limited and Bajaj Allianz Life Insurance Company Limited. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation, carried out as at the year end.

Remeasurement gains and losses

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

Measurement date .

The measurement date of retirement plans is 31st March.

ii. Defined contribution plan

(a) Superannuation

The Company has a Superannuation plan (defined contribution plan). The Company maintains separate irrevocable trust for employee's 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.



Notes forming part of the Financial Statements

(b) 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 employees have rendered services entitling them to such benefits.

iii. Other long - term employee benefits

Compensated absences

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

p. 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.

q. 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.

r. Segmental Reporting

The Company operates in the following two segments:
Pressing Division
Bus body building Division

These are the reportable segments of the Company

3. Explanation to Transition to Ind AS

The transition as at 1st April, 2015 to Ind AS was carried out from previous GAAP.

Reconciliations between Previous GAAP and IND AS

Equity Reconciliation

(₹)

	Notes	As of 31st March, 2016	As of 1st April, 2015
Equity under Previous GAAP		1,730,861,142	1,681,489,069
Dividends	1	96,614,138	96,322,283
Equity under Ind AS		1,827,475,280	1,777,811,352

Comprehensive Income Reconciliation

(₹)

	Notes	For the year ended 31st March, 2016
Profit under Previous GAAP		165,309,039
Employee benefits	2	6,416,420
Tax impact on employee benefits adjustment		(2,220,595)
Profit under Ind AS		169,504,864
Other Comprehensive Income (net of tax)		4,195,825
Comprehensive Income under Ind AS		165,309,039

Notes to reconciliations between Previous GAAP and Ind AS

1. Dividends

Under previous GAAP, dividend payable was recorded as a liability in the period to which it related. Whereas, under Ind AS, dividend to Shareholder is recognised as a liability in the period in which the obligation to pay is established. This has resulted in increase in equity by Rs.96,614,138/- and Rs.96,322,283/- as on 31-March, 2016 and 1st April, 2015 respectively.

2. Employee benefits

Under Previous GAAP, actuarial gains and losses were recognised in the Statement of Profit and Loss. Whereas, under Ind AS, the actuarial gains and losses form part of re-measurement of net defined liability/asset which is recognised in Other Comprehensive Income in the respective periods. This has resulted in increase in profits by Rs.4,195,825/-(net of tax) for the year ended 31st March, 2016. However, the same does not result in difference in equity or total comprehensive income.



Notes forming part of the Financial Statements

2. Property, plant and equipment and capital work-in-progress

	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at 1st April, 2015 ₹
Carrying amounts of:			
Property, plant and equipment			
Freehold land	2,734,780	2,734,780	2,734,780
Buildings	265,334,562	270,343,987	283,698,884
Plant and equipment	330,041,961	365,241,145	341,588,906
Furniture and Fixtures	4,209,751	4,661,184	5,116,336
Vehicle Owned	19,386,208	21,828,365	22,614,904
Office equipment	3,225,727	3,404,318	4,526,722
Computers	4,203,254	2,942,294	3,024,592
Total	629,136,243	671,156,073	663,305,124
Capital work-in-progress:			
Construction of factory building at Dharwad	73,268,283	73,268,283	73,268,283
Dies Fixtures and Toolings	5,447,584	2,457,942	43,679,402
Others	441,201	2,371,069	6,184,144
Total	79,157,068	78,097,294	123,131,829
Other Intangible assets	314,404	544,096	779,799
Total	314,404	544,096	779,799

	Owned assets							
2 Property, plant and equipment	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Cost as at 1st April, 2015	2,734,780	395,350,050	775,663,298	13,649,173	29,743,720	11,990,859	30,501,775	1,259,633,655
Accumulated depreciation as at 1st April, 2015	-	111,651,166	434,074,392	8,532,837	7,128,816	7,464,137	27,477,183	596,328,531
Net carrying amount as at 31st March, 2015	2,734,780	283,698,884	341,588,906	5,116,336	22,614,904	4,526,722	3,024,592	663,305,124
Cost as at 1st April, 2015	2,734,780	395,350,050	775,663,298	13,649,173	29,743,720	11,990,859	30,501,775	1,259,633,655
Additions	-	-	60,980,873	35,990	2,817,729	493,082	673,780	65,001,454
Deductions	-	3,614,584	926,352	50,000	1,030,325	77,270	151,861	5,850,392
Cost as at 31st March, 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
Accumulated depreciation as at 1st April, 2015	-	111,651,166	434,074,392	8,532,837	7,128,816	7,464,137	27,477,183	596,328,531
Depreciation for the year	-	10,753,374	37,282,316	456,235	2,692,939	1,560,455	742,695	53,488,014
Deductions	-	1,013,061	880,034	15,093	118,996	22,239	138,478	2,187,901
Accumulated depreciation as at 31st March, 2016	-	121,391,479	470,476,674	8,973,979	9,702,759	9,002,353	28,081,400	647,628,644
Net carrying amount as at 31st March, 2016	2,734,780	270,343,987	365,241,145	4,661,184	21,828,365	3,404,318	2,942,294	671,156,073

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



Notes forming part of the Financial Statements

2 (A) Other Intangible assets	Computer Software
Cost as at 1st April, 2015	33,595,774
Accumulated amortisation as at 1st April, 2015	32,815,975
Net carrying amount as at 31st March, 2015	779,799
Cost as at 1st April, 2015	33,595,774
Additions	-
Deductions	-
Cost as at 31st March, 2016	33,595,774
Accumulated amortisation as at 1st April, 2015	32,815,975
Amortisation for the year	235,703
Deductions	-
Accumulated amortisation as at 31st March, 2016	33,051,678
Net carrying amount as at 31st March, 2016	544,096
Cost as at 1st April, 2016	33,595,774
Additions	-
Deductions	23,500
Cost as at 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

	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at 1st April, 2015 ₹
3) LOANS AND ADVANCES:			
Non-current			
Unsecured, considered good:			
i Inter corporate deposit	-	150,000,000	-
Total	-	150,000,000	-
Current			
Unsecured, considered good:			
(a) Inter corporate deposit to related party (Refer Note 37)	560,000,000	270,000,000	-
(b) Others:			
i Inter corporate deposits	350,000,000	400,000,000	600,000,000
ii Advances to Employees	2,106,708	1,410,478	3,367,302
	352,106,708	401,410,478	603,367,302
Total	912,106,708	671,410,478	603,367,302
4) OTHER FINANCIAL ASSETS			
Non-current			
i Interest accrued on deposits	-	5,534,079	-
Total	-	5,534,079	-
Current			
i Interest accrued on deposits	18,758,047	19,384,049	31,785,909
Total	18,758,047	19,384,049	31,785,909
5) CURRENT TAX ASSETS AND LIABILITIES			
Advance Income tax assets (net)			
i Advance payment of tax	379,543,909	292,155,045	291,980,849
Less: Provision for Income tax	346,164,612	264,614,612	264,486,130
Total	33,379,297	27,540,433	27,494,719
Current Tax Liabilities (net)			
ii Provision for Income tax	359,665,158	333,496,258	317,021,785
Less: Advance payment of tax	350,725,474	318,161,586	307,721,562
Total	8,939,684	15,334,672	9,300,223



Notes forming part of the Financial Statements

	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at April, 2015 ₹
6) OTHER ASSETS: (Unsecured, considered good)			
Non-current			
(a) Capital Advances	3,972,500	7,294,720	2,028,776
(b) Security deposits	5,427,004	5,417,505	5,417,505
(c) VAT and other taxes credit receivable	653,807	663,760	580,364
(d) Prepaid expenses	533,309	482,158	481,233
(e) Prepayments towards Leasehold land	19,313,658	21,162,516	23,011,374
Total	29,900,278	35,020,659	31,519,252
Current			
(a) Security deposits	1,015,500	15,500	7,715,500
(b) VAT and other taxes credit receivable	167,671,452	279,737,150	427,895,091
(c) Advances to suppliers and contractors	3,865,772	2,489,017	12,506,930
(d) Prepaid expenses	4,236,322	3,940,587	4,804,983
(e) Prepayments towards Leasehold land	1,848,858	1,848,858	1,848,858
(f) Other advances	-	6,625,883	6,625,883
Total	178,637,904	294,656,995	461,397,245
7) INVENTORIES			
(a) Raw materials and Boughtouts components (includes Goods in transit of Rs.1,365,791/-) (Previous year Rs. Nil/-)	331,958,338	235,416,723	194,370,038
(b) Work-in-progress	194,657,930	90,437,806	99,324,654
(c) Finished goods (Goods in Transit)	2,524,360	3,289,709	3,061,505
(d) Scrap	1,021,596	862,645	1,448,748
(e) Stores and spare parts (including packing materials)	8,716,172	8,854,647	9,622,526
Total	538,878,396	338,861,530	307,827,471
Notes:			
Items of inventory are valued on the basis given below :			
i Raw material, Boughtout components, Stores and Spares : at cost or net realisable value, whichever is lower. Cost is determined by the Weighted Average Method.			
ii Work in progress, Finished goods : at cost or net realisable value, whichever is lower. Cost is determined on the basis of absorption costing.			
iii Scrap: at net realisable value.			
Cost of inventories recognised as an expense in respect of writedown of inventory to net realisable value.	3,513,927	2,203,062	2,339,662
8) TRADE RECEIVABLES			
Unsecured			
Considered good	547,770,791	461,526,731	538,032,105
Considered doubtful	1,955,936	2,410,067	1,884,153
	549,726,727	463,936,798	539,916,258
Less: Provision for doubtful trade receivables.	1,955,936	2,410,067	1,884,153
Total	547,770,791	461,526,731	538,032,105
The average credit period on sale of goods is 30 days. No interest is charged on overdue trade receivables. Tata Motors is the major customers of the company. Sales of bus bodies to customer other than TML are against 50% advance before execution of order and balance before delivery of the buses. Customer wise trade receivables is as follows:			
i. Tata Motors limited	515,518,298	420,706,784	496,065,379
ii. Tata Cummins Limited	10,643,971	22,273,129	15,307,886
iii. Others	21,608,522	18,546,818	26,658,840
Total	547,770,791	461,526,731	538,032,105



Notes forming part of the Financial Statements

	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at 1st April, 2015 ₹
Age of receivables			
i within the credit period	529,551,966	451,409,966	526,526,802
ii 1 - 30 days past due	12,134,677	4,623,352	8,990,971
iii 31- 60 days past due	3,960,905	2,515,056	12,082
iv 61- 90 days past due	692,270	-	803,659
v More than 90 days past due	1,430,973	2,978,357	1,698,591
Total	547,770,791	461,526,731	538,032,105
9) Cash and cash equivalents			
(a) Cash on hand	19,829	16,492	31,692
(b) Balances with banks: - In current accounts	235,436	105,000	45,000
Total	255,265	121,492	76,692
10) Other bank balances			
i With upto 12 months maturity:			
(a) Earmarked balances (unpaid dividend accounts)	13,325,557	11,802,969	10,799,132
(b) In deposits accounts	30,271	28,416	26,060
(c) Margin money against bank guarantees	6,377,329	5,859,673	5,796,125
	19,733,157	17,691,058	16,621,317
ii With more than 12 months maturity:			
(a) In deposits accounts	25,000	25,000	25,000
	25,000	25,000	25,000
iii Others			
(a) Post Office Savings Bank Account (Security deposit)	1,000	1,000	2,000
Total	19,759,157	17,717,058	16,648,317
11) EQUITY SHARE CAPITAL:			
Authorised :			
10,000,000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000	100,000,000
1,500,000 Preference Shares of Rs. 100/- each	150,000,000	150,000,000	150,000,000
	250,000,000	250,000,000	250,000,000
Issued:			
6,421,622 Equity Shares of Rs. 10/- each	64,216,220	64,216,220	64,216,220
Subscribed and fully paid-up :			
6,421,622 Equity Shares of Rs. 10/- each	64,216,220	64,216,220	64,216,220
Total	64,216,220	64,216,220	64,216,220
Notes:			
(1) Par value per share	Rs. 10/-	Rs. 10/-	Rs. 10/-
(2) Reconciliation of number of shares outstanding :			
i Ordinary Equity shares	Numbers	Numbers	Numbers
Number of shares as at the beginning of the year.	6,421,622	6,421,622	6,421,622
Number of shares as at closing of the year.	6,421,622	6,421,622	6,421,622
(3) Terms and rights attached			
(i) Equity Shares			
Each holder of equity shares is entitled to one vote per share. 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.			
(4) Shares in the Company held by each shareholder holding more than 5 percent shares			
	Numbers	Numbers	Numbers
(a) Tata Motors Limited	2,982,214	2,982,214	2,982,214
(b) EDC Limited	405,302	405,302	405,302



Notes forming part of the Financial Statements

	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at 1st April, 2015 ₹
12) OTHER EQUITY:	Numbers	Numbers	Numbers
(a) Capital redemption reserve account As per last Balance Sheet	92,006,000	92,006,000	92,006,000
(b) Securities premium account As per last Balance Sheet	680,818,433	680,818,433	680,818,433
(c) General Reserve As per last Balance Sheet Add: Amount transferred from surplus in the Statement of Profit and Loss	208,058,290 -	191,528,290 16,530,000	176,268,290 15,260,000
	208,058,290	208,058,290	191,528,290
(d) Surplus in Statement of Profit and Loss As per last Balance Sheet Add : Profit for the year Less:	846,592,557 209,616,494	813,458,629 165,309,039	695,398,170 152,584,916
(a) Interim Dividend paid	32,108,110	16,054,055	16,054,055
(b) Final Dividend paid	80,270,275	80,270,275	-
(c) Tax on Dividend	22,881,408	19,320,781	3,210,402
(d) Transfer to General reserve	-	16,530,000	15,260,000
	920,949,258	846,592,557	813,458,629
Total	1,901,831,981	1,827,475,280	1,777,811,352
Note: The general reserve is used from time to time to transfer from retained earnings 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.			
	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at 1st April, 2015 ₹
13) PROVISIONS:			
Non-current			
i Provision for product warranty	7,560,974	2,491,283	2,172,977
Total	7,560,974	2,491,283	2,172,977
Current			
(a) Provision for employee benefits:			
i Provision for leave encashment	66,623,980	58,772,199	50,473,185
(b) Others:			
i Provision for product warranty	2,677,901	3,543,287	6,917,279
Total	69,301,881	62,315,486	57,390,464



Notes forming part of the Financial Statements

		As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
14) INCOME TAX:			
(a)	Current tax expense.		
	i For the year	122,755,000	97,120,000
	ii Relating to prior years	(15,570,000)	(957,853)
	Deferred tax	7,388,847	(4,797,405)
	Total	114,573,847	91,364,742
(b)	The income tax expenses for the year reconciled to the accounting profit :		
	Profit before tax from continuing operations	324,364,076	260,869,606
	Income tax expenses calculated at 34.61%	112,255,919	90,281,753
	Effect of expenses that are not deductible in determining taxable profit		
	Depreciation on Leasehold Land	639,853	639,853
	Corporate Social Responsibility	1,466,527	1,280,496
	Others	211,548	120,493
	Tax relating to prior years	-	(957,853)
	Total	2,317,928	1,082,989
		114,573,847	91,364,742
	Income tax expenses recognised in profit or loss	114,573,847	91,364,742

(c) 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
	Total	(40,808,100)	(7,388,847)	91,947	(48,105,000)

Sr. No.	Particulars	Opening balance as at 1st April, 2015	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as at 31st March, 2016
i	Property,plant and equipment and intangible assets	(84,795,534)	(4,599,555)	-	(89,395,089)
ii	Disallowances under section 43B of the Income tax Act, 1961	18,430,052	7,033,526	-	25,463,578
iii	Defined benefit obligations (provision for gratuity)	17,887,356	2,181,384	2,220,595	22,289,335
iv	Provision for doubtful debts	652,026	182,050	-	834,076
	Total	(47,826,100)	4,797,405	2,220,595	(40,808,100)

(d) Major components of deferred tax assets/ (liabilities) are as under:	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Liabilities:			
i Differences in tax and books written down values of Property, plant and equipment and intangible assets	(81,974,908)	(89,395,089)	(84,795,534)
	(81,974,908)	(89,395,089)	(84,795,534)
Assets:			
i Disallowances under section 43B of the Income tax Act, 1961	23,917,182	25,463,578	18,430,052
ii Defined benefit obligations (provision for gratuity)	9,275,816	22,289,335	17,887,356
iii Provision for doubtful debts	676,910	834,076	652,026
	33,869,908	48,586,989	36,969,434
Net deferred tax liability	(48,105,000)	(40,808,100)	(47,826,100)



Notes forming part of the Financial Statements

	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at 1st April, 2015 ₹
15) OTHER NON -CURRENT LIABILITIES:			
i Provision for gratuity	14,450,671	52,624,328	41,272,602
Total	14,450,671	52,624,328	41,272,602
16) BORROWINGS:			
Secured			
(a) Loans repayable on demand			
i From banks (Cash credit accounts)			
Total	23,911,936	29,034,218	35,282,596
Note:			
Loans from Banks on Cash Credit accounts are secured by hypothecation of stocks, stores, work-in-progress, finished goods, book debts and receivables, Investment, both present and future.			
17) 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, 2017			
- Principal Amount	76,300,744	58,427,610	2,807,592
- Interest due thereon	110,766	54,192	82,354
2 Amount of interest paid along with the amounts of payment made beyond the appointed day	Nil	Nil	Nil
3 Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	2,715	2,421	517
4 The amount of interest accrued and remaining unpaid at the end of each accounting year.	113,481	56,613	82,871
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	Nil
ii Dues to other than Micro, Small and Medium enterprises	695,842,500	555,900,419	684,700,917
Total	772,143,244	614,328,029	687,508,509
18) OTHER FINANCIAL LIABILITIES			
(a) Unpaid dividends	13,312,188	11,789,600	10,785,763
(b) Security deposits received	569,000	564,000	940,000
(c) Capital Creditors	12,149,416	11,279,709	27,571,709
Total	26,030,604	23,633,309	39,297,472
19) OTHER CURRENT LIABILITIES:			
(a) Advance from customers	29,300,142	14,030,613	21,988,966
(b) Other payables			
i Statutory dues	9,795,891	13,416,992	10,757,403
ii Interest accrued on trade payables	113,481	56,613	82,871
iii Gratuity payable.	12,351,849	11,780,824	10,413,009
Total	22,261,221	25,254,429	21,253,283
	51,561,363	39,285,042	43,242,249



Notes forming part of the Financial Statements

		For the year ended 31st March, 2017 ₹	For the year ended 31st March, 2016 ₹
20) Revenue from operations			
(a) Sale of products (Refer note below)		4,915,584,911	4,281,458,480
(Including Excise Duty of Rs.322,631,497/-) (Previous year Rs.188,008,250/-)			
(b) Other operating revenue			
i Scrap sales (Including Excise Duty of Rs. 9,116,191/-.) (Previous year Rs.9,130,106/-)	85,515,821		84,768,203
ii Other	4,805,076		267,109
		90,320,897	85,035,312
		5,005,905,808	4,366,493,792
Note: Sale of Products includes			
i Bus bodies and components parts thereof		4,259,794,574	3,608,632,822
ii Pressed parts/components/sub assemblies and assemblies there from for various aggregates of automobiles		655,790,337	672,825,658
Information about major customers.			
i Tata Motors Limited (TML)		4,379,306,146	3,632,231,256
ii Others		536,278,765	649,227,224
No other single customers contributed 10% or more to the Company's revenue for both 2016-17 and 2015-16.			
21) Other Income			
(a) Interest income			
i on bank deposits	380,190		429,727
ii on inter corporate deposits	71,854,519		65,081,441
iii other	287,676		332,771
		72,522,385	65,843,939
(b) Other non-operating income		5,462,732	2,594,464
		77,985,117	68,438,403
22) Cost of materials consumed		3,224,964,949	2,862,946,704
Note: Details of materials consumed			
i Steel		465,746,018	481,712,920
ii Others		2,759,218,931	2,381,233,784
		3,224,964,949	2,862,946,704
23) Changes in inventories of finished goods, work-in-progress and scrap			
Opening stock			
Finished Goods (Goods in Transit)	3,289,709		3,061,505
Work-in-progress	90,437,806		99,324,654
Scrap	862,645		1,448,748
	94,590,160		103,834,907
Closing stock			
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
	198,203,886		94,590,160
Total		(103,613,726)	9,244,747



Notes forming part of the Financial Statements

		For the year ended 31st March, 2017 ₹	For the year ended 31st March, 2016 ₹
Note: Details of Closing Inventories is as under			
Finished Goods(Goods in Transit)			
i Bus bodies and components parts thereof		-	-
ii Pressed parts/components/sub assemblies and assemblies there from for various aggregates of automobiles		2,524,360	3,289,709
Work-in-progress			
i Bus bodies and components parts thereof		179,847,809	75,348,449
ii Pressed parts/components/sub assemblies and assemblies therefrom for various aggregates of automobiles		14,810,121	15,089,357
Scrap			
i Metal and other Scrap		1,021,596	862,645
24) Employee benefits expense			
(a) Salaries and wages	359,107,530		336,943,767
(b) Contribution to provident and other funds (Refer note 36)	56,349,900		48,471,377
(c) Staff welfare expenses	40,023,918		36,940,607
		455,481,348	422,355,751
25) Finance costs			
(a) Interest expense on			
i Cash credit accounts with bank	2,198,540		3,525,731
ii Trade payables	113,481		56,613
iii Others	184,372		259,595
		2,496,393	3,841,939
26) Other expenses			
(a) Consumption of stores and spare parts	223,501,479		194,099,181
(b) Excise duty on finished goods	(76,393)		67,608
(c) Power and Fuel	37,965,039		34,174,434
(d) Rent (Refer note 30)	2,317,993		2,538,066
(e) Repairs and maintenance:			
- buildings	23,738,431		9,493,276
- machinery	8,694,857		3,890,382
- others	1,590,022		1,517,211
	34,023,310		14,900,869
(f) Insurance	3,585,924		2,400,920
(g) Rates and taxes	1,517,736		1,620,299
(h) Processing / labour charges	374,829,095		274,300,694
(i) Packing, freight and forwarding expenses	26,512,857		28,459,813
(j) Expenditure on Corporate Social Responsibility (Refer note 34)	4,237,537		3,700,000
(k) Miscellaneous expenses	83,875,592		68,549,491
		792,290,169	624,811,375



Notes forming part of the Financial Statements

	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at 1st April, 2015 ₹
27) Estimated amount of contracts remaining to be executed on Capital Account and not provided for.	21,649,973	5,398,346	4,172,161
28) 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: Claims against the Company not acknowledged as debt:			
i Disputed demands of excise authorities			
a) - Pending before the Commissioner of Central Excise (Appeals)	1,939,003	1,939,003	1,939,003
b) - Pending before High Court of Bombay, at Goa.	-	-	78,769
c) - Pending before CESTAT.	88,821,629	89,955,460	90,234,960
d) - Pending filing of appeal before CESTAT.	-	-	18,044
e) - Pending before Additional Commissioner of Commercial Taxes	4,226,431	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	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 of 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.	3,732,969	3,732,969	3,732,969
iv Demand from the Water Resource Department towards usage of ground water from 10 wells/bore wells registered with the said departments for the period from August 2008 to November 2013.	-	-	7,685,622
v Disputed claim by a service provider.	-	-	3,296,055
A number of contingent liabilities have arisen as a result of			
a) 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.			
b) 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).			
c) Appeal filed by company against Rule 10 A where any liability arising out of demand will be reimbursed by Tata Motors Limited.			
d) Appeal filed against Commercial Tax Department for disallowance of Input Tax Credit where grounds of disallowance stated by Department were incorrect.			
e) 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 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.			



Notes forming part of the Financial Statements

	₹	Previous Year ₹		
29) Payment to Auditors				
i. for audit	3,378,025	2,602,250		
ii. for reimbursement of expenses	94,993	160,389		
iii. for other services	-	75,000		
	3,473,018	2,837,639		
30) 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.	469,135	689,208		
31) 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	209,790,229	169,504,864		
Weighted average number of shares outstanding during the year	6,421,622	6,421,622		
Basic and Diluted EPS (Rupees)	32.67	26.40		
Nominal value per share (Rupees)	10.00	10.00		
32) Warranty Provision				
Warranty pertains to replacement of defective parts and expenses incurred in relation to rectification of workmanship defects.				
Particulars	₹	As at 31st March, 2016 ₹	As at 1st April, 2015 ₹	
Opening carrying amount	6,034,570	9,090,256	8,837,239	
Provision during the year	11,106,928	7,330,453	7,795,960	
Amount released during the year	3,545,954	2,975,042	2,686,473	
Excess Provision written back	3,356,669	7,411,097	4,856,470	
Closing carrying amount	10,238,875	6,034,570	9,090,256	
The outflow on this count can arise any time during the period of 18/24 months				
Also refer note 2(e) of significant accounting policies.				
33) Details of Inter Corporate Deposit				
		As at 31st March, 2017		
Sr. No.	Name of the party	Amount	Rate of interest	Purpose
1	Tata Motors Limited	560,000,000	7.50%	General business
2	Tata Cleantech Capital Limited	150,000,000	8.55%	General business
3	Tata Cleantech Capital Limited	200,000,000	7.65%	General business
		As at 31st March, 2016		
Sr. No.	Name of the party	Amount	Rate of interest	Purpose
1	Tata Motors Limited	270,000,000	8.50%	General business
2	Tata Cleantech Capital Limited	150,000,000	8.55%	General business
3	Tata Cleantech Capital Limited	400,000,000	8.75%	General business
		As at 1st April, 2015		
Sr. No.	Name of the party	Amount	Rate of interest	Purpose
1	Tata Motors Finance Limited	600,000,000	9.75%	General business
34) Corporate Social Responsibility				
Sr. No	Particulars	₹	Previous Year ₹	
1	Gross amount required to be spent during the year as per the section 135 of the Act	5,100,000	4,900,000	
2	Amount spent during the year	4,237,537	3,700,000	
3	Unspent amount in current year	862,463	1,200,000	



Notes forming part of the Financial Statements

35) Specified Bank Notes disclosure (SBN)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R 308 (E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016. The denomination wise SBNs and other denomination notes as per the notification is given below.

		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 The disclosure as required under Ind AS-19 regarding the Company's defined benefit plans is as follows:

i **Investment Risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, the fund comprises of relatively balanced mix of investments in Government securities, and other debt instruments.

ii **Interest Risk:**

A decrease in the bond interest rate will increase the plan liability; however this will be partially offset by an increase in the return on the plan's debt investments.

iii **Longevity risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv **Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

I. Reconciliation of opening and closing balances of Defined Benefit obligation

	Gratuity (Funded)	Previous Year Gratuity (Funded)
Defined Benefit obligation at beginning of the year	123,233,513	103,942,759
Current Service Cost	8,954,078	7,802,429
Interest Cost	9,846,358	8,211,478
Actuarial (gain) / loss	2,342,280	6,743,754
Benefits paid	(3,772,764)	(3,466,907)
Defined Benefit obligation at year end	140,603,465	123,233,513

II. Reconciliation of opening and closing balances of fair value of plan assets

	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at beginning of the year	58,828,361	52,257,148
Expected return on plan assets	4,700,386	4,128,315
Actuarial gain/(loss)	2,076,598	327,334
Employer contribution	51,968,364	5,582,471
Benefits paid	(3,772,764)	(3,466,907)
Fair value of plan assets at year end	113,800,945	58,828,361

III. Reconciliation of fair value of assets and obligations

	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation as at 31st March, 2017	140,603,465	123,233,513
Fair value of plan assets as at 31st March, 2017	113,800,945	58,828,361
Amount recognized in Balance Sheet	(26,802,520)	(64,405,152)



Notes forming part of the Financial Statements

IV. Expense recognized during the year (Under the head "Employee benefits expense" - Refer Note 24)

	Gratuity (Funded)	Gratuity (Funded)
Current Service Cost	8,954,078	7,802,429
Interest Cost	9,846,358	8,211,478
Expected return on plan assets	(4,700,386)	(4,128,315)
Actuarial (gain) / loss	265,682	6,416,420
Net Cost	14,365,732	18,302,012

V. Actuarial assumptions

	Gratuity (Funded)	Previous Year Gratuity (Funded)
Discount rate (per annum)	7.51%	7.99%
Expected rate of return on plan assets (per annum)	7.51%	7.99%
Salary escalation	5.00%	5.00%
Remaining years of service	12.70	13.48

VI. 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:

Particulars	2016-17	2015-16
Gratuity		
Present Value of Defined Benefit Obligation	140,603,465	123,233,513
Fair value of the Plan assets	113,800,945	58,828,361
Surplus or (Deficit) in the Plan	(26,802,520)	(64,405,152)
Experience Adjustment		
- On Plan liability (gain) / loss	2,342,280	6,743,754
- On Plan Assets gain / (loss)	2,076,598	327,334

VII. 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.

The Plan assets are managed by the Gratuity Trust formed by the company. The Management of funds is entrusted with Life Insurance Corporation of India, HDFC Standard Life Insurance Company Limited and Bajaj Allianz Life Insurance Company Limited. The details of investments made by them are not available.

Sensitivity Analysis	2016-17	2015-16
Projected Benefit Obligation on Current Assumptions	140,603,465	123,233,513
Delta effect of +1% change in Rate of Discounting	(9,682,114)	(8,900,115)
Delta effect of -1% change in Rate of Discounting	10,755,399	9,936,543
Delta effect of +1% change in Rate of Salary Increase	10,917,135	10,133,968
Delta effect of -1% change in Rate of Salary Increase	(9,991,679)	(9,222,717)
Delta effect of +1% change in Rate of Employee Turnover	1,594,335	1,894,903
Delta effect of -1% change in Rate of Employee Turnover	(1,715,658)	(2,045,469)

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 The disclosure as required under IndAS-19 regarding the Company's defined contribution plans is as follows :

- I Contributions are made to recognized provident fund trust established by the Company and Family Pension Fund which covers eligible employee's of the company. Employee's and the Company make monthly contributions at a specified percentage of the covered employee's salary (currently 12% of the employee's salary). The contribution as specified under the law are paid to the provident fund trust. Contribution towards Pension fund is paid to the Regional Provident fund commissioner at specified percentage of the covered employee's salary on the monthly basis. Amount recognised as expense in respect of these defined contribution plans, aggregate to Rs.19,651,848/- (Previous year Rs.15,103,262/-)
- II The Company has a Superannuation plan (defined contribution plan). The company maintains separate irrevocable trust for employee's covered and entitled to benefits. The company has obtained insurance policy with Life Insurance Corporation of India. The company contributes 15% eligible employee's salary to the trust every year. Amount recognised as expense in respect of this defined contribution plans, aggregate to Rs.22,598,002/- (Previous year Rs.21,482,523/-).



Notes forming part of the Financial Statements

37) Related Party Disclosures

a) Name of related parties and nature of relationship:

Name of the party

Tata Motors Limited
Mr. O.V.Ajay

Relationship

Enterprise exercising significant influence
Key Management Personnel (From 16th December,2014)

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

(in ₹)

Nature of Transactions	Enterprise exercising significant influence	Key Management Personnel	Total
Sale of goods	4,521,634,837 (3,720,658,732)	- (---)	4,521,634,837 (3,720,658,732)
Purchase of goods	55,019,188 (9,931,246)	- (---)	55,019,188 (9,931,246)
Bad debts written off	454,131 (---)	- (---)	454,131 (---)
Managerial remuneration O.V.Ajay		14,569,091 (13,787,469)	14,569,091 (13,787,469)
Interim Dividend	14,911,070 (7,455,535)	- (---)	14,911,070 (7,455,535)
Final Dividend	37,277,675 (37,277,675)	- (---)	37,277,675 (37,277,675)
Recoveries: - Expenses	7,022,590 (25,700,149)	- (---)	7,022,590 (25,700,149)
- Others	- (485,653)	- (---)	- (485,653)
Cenvat benefit availed (Chassis and Dies)	353,619,143 (185,606,584)	- (---)	353,619,143 (185,606,584)
Cenvat benefit adjusted (Chassis)	349,792,653 (175,712,759)	- (---)	349,792,653 (175,712,759)
Deputation Charges	1,621,094 (3,150,258)	- (---)	1,621,094 (3,150,258)
Royalty	47,677 (56,659)	- (---)	47,677 (56,659)
Warranty	1,935,161 (721,421)	- (---)	1,935,161 (721,421)
Inter Corporate Deposit given	770,000,000 (280,000,000)	- (---)	770,000,000 (280,000,000)
Inter Corporate Deposit repaid	480,000,000 (10,000,000)	- (---)	480,000,000 (10,000,000)
Interest received on Inter Corporate Deposit given	25,810,616 (14,922,192)	- (---)	25,810,616 (14,922,192)
Balance outstanding as at the year end			
Amount payable	83,072,868 (36,384,252)	6,645,026 (5,687,588)	89,717,894 (42,071,840)
Amount receivable	514,729,546 (433,496,591)	- (---)	514,729,546 (433,496,591)
Loans and advances (ICD Outstanding)	560,000,000 (270,000,000)	- (---)	560,000,000 (270,000,000)

Notes:

- Provision for doubtful debt written back Rs. 454,131/- (Previous year Rs. Nil/-) in respect of related parties
- Bad debts written off for Rs. 454,131/- (Previous Year Rs. Nil/-) in respect of related parties.
- Figures in brackets pertain to the previous year.



Notes forming part of the Financial Statements

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS								
Particulars	Previous year					(in ₹)		
	Pressing Division	Bus Body Building Division	Eliminations	Total	Pressing Division		Bus Body Building Division	Eliminations
REVENUE								
From external customers	707,788,074	4,298,117,734	-	5,005,905,808	726,324,451	3,640,169,341	-	4,366,493,792
Add: Inter-segment sales	19,441,037	-	(19,441,037)	-	32,209,979	-	(32,209,979)	-
Total Revenue	727,229,111	4,298,117,734	(19,441,037)	5,005,905,808	758,534,430	3,640,169,341	(32,209,979)	4,366,493,792
RESULT								
Segment Result	17,323,766	247,720,991	-	265,044,757	21,342,960	196,983,189	-	218,326,149
Unallocated Corporate expenses								
Operating Profit				(16,169,405)				(22,053,007)
Other income				248,875,352				196,273,142
Finance cost				4,170,477				1,386,964
Unallocated other income				(2,496,393)				(3,841,939)
Profit before tax				73,814,640				67,051,439
Tax expense				324,364,076				260,869,606
Net Profit after Tax				114,573,847				91,364,742
				209,790,229				169,504,864
OTHER INFORMATION								
Segment Assets								
Unallocated Corporate Assets	382,084,156	1,620,518,343	-	2,002,602,499	406,018,991	1,474,077,830	-	1,880,096,821
Total assets				985,451,059				891,474,146
				2,988,053,558				2,771,570,967
Segment Liabilities								
Unallocated Corporate Liabilities	85,007,487	834,150,857	-	919,158,344	101,425,341	671,276,420	-	772,701,761
Total liabilities				102,847,013				107,177,706
				1,022,005,357				879,879,467
Capital expenditure during the year								
-Additions to segment assets	18,037,459	24,296,191	-	42,333,650	14,418,791	27,106,072	-	41,524,863
Depreciation/Amortisation								
Unallocated Corporate Depreciation	22,425,964	33,653,756	-	56,079,720	20,028,153	33,695,564	-	53,723,717
				80,308				-
Significant non-cash expense other than depreciation/amortisation								
Provision for doubtful debts/advances	-	-	-	-	-	525,914	-	525,914
Bad debts/advances written off	-	454,131	-	454,131	-	-	-	-
Provision for doubtful debts written back	-	454,131	-	454,131	-	-	-	-
Unrealised exchange differences	-	47,612	-	47,612	-	23,611	-	23,611

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



Notes forming part of the Financial Statements

39. Financial Instruments

(i) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The Company is not subject to any externally imposed capital requirements.

(ii) Categories of financial instruments

Financial assets	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Measured at amortised cost			
(a) Cash and bank balances	20,014,422	17,838,550	16,725,009
(b) Trade receivables	547,770,791	461,526,731	538,032,105
(c) Loans and advances	912,106,708	821,410,478	603,367,302
(d) Other financial assets at amortised cost	18,758,047	24,918,128	31,785,909
	1,498,649,968	1,325,693,887	1,189,910,325
Financial liabilities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Borrowings	23,911,936	29,034,218	35,282,596
(b) Trade payables	772,143,244	614,328,029	687,508,509
(c) Deposits received	-	25,000	45,000
(d) Other financial liabilities at amortised cost	26,030,604	23,633,309	39,297,472
	822,085,784	667,020,556	762,133,577

(iii) Market Risk

The Company's activities does not expose it to the financial risks of changes in foreign currency exchange rates and interest rates.

(iv) 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.

(v) 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, 2017.

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

The table below provides details regarding the contractual maturities of financial liabilities as at 31st March, 2016.

Particulars	Carrying amount	Due in 1st year
Financial Liabilities		
(a) Borrowings	29,034,218	29,034,218
(b) Trade payables	614,328,029	614,328,029
(c) Deposits received	25,000	25,000
(d) Other financial liabilities at amortised cost	23,633,309	23,633,309



Notes forming part of the Financial Statements

The table below provides details regarding the contractual maturities of financial liabilities as at 1st April, 2015.

Particulars	Carrying Amount	Due in 1st year	Due in 2nd year
Financial Liabilities			
(a) Borrowings	35,282,596	35,282,596	-
(b) Trade payables	687,508,509	687,508,509	-
(c) Deposits received	45,000	20,000	25,000
(d) Other financial liabilities at amortised cost	39,297,472	39,297,472	-

(vi) Financing facilities

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Secured credit facility, reviewed annually and payable at call (refer note - (i)):			
- amount used	23,911,936	29,034,218	35,282,596
- amount unused	26,088,064	50,965,782	44,717,404

Note (i) - Credit facility includes cash credit, buyer's credit, letter of credit, bank guarantee

(vii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Financial assets at amortised cost:						
- loans	912,106,708	912,106,708	821,410,478	821,410,478	603,367,302	603,367,302
- trade receivables	547,770,791	547,770,791	461,526,731	461,526,731	538,032,105	538,032,105
- other financial assets	18,758,047	18,758,047	24,918,128	24,918,128	31,785,909	31,785,909
Financial Liabilities						
Financial liabilities held at amortised cost:						
- Trade payable	772,143,244	772,143,244	614,328,029	614,328,029	687,508,509	687,508,509
- Other financial liabilities (including current borrowings)	49,942,540	49,942,540	52,692,527	52,692,527	74,625,068	74,625,068

40) The Company does not have any long - term contract including derivative contract for which provision would be required for material foreseeable losses.

Shrinivas Dempo
Chairman - DIN 00043413

Ravindra Pisharody
Director - DIN 01875848

Steven Pinto
Director - DIN 00871062

R. Ramakrishnan
Director - DIN 03394401

Vaijayanti Pandit
Director - DIN 06742237

Yatin Kakodkar
Additional Director - DIN 00001433

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

Raghwendra Singh Butola
Chief Financial Officer

Pravin Satardekar
Company Secretary

Place : Mumbai
Dated : May 8, 2017

ROUTE MAP TO THE VENUE OF THE 37TH 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 _____

37th Annual General Meeting - July 27, 2017

** Client I.D. _____

** 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 **37th Annual General Meeting** of the Company held on **Thursday, July 27, 2017** 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 37th Annual General Meeting of the Company to be held on Thursday July 27, 2017 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 Ravindra Pisharody who retires by rotation being eligible offers himself for re-appointment **4.** To appoint Statutory Auditors and fix their remuneration **5.** To appoint Mr Yatin Kakodkar as an Independent Director **6.** To appoint Mr Abhay Bawale as a Non-Executive Director

Signed thisday of20....

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting



MMRDA Hybrid



BEST



AUTOMOBILE CORPORATION OF GOA LIMITED

Registered Office : Honda, Sattari, Goa - 403 530.
www.acglgoa.com