

Action Construction Equipment Ltd.

Corporate & Regd. Office

Dudhola Link Road, Dudhola, Distt. Palwal - 121102, Haryana, India



Date: August 4, 2021

To,

The Manager Listing
BSE Limited
5th Floor, P.J. Towers,
Dalal Street,
Mumbai-400 001

Scrip Code: 532762

The Manager Listing
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex, Bandra(E), Mumbai-400 051

CM Quote: ACE

Subject: Annual Report 2020-21 and notice convening 27th Annual General Meeting ("AGM") of the Company.

Dear Sir/Madam,

This is to inform you that the 27th Annual General Meeting (AGM) of the Company will be held on Friday, September 03, 2021 at 12:00 Noon through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") in compliance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Annual Report of the Company along with the Notice of AGM for the financial year 2020-21, being sent through electronic mode to the members of the Company is attached.

The Notice of AGM along with the Annual Report for the financial year 2020-21 is also being made available on the website of the Company at www.ace-cranes.com in investor relations section.

This is for your information and records please.

Thanking you

For Action Construction Equipment Limited

Anil Kumar
Company Secretary





100% Swadeshi 

ACE

27th ANNUAL REPORT 2020-21

Lifting India's Growth





Road Equipment



Agri Equipment



Material Handling Equipment



Cranes





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Chairman's Speech



Dear Members,

The Fiscal year 2020-21 was a year filled with unprecedented challenges. The human race faced one of the most severe global health crisis in the history of mankind. The impact of the COVID-19 pandemic on lives, businesses and economies is well-known to the world. India's efforts to combat the pandemic have been well acknowledged and I would like to take this opportunity to express my immense gratitude to all our frontline heroes who have fought tirelessly to help keep others safe. I would also like to thank every member of ACE family for their relentless commitment and dedication during these difficult circumstances.

As you know, the COVID-19 pandemic has triggered the most abrupt global economic meltdown of modern times, and we believe the infrastructure sector is being tested now more than ever before. This sector is the cornerstone of our nation, playing a crucial role in accelerating India's overall development, and enjoys immense focus of the Government for initiating policies that would ensure the creation of world-class infrastructure in our country thereby driving economic growth. The revival of the infrastructure sector is one of the key focus areas for the government to generate employment opportunities and kickstart sustainable growth.

The Indian infrastructure sector has shown remarkable resilience even during this pandemic period. The government of India plans to spend about US\$ 1.4 trillion on infrastructure under the 'National Infrastructure Pipeline' from 2019-23 for sustainable development of the country where the primary focus will be on the development of city roads, bridges, flyovers, elevated road corridors, etc. The pipeline also focuses on the various metro projects across all the major cities, High Speed Rail Project and also the development of 100+ smart cities in the country. All these developments auger very well for your Company in the coming years.

ACE has grown to become India's leading material handling and construction equipment manufacturing Company with a majority

market share in Mobile Cranes and Tower Cranes Segment and has a consolidated presence in all major Infrastructure, Construction, Heavy Engineering, and Industrial projects across the country. We are dedicated to provide our customers with the latest technology in construction equipment and our efficient sales and product support is aimed at satisfying their needs.

The Indian agricultural sector was disrupted extensively in the pandemic as well. Agriculture remains a central pillar of the Indian economy. Nevertheless, the recent quarterly GDP estimates post-COVID scenario showcases remarkable revival in the agriculture sector by being the only sector to register positive growth of 3.4% during the financial year 2020-21.

We have heard the quote, "Necessity is Mother of Invention", and this pandemic proved this statement right for the Indian agriculture sector. The Pandemic struck when farmers were about to harvest their Rabi (winter) crop and prepare for Kharif, and the lockdown brought upon various challenges to the Indian agriculture system like shortage of labour, equipment, supply chain disruption and fragmented demand. Despite all these challenges, our rural population showed us why the Indian agriculture is the backbone of this country, by supporting the livelihoods of millions and reviving the economy.

On the positive side, the pandemic is going to be seen as a turning point for better changes in the Indian agriculture space, including strong supply chains, establishment of agri-enterprises in rural and semi-urban areas, lesser dependency on labour and increased usage of modern technologies and equipment such as tractors, harvesters, rotavators, etc for higher productivity.

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr. Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. This increasing focus of the government on manufacturing sector created a surge in demand on warehousing and logistic activities and going forward the warehousing market is expected to grow at a CAGR of 14.86% between 2021 and 2025. Supportive Government policies such as establishment of logistic parks and free trade warehouse zones are expected to spur the market growth through 2025. Total supply of warehousing space is likely to almost double by 2022 with the addition of around 200 million sq. ft. Indian warehousing and logistics sector is expected to attract \$10 billion investments over the next 4-5 years. Our Company stands to benefit from the expanding manufacturing and logistics sector in form of increased demand for Cranes, Forklifts and Material Handling Equipment.

ACE has been the flagbearer of innovative and world-class equipment, which has resulted in the Company being rewarded with a strong brand reputation and repeat business from a

marquee list of customers, resulting in a consistent growth track record. The Company's agility and versatility to satisfy a diverse range of sectors for wide applications is our biggest strength. Our equipment is used in sectors like Infrastructure Construction, Power Projects, Ports & Shipyards, Dams, Metro Rail, Roads, Mining, Steel Industry, Engineering Industry, Railways, Cement, Petroleum, Defence, Chemicals & Fertilizer Plants, Warehousing, Logistics, Building Construction, etc.

In the Financial Year 2021, the first half of the year was significantly impacted due to the pandemic-induced lockdowns, but the Company bounced back in the second half. Although we closed the financial year with a revenue of ₹ 1,242 Crores reflecting YoY growth of 7%, we managed to significantly improve our EBITDA and profitability through cost control measures and a better product mix strategy. Our EBITDA for the financial year grew by 40% YoY to ₹ 134 Crores and our Net Profit grew by 52% YoY to ₹ 80 Crores.

We remain extremely optimistic about the medium to long-term prospects of the Company and believe that our building blocks are firmly in place now. In the last few years, your Company has taken concrete actions towards strengthening the business core around product mix, processes, controls, and operations. With the expected economic growth of India in coming years, I strongly believe that your Company is on the cusp of a multi-year growth cycle.

In conclusion, I would like to show my sincerest gratitude to all our stakeholders, for their faith and continued support.

Stay healthy and stay safe.

**With best wishes,
Sincerely,
Vijay Agarwal
Chairman and Managing Director**

MANAGEMENT DISCUSSION AND ANALYSIS

❖ INDUSTRY STRUCTURE AND DEVELOPMENTS

• GLOBAL ECONOMY OVERVIEW

The financial year 2020-21 was a unique and challenging year, deterred by a viral pandemic that hit the world economy very hard. The pandemic spread like a forest fire, reaching every corner of the world, infecting more than 144 million and killing close to 3 million people worldwide (as of March 2021). For several months, uncertainties and panic paralysed most economic activities in both developed and developing economies. The pandemic has exposed the systemic vulnerability of the world economy.

World gross product fell by an estimated 4.3 percent in 2020, the sharpest contraction of global output since the Great Depression. The pandemic hit the developed economies the hardest, given the strict lockdown measures that many countries in Europe and several states of the United States of America imposed early on during the outbreak. The developing countries experienced a relatively less severe contraction, with output shrinking by 2.5 percent in 2020. Their economies are projected to grow by 5.7 percent in 2021.

The activity around the world is expected to strengthen in the second half of the current year due to improved COVID-19 management and the ongoing vaccination program, allowing for easing of pandemic control measures. Global economic output is expected to expand 4 percent in 2021 but still remain more than 5 percent below pre-pandemic projections.

Global growth is projected to moderate to 3.8 percent in 2022, weighed down by the pandemic's lasting damage to potential growth. The global economic recovery, which has been dampened in the near term by a resurgence of COVID-19 cases is expected to strengthen over the coming months as confidence, consumption, and trade gradually improves, supported by ongoing vaccination. Building economic, social and environmental resilience must guide the recovery from the crisis.

Sources:

1. https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2021_FullReport.pdf
2. World Bank Report (PDF)

• INDIAN ECONOMY OVERVIEW

Financial Year 2020-21 started with a nation-wide lockdown in India. However, India emerged as the fastest-growing major economy in the world. It is expected to be one of the top three economic powers in the world over the next 10-15 years. It is backed by robust democracy and strong partnerships. The Economic Survey has projected that the economy will grow at 11 percent up from an estimated historic decline of 7.7



percent in 2020-21, on account of the COVID-19 pandemic. Also, the vaccination drive is expected to provide an impetus for the restoration of contact-intensive sectors and a leading edge to the Indian pharma industry in the global market.

The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally and increasing digital literacy.

The government has the ambition of making India a USD 5 trillion economy by 2024 for which various initiatives have been undertaken in the last few years to improve ease of doing business, encourage Make in India, invite foreign companies to India with schemes like PLI (production-linked incentive) and tweak the legacy labour laws, Agri policies, etc.

With the shift in sentiment to reduce dependence on a single country i.e. China, we are seeing increasing interest from international companies wanting to invest in India. Interest is largely from Asia led by Japan, Korea and Thailand, although we are also seeing interest from Europe. Some of these enquiries are in sectors such as agrochemicals, building products, logistics, packaging, and new-age technology including electronics, sectors where we have not seen significant interest in the past.

1. <https://economictimes.indiatimes.com/news/economy/policy/rbi-projects-gdp-growth-rate-of-10-5-for-fy22/articleshow/80702345.cms?from=mdr>
2. <https://www.ibef.org/economy/indian-economy-overview>

❖ CONSTRUCTION EQUIPMENTS INDUSTRY

• CONSTRUCTION EQUIPMENT

Infrastructure and industrial development have played a crucial role in the Indian economy over the past few years. The Indian government is expected to increase its spending on public infrastructure to meet its ambitious development plans. Furthermore, the government's plans, such as 100 smart cities, are expected to boost construction activity in the country and increase the demand for construction equipment. These increased investments and the growing construction sector are expected to drive the Indian crane market further in the future. The India Cranes Market is anticipated to register a CAGR of over 5% during the forecast period 2020–2025.

Cranes are a part of the construction machinery and are extensively utilized for loading and unloading goods. Moreover, as they assist in the construction of all types of structures ranging from modular home constructions to high-rise office buildings, their demand is increasing across India. A considerable increase in construction activities represents one of the primary factors strengthening the growth of the crane market in India. Cranes are widely employed in different processes and discrete industries like oil and gas, power, civil engineering, construction and petrochemical industries to lift and transport heavy materials. Apart from this, the Government of India is investing heavily in the development of infrastructure, including airports, roads, commercial spaces, railways and housing establishments, which is anticipated to fuel the growth of the market in the country. The desire for luxurious living has created a demand for a larger number of residential buildings with grand interiors.

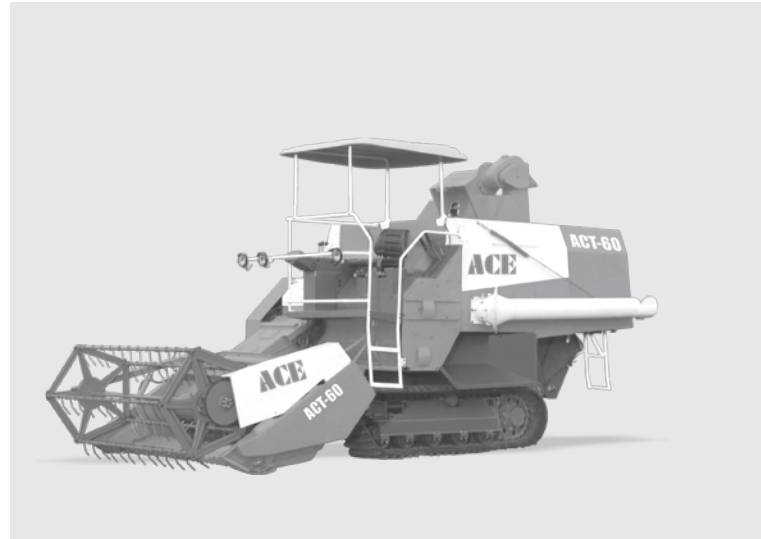
Indian roadways are the second-largest in the world. Owing to the increasing number of vehicles and traffic, the government is planning to further extend the roadways in the coming years. Moreover, the Ministry of Road Transport and Highway is planning to award road projects with a total length of around 4,500 km worth USD 7.15 billion.

Increasing investments in the infrastructure sector and other strategic initiatives of the government are expected to boost the construction sector in the country, in turn, propelling the demand for cranes in the country.

<https://www.marketwatch.com/press-release/india-crane-market-2021-26-size-share-price-trends-and-research-report-2021-02-08?tesla=y>

• MATERIAL HANDLING

The forklift trucks market is expected to register a CAGR of over 6% as compared to diesel & petrol products during the forecast period (2020-2025). Forklift trucks are one of the most common materials handling equipment in the market. Although there are a large number of automated solutions arriving in the market, the demand for manual internal combustion (IC) and electric forklifts has not dwindled.



In the past few years, electric/battery-powered forklifts have taken a stronghold in the material handling environment. The limitations and drawbacks that once made electric forklifts inefficient and impractical have been put to rest by advancing technologies and proven performance. Many industrial companies are switching to electric forklifts, because energy-efficient, environmentally friendly machines can do virtually anything emission-producing IC forklifts do. Electric forklifts are a realistic alternative to liquid-fueled lift trucks and are more economical to operate, equally powerful, easier to maintain, safer, quieter, and cleaner. It is proven that energy consumption costs for an electric forklift are far less, therefore, governments across various countries have been supporting the growth of the electric forklift.

With an increase in the Network and Customer touch points and penetrating the premium segment with Doosan – Korea range and increased penetration with Electric Forklifts – especially Food, Beverages and Pharma industry. The company is targeting to increase its Market Share in this segment over the next 2-3 years.

• AGRICULTURE EQUIPMENT

India is considered to be one of the largest markets for tractors in the world. The country produces a huge volume of tractors and is also indulged in the export of tractors to the global demographics. The tractor Industry has been an exceptional performer in FY2021 and the sales have shot up much ahead of expectations. The supply-side situation is normalizing too and is no longer expected to be a bottleneck to meet demand. The spike in sales is attributed to better monsoon season, easy finance availability, increased MSPs and market rate realization. The agricultural sector wasn't impacted that much by the pandemic, in comparison to urban areas. The market continues to be strong on the back of positive macroeconomic factors and strong rural cash flows.

❖ OUTLOOK

• INFRASTRUCTURE

Infrastructure is a crucial sector for the overall development of any country. In India, it is considered as the backbone of the country's economy as it integrates projects on a large scale and strengthens its competitiveness on a global level. The infrastructural facilities such as roads, railways, metro rails and so on are required to potentially increase the productivity and seamless functioning of other business sectors in India.

It is estimated that India will require a whopping ₹ 50 trillion in infrastructure by 2022 for sustainable development in the country. Furthermore, the estimates shared by the Department for Promotion of Industry and Internal Trade (DPIIT) suggest –FDIs in the construction development and infrastructure activities stood at US\$ 17.22 billion in September 2020.

Given the present market scenario, the Indian government plans to spend USD 1.4 trillion during 2019–2023 on infrastructure with an investment of USD 750 billion on railways infrastructure by 2030. On the other hand, the onset of the pandemic posed a daunting situation in front of infrastructure companies to recover from an all-time low of the previous year. This calls for an urgent need to come up with highly impactful strategies to stimulate growth in the sector.

The deployment of the allocated resources in the right way is expected to increase the number of tenders announced and completed. As a result, there will be a large number of projects and higher demand for infrastructure firms, accelerating the cashflows in the country. Additionally, if the time taken to fulfill contractual obligations is reduced than the present, the operations in the sector will proceed with swiftness.

<https://www.financialexpress.com/industry/infrastructure-sector-crucial-for-indias-economic-growth-but-these-roadblocks-need-to-be-managed/2198533/>

• ROADS

India has the second largest road network in the world, spanning a total of 5.89 million kilometres (kms). This road network transports 64.5% of all goods in the country and 90% of India's total passenger traffic uses road network to commute. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns and villages in the country.

The Government of India has allocated ₹111 Lakh Crore (US\$ 1.4 trillion) under the National Infrastructure Pipeline for FY 2020-25. The roads sector is likely to account for 18% capital expenditure over FY 2020-25. The NHAI awarded 1,330 km of highways in the first half of FY21, which was 1.6x of the total awards in FY20 and 3.5x of the FY19-levels. NHAI, the nodal authority for building highways across the country, has set a target of awarding 4,500 KM of projects in FY21.

The Union Minister of State for Road, Transport and Shipping has stated that the Government aims to boost corporate investment in roads and shipping sector, along with introducing business-friendly strategies, that will balance profitability with effective project execution.

The Government, through a series of initiatives, is working on policies to attract significant investor interest. A total of 2,00,000 km of national highways is expected to be completed by 2022.

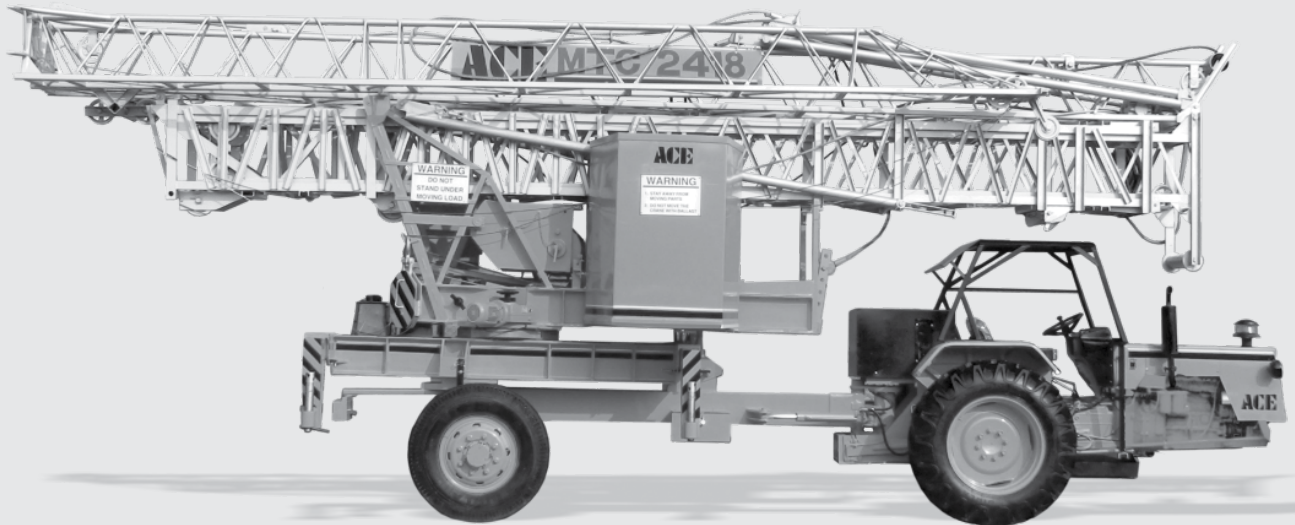
• REAL ESTATE

Real estate sector is one of the most globally recognized sectors. It comprises of four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complimented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 and will contribute 13% to the country's GDP by 2025.

Government of India along with the governments of respective States has taken several initiatives to encourage development in the sector. This includes tax deduction on interest on housing loans, the launch of affordable rental housing complex portal by Ministry of Housing and Urban Affairs (MoHUA), setting up of ₹ 25,000 Crore Alternative Investment Fund (AIF) to revive around 1600 stalled housing projects across the country and the creation of Affordable Housing Fund (AHF) with an initial corpus of ₹ 10,000 Crore.

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will allow all kind of investors to invest in the Indian real estate market. It would create an opportunity worth ₹1.25 trillion (US\$ 19.65 billion) in the Indian market in the coming years.





The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. The current shortage of housing in urban areas is estimated to be 10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

Driven by increasing transparency and returns, there's a surge in private investment in the sector. Indian real estate attracted US\$ 5 billion institutional investments in 2020, equivalent to 93% of transactions recorded in the previous year.

The government has also been focusing on the development of smart cities in India. Expediting the process of project approvals can help the government fulfil the mission of smart cities, and alleviate infrastructural gridlock in tier 1 and tier 2 cities, where most of the population is concentrated. By 2030, cities in India are estimated to house close to 40 percent of India's population, and contribute to 70 percent of the country's GDP. To plan for this India of tomorrow, central and state governments have prioritised the development of data-centric smart cities. The Smart Cities Mission is an initiative by the Government of India to drive economic growth and improve quality of life by enabling local development and harnessing technology as a means to create smart outcomes for citizens. The total investment in the Smart Cities Mission is envisaged to be over ₹ 2,05,000 Crore (\$21.8 billion) through 5,151 projects. Out of these, 896 projects worth approximately ₹ 15,000 Crore (\$2.06 billion) have been completed and another 1,895 projects worth ₹ 75,000 Crore (\$10.3 billion) are under implementation.

<https://yourstory.com/2021/04/2021-year-urbantech-shines/amp>

<https://www.ibef.org/industry/real-estate-india/infographic>

• **AGRICULTURE**

Agriculture is the primary source of livelihood for about 58% of India's population. Gross Value Added by agriculture, forestry, and fishing was estimated at ₹ 19.48 lakh crore (US\$ 276.37 billion) in FY20. Share of agriculture and allied sectors in gross value added (GVA) of India at current prices stood at 17.8 % in FY20. Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6 %.

India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected



to generate better momentum in the next few years due to increased investment in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Tractors are one of the most commonly used machinery in the Agriculture Industry. India is one of the largest tractor manufacturers in the world, selling more than 8,00,000 tractors in FY20 and the Indian tractors market is projected to witness a CAGR 4.5% over 2020-2025.

Government initiatives regarding rural development and farm mechanization, along with various factors, such as enhancing rural wages and scarcity of farm labour are likely to increase the tractor volume over the long term. Government focus on doubling MSP and increased production of cash crops will provide increased purchasing power to the farmers.

Harvester segment is the second-largest application segment after Tractors, with the market in India is projected to register a CAGR of 10.6% during the forecast period 2020-2025, owing to the rise in agricultural activities and increased mechanisation.

• LOGISTICS AND WAREHOUSING

The current size of the Logistics Industry in India is approx. US\$215 billion with a forecasted growth at a CAGR of 10.5% between 2020 and 2025. The deeper penetration into Tier II, III & IV towns and the National Logistics Policy promise an efficient and integrated logistics industry in coming years.

The logistics and freight industry is evolving rapidly and regarded as the backbone of the economy in India as it ensures quick, efficient and economical transport of goods across India and many commercial sectors rely on it. The innovative and advanced technologies have provided increased efficiency and extra combined operating models in the logistics industry in India.

India's warehousing market is expected to grow from \$12.2 billion currently to \$19.5 billion by 2025.

The overall warehousing space stands at 238 million sq ft at the end of 2020 compared to 211 million sq ft in the previous year adding a net supply of 27 million sq ft. With the emergence of many online-only brands in Tier II and Tier III markets recently, which need warehouse space but no retail space, demand for Grade-A warehousing is also growing at a healthy rate, even in the hinterland.

With the support of government policies such as establishment of logistic parks and free trade warehouses, the total supply of warehousing space is likely to almost double by 2022 with an addition of around 200 million sq ft. Indian warehousing and logistics sector is expected to attract US\$ 10 billion investments over the next 4-5 years.

<https://www.itln.in/warehousing-penetrating-deep-into-indian-geography-with-smart-quality-assets-logistics>

❖ OPPORTUNITIES

The outbreak of pandemic COVID-19, impacted the demand for

construction equipment market globally, as the construction activities were halted during the lockdown period in order to maintain the social distancing norms and contain the spread of virus. However, with the gradual opening of economies, the demand is gaining back momentum as in order to get the growth in GDP back on track, the governments are increasing their spending in construction activities which will increase the demand of construction equipment. Some of the exciting opportunities that could be addressed include:

- **Emerging economies:** The emerging markets are experiencing higher urbanization and increased investment in infrastructure. The emerging economies are at the core of most of the new growth opportunities before ACE.
- **Technological Innovation:** With higher competition in the industry, the focus on innovation has grown. Investing more in technological innovation will help the company capture a larger market share and bring new equipment and technologies that help ACE to the needs of the diverse customer segments better. Apart from that, technological innovation also helps the company differentiate its products and brand from the rivals and find faster growth.
- **Construction on the Rise:** Despite some slowing down due to the COVID-19 pandemic, construction is continuing and even growing. The overall increase in demand for construction means that there is also a demand for Construction Equipment.
- **Sustainable Fuels Offer Growth:** Electricity and hybrid power can potentially be great opportunities for ACE. The opportunity to create machinery with cutting-edge electric and hybrid features can propel them to be industry leaders.
- **To speed up projects and usage in new applications:** Demand for construction equipment is expected to grow to speed up the completion of the current projects as well as to fulfill the rising demand for newer segments like commercial projects, mining, housing, agriculture which previously had low access and are slowly adopting standard machinery.
- **Policy support:** Initiative like 'Housing for All' and 'Smart city mission' will drive the growth of the construction equipment Sector and 100 percent FDI is permitted under the automatic route across various infrastructure sectors would also provide the necessary boost to the demand for construction equipment industry in the years to come.
- **End user industries:** As a result of advancement in the traditional end-user businesses, the demand for construction equipment will rise in the coming years.
- Rise in adoption of technology-driven equipment and machinery, growing population, rapid pace of modernization and consistent government support underpin the long-term growth fundamentals of the farm sector.

❖ THREATS

- **Economic uncertainty:** Based on the current and future market environment estimates, the base cost of material are expected to continue to be volatile. GDP witnessed contraction pushing the economy in a recession.
- **Covid-19 pandemic:** With the threat of the pandemic continuing globally, several countries still in lockdown, the resultant economic slowdown.
- **Dependency on other Sectors:** Construction types of equipment are heavily dependent on the success and growth of other industries. This might lead to revenue loss in one of its biggest markets.
- There is no consistency in the demand owing to the fluctuations in the market thereby making capacity planning challenging for the equipment manufacturer.
- Many new construction equipment players have emerged in the country and many more will hit the ground in the coming years. Thus, the construction equipment and agri equipment in India will have to face stiff competition.
- Any change in the government policy or its budgetary allocation to the infrastructure sector will have a major impact on Company's business.
- Weak currency resulting in pressure on margins.
- Concern for the environment has skyrocketed regulations to protect and improve air quality. Reducing emissions and the development of green vehicles have become a priority. This is a challenge to the heavy equipment industry because manufacturers must stay competitive and ensure that their equipment meets these regulations to help them stay in business.
- Unforeseen business losses.

❖ RISKS AND CONCERN

The Company operates in an environment which is affected by various risks, some of which are identifiable and controllable. Some others are unexpected and cannot be controlled. Under these conditions, proper identification and management of risks is very important in determining the ability of the organization to sustain value creation for its stakeholders.

The impact of the key risks, which are potentially significant are listed below has been identified through a formal process by the management. Your Company recognizes that every business has its inherent risks and the Company has been taking proactive approach to identify and mitigate them on a continuous basis. Some of the risks that are potentially significant in nature and need constant monitoring are listed below:

- **Risk of COVID-19 pandemic:** The economic fallout from the pandemic is hurting both at the demand and supply side.

While it will hurt discretionary consumption, the lockdown and the slow unlocking has impacted the supplier. The entire chain i.e. supplier, manufacturing to distributors are getting impacted. Further, ramping up of production while maintaining social distancing and ensuring safety of worker is a concern.

Mitigation: The Company has set in protocols for its plant/ office and people in accordance with local and national governments' guidelines. It has established systems and processes to monitor the situation and prevent the spread of COVID-19.

- **Risk of building future capacity and capability:** The Construction Equipment industry is changing at a pace never seen before. New technologies are being integrated quickly making current technologies redundant. Further the fast-changing consumer behaviour brings in additional challenges. The need to strengthen the capacity and capability for future product development is being felt by most of the organization.

Mitigation: The Company has a robust process of people development, employment practices and succession planning. It continues to invest in skilling and upskilling of its employees on new and advanced technologies, grooming employees and creating a talent pool and also has leading industry measures to motivate and retain the talent.

- **Foreign exchange risks:** The Company is prone to the currency fluctuations due to export and import transactions. Currency fluctuations are likely to impact the products' pricing and profitability.

Mitigation: The Company keeps track of currency risk and takes appropriate positions in forward contracts and hedging currencies to mitigate the risk.

- **Risk due to technology innovation:** The Company manufactures different construction equipment that needs continuous technological up gradation.

Mitigation: The Company has been investing in R&D and it is upgrading its products continuously.

- **Risk associated with raw material and supply:** The Company purchases raw materials which are prone to price fluctuations. The increase / decrease in the cost of raw materials have a direct impact on profitability.

Mitigation: The Company keeps track on the increase of cost and tries to pass the same to customers on regular basis. The Company also maintains an inventory for the operating cycle to avoid purchasing them at high prices.

- **Human Resource risks:** Attrition of key people and leadership team members could impact business operations and growth.

Mitigation: The Company addresses this risk with the help of its People's team (HR). HR ensures best-in-class remuneration, ample learning and development opportunities, and effective work-life balance through various festive celebrations, regular management communications, in order to keep the workforce engaged and in high spirits.

- **Competition risks:** Global construction equipment companies, with deep pockets, are setting up plants in India to ensure that the upcoming regulatory requirements are met.

Mitigation: The Company has a strong inhouse R&D division which is continuously adopting all the products to meet the latest technological needs.

- **Occupational health and safety:** Failure to comply with Environment, Health and Safety (EHS) laws may expose the Company to non-compliance and significant penalties from regulatory authorities.

Mitigation: State-of-the-art equipment and technology across our plants, as recommended by the Pollution Control Board, training and awareness of employees on environmental standards and norms, periodic audits to monitor compliance to applicable EHS laws, disaster management system to implement the most effective accident prevention measures across our operating sites, use of personal protection equipment mandatory for all on-site workers.

- **Impact of monsoons, soil health & other external factors on tractor industry and ACE' businesses:** Impact on the Company's performance due to inadequate monsoons, decline in soil fertility and other external factors, such as economic slowdown, adverse government policies, etc.

Mitigation: The Indian Meteorological Department (IMD) has predicted that the country is expected to have well-distributed rainfall during 2021-22.

- **Inefficient cost structure resulting in reduction in profitability:** The risk associated with the Company's exposure to fluctuations in price of key commodities, including electricity, oil and metal.

Mitigation: Commodity positions are assessed periodically by the Company. We have internal mechanisms in place to provide commodity price forecasts, which are used to take informed decisions on pricing the products.

- **Confidential information and IT systems:** Failure of information systems to adequately protect the critical data and infrastructure from theft, corruption, unauthorized usage, viruses or sabotage.

Mitigation: We have IT center and Enterprise Resource Planning (ERP) – integrating all business divisions, Data Loss Prevention (DLP) strategy implemented across all IT assets.

❖ INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has in place adequate internal control system and procedures commensurate with its size and nature of operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of your Company's operations, provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit.

The Company has a proper and adequate system of internal controls, commensurate with its size and business operations to ensure the following:

- Timely and accurate financial reporting in accordance with applicable accounting standards;
- Optimum utilization and safety of assets;
- Compliance with applicable laws, regulations, listing applications and management policies; and
- An effective management information system and reviews of other systems.

Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

❖ FINANCIAL PERFORMANCE REVIEW

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

The key highlights of financial performance of standalone business are as under :

- Total revenue from operations increased to ₹ 1,227.01 crores as against ₹ 1,156.20 crores in the previous year - an increase of 6.12%.
- Earnings before Interest, Depreciation, Amortization, Exceptional Items & Tax for the current year increased to ₹ 134.65 crores against ₹ 95.87 crores in the previous year - an increase of 40.45%.
- Profit before Tax (PBT) and Profit After Tax (PAT) for the current year are ₹ 108.48 crores and ₹ 80.16 crores respectively

against ₹ 68.20 crores and ₹ 52.64 crores in the previous year - an increase of 59.06% and 52.28% respectively.

- Earnings per share is Rs 7.06 for the year under review.

❖ SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Your Company operates mainly in four segments i.e. Cranes, Construction Equipment, Material Handling and Agri Equipment. The Company has a balanced approach to the Cranes, Construction Equipment, Material Handling and Agri Equipment, which helps us in capitalizing on our strengths in all four segments and to respond to market fluctuations and customer strategies.

The Cranes division revenues decreased by 4.64% to ₹ 790.21 crores in the year ended March 31, 2021 as against ₹ 828.69 crores in the year ended March 31, 2020. EBIT decreased by 6.14% to ₹ 87.24 crores in the year ended March 31, 2021 as against ₹ 92.95 crores in year ended March 31, 2020.

Construction Equipment division revenues increased by 32.87% to ₹ 133.73 crores in the year ended March 31, 2021 as against ₹ 100.65 crores in the year ended March 31, 2020. EBIT increased by 33,850% to ₹ 6.79 crores in the year ended March 31, 2021 as against ₹ 0.02 crores in the year ended March 31, 2020.

Material Handling revenues increased by 23.05% to ₹ 102.85 crores in the year ended March 31, 2021 as against ₹ 83.58 crores in the year ended March 31, 2020. EBIT increased by 56.00% to ₹ 12.73 crores in the year ended March 31, 2021 as against ₹ 8.16 crores in the year ended March 31, 2020.

Agri Equipment revenues increased by 39.74% to ₹ 200.22 crores in the year ended March 31, 2021 as against ₹ 143.28 crores in the year ended March 31, 2020. EBIT increased by 685% to ₹ 24.05 crores in the year ended March 31, 2021 as against ₹ (4.11) crores in year ended March 31, 2020.

❖ MATERIAL DEVELOPMENTS IN HUMAN RELATIONS / INDUSTRIAL RELATIONS

Hiring and retaining top talent through fairness, transparency, and respect is core to the Company's human resource development policy. The Company culture is to align employee aspirations with business goals for mutual benefit.

The company believes that its HR policies should be dynamic and therefore takes adequate steps to review and realign them to ensure that they address changing workforce trends, best practices, and legislative requirements to help your organization achieve its evolving objectives. The company is focused on its people strategy to create a high performing work culture and fosters a culture that is performance oriented, promotes rewards for results and helps its people grow. Your company recognizes that the employees of the Company are the pillars of its success and growth. The focus is on development of employees at professional and personal levels using a pioneering, integrated approach to all its employees.

The number of permanent employees on the rolls of the Company as on March 31, 2021 are 1111.

The year under review witnessed a very positive Industrial Relations scenario across all manufacturing locations for the Construction Equipment and Agri Equipment Sectors. The Company's focus continues towards propagating proactive and employee centric practices. The sustained efforts towards building a transformational work culture resulted in zero production loss in the FY 2020-21 and helped create a collaborative, healthy and productive work environment.

❖ DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Details of changes in key financial ratios are given herein below:

S. No.	Particulars	FY 2021	FY 2020	% Change
1.	Debtors Turnover	47	39	-21%
2.	Inventory Turnover	113	124	9%
3.	Interest Coverage Ratio	9.87	5.65	75%
4.	Current Ratio	1.20	1.05	14%
5.	Debt Equity Ratio	0.10	0.19	47%
6.	Operating Profit Margin (%)	7.59%	5.90%	29%
7.	Net Profit Margin (%)	6.53%	4.55%	44%
8.	Return on Net worth (%)	16.60%	11.97%	39%

Note : Positive % change indicates improvement of the return and negative % change indicates deterioration.

Reason of Change:

- Debtor turnover has increased due to delay in payments by the NBFC/banks/financial institution & corporates due to Covid-led exigencies.
- Inventory turnover has improved due to better management of inventories.
- Interest Coverage Ratio has improved due to lower finance cost resulting mainly from lower bank borrowing and better margins.
- Current ratio has increased due to better management of the working capital.
- Improvement in debt equity ratio is on account of lower utilization of bank facilities availed during the year and better profit margins.

❖ RISK MANAGEMENT AND GOVERNANCE

Risk is an intergral and unavoidable component of business and your company is committed to managing risk in a proactive manner. Though risks cannot be completely eliminated; an effective risk management plan ensures that risks are reduced, avoided, retained or shared.

The company recognizes that effective risk management is crucial to its continued profitability and long-term sustainability of its business.

Given the challenging and dynamic environment of your Company's operations, strategies for mitigating the inherent risks in accomplishing the ambitious plans for your company is imperative. The Key business risks identified by your Company are given in Risk and Concern section of this report.

The risk horizon considered includes long term strategic risks, short to medium risks as well as single events. The risks are analyzed considering likelihood and impact as a basis of determining their management.

The Company is committed to adopt good corporate governance, which promotes the long-term interests of all stakeholders, creates self-accountability across its management and helps built trust in the Company. A robust internal financial control system forms the backbone of our risk management and governance. In line with our commitment to provide sustainable returns to our stakeholders, your Company has formalized clearly defined systems to manage its risks within acceptable limits by using risk mitigating techniques and have framed policies for timely addressing key business challenges and leveraging of business opportunities.

❖ **DISCLAIMER**

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

For and on behalf of the Board of
Action Construction Equipment Limited

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634



BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 27th Annual Report on the business and operation of the Company together with Audited Statement of Accounts for the financial year ended March 31, 2021.

FINANCIAL RESULTS

The Company's financial performance for the year ended March, 2021 is summarized below:

(₹ in Crores)

PARTICULARS	FY 2020-21	FY 2019-20
Revenue from operations	1,227.01	1,156.20
Other Income	15.31	4.03
Total Income	1,242.32	1,160.23
Earnings Before Depreciation, Finance costs, Exceptional Items and Tax	134.65	95.87
Less: Depreciation and amortization expenses	13.94	13.01
Less: Finance Costs	12.23	14.66
Profit before exceptional items and Tax	108.48	68.20
Less: Exceptional items	-	-
Profit Before Tax	108.48	68.20
Less: Tax expense	28.32	15.56
Profit After Tax	80.16	52.64
Other Comprehensive income for the year (net of tax)	0.76	(0.14)
Total Comprehensive income for the year	80.92	52.50

FINANCIAL PERFORMANCE OVERVIEW (STANDALONE BASIS)

The brief highlights of the Company's performance (standalone) during the financial year 2020-21:

- Total revenue from operations increased to ₹ 1,227.01 crores as against ₹ 1,156.20 crores in the previous year - an increase of 6.12%.
- Earnings before Interest, Depreciation, Amortization, Exceptional Items & Tax for the current year is ₹ 134.65 crores against ₹ 95.87 crores in the previous year - an increase of 40.45%.
- Profit Before Tax (PBT) and Profit After Tax (PAT) for the current year are ₹ 108.48 crores and ₹ 80.16 crores respectively against ₹ 68.20 crores and ₹ 52.64 crores in the previous year - an increase of 59.06% and 52.28% respectively.
- Earnings per share is ₹ 7.06 for the year under review.

STATE OF COMPANY'S AFFAIRS

The year gone by started with an unprecedented nation-wide lockdown due to pandemic which negatively impacted the economic activities across the globe. Post relaxation of lockdown economic activities gradually started picking up from mid May 2020. ACE, backed by manufacturing strength, robust supply chain management and strong distribution network made a strong come back. EBIDTA margins improved YoY (11.0% in FY21 vs 8.3% in FY20) on account of cost optimization and operating leverage. Economic environment continues to remain uncertain and challenging owing to Covid and partial lockdowns across the country. However, we as an organization remain vigilant to the ground developments with confidence and optimism to manage emerging scenarios.

In these difficult times of the Covid-19 pandemic, resilience for an organisation is paramount. During the year, the Company focussed on achieving its business goals hand-in-hand with improving cash from operations and cutting costs. Necessary efforts were made towards business continuity and resilience.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Company during the financial year ended March 31, 2021.

AMOUNTS TRANSFERRED TO RESERVES

During the year under review, there was no amount transferred to any of the reserves by the Company.

DIVIDEND

The Board of Directors at their meeting held on May 28, 2021, has recommended payment of ₹ 0.50 i.e. (25%) per equity share of the face value of ₹ 2 (Rupee Two Only) each as final dividend for the financial year ended March 31, 2021. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

SHARE CAPITAL

The paid up Equity Share Capital of the Company as at March 31, 2021 stood at ₹ 22.70 crores. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2021, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

LISTING OF SHARES

The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The listing fee for the year 2021-22 has already been paid to both the Stock Exchanges.

CREDIT RATING

ICRA Limited on April 13, 2020 has placed long term rating on watch with negative implications due to COVID lockdown and



reaffirmed short term rating. Further on September 04, 2020, ICRA has restored long term rating to same level before COVID i.e. assigned a stable outlook to the long term rating from watch with negative implications.

As on March 31, 2021, the Company has the following rating assigned by ICRA on banking facilities.

Long Term Rating	[ICRA]AA- (pronounced ICRA double A minus) with a Stable outlook
Short Term Rating	[ICRA]A1+ (pronounced ICRA A one plus)

MATERIAL CHANGES AND COMMITMENTS, IF ANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and the date of this report.

DISCLOSURES RELATING TO SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2021, the company has only one subsidiary i.e. SC Forma SA, Botosani, Romania.

In accordance with Section 129(3) of the Companies Act, 2013, Regulations 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Accounting Standards, the Company has prepared consolidated financial statements of the Company and its subsidiary, which form part of the Annual Report. For details please refer the Consolidated Financial Statements.

A statement containing the salient features of the financial statement/highlights of performance of our subsidiary in the prescribed Form **AOC-1** is attached as **Annexure-I** to this Report.

There are no associates and Joint Ventures companies within the meaning of Section 2(6) of the Companies Act, 2013 (Act) and there has been no material change in the nature of the business of the subsidiary.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and accounts of its subsidiary, are available on our website at www.ace-cranes.com. These documents will also be available for inspection during business hours at our registered office.

The Policy for determining material subsidiary may be accessed on the Company's website at www.ace-cranes.com.

BOARD OF DIRECTORS

During the year on the recommendation of Board, the members of the Company in their 26th Annual General Meeting held on September 24, 2020 at 11:30 a.m. IST through Video Conferencing ("VC")/ Other Audio Video Means ("OAVM") have approved the appointment of the following Directors:

- Appointment of Dr. Divya Singal (DIN:08722144) as an Independent Non-Executive Director (Independent Women Director) of the Company for five years w.e.f. April 01, 2020.
- Appointment of Mr. Shriniwas Vashisht (DIN:06572418) as an Independent Non-Executive Director of the Company for five years w.e.f. September 24, 2020.

In accordance with the provisions of Companies Act, 2013 (hereinafter referred as "the Act") and Articles of Association of the Company, Mrs. Mona Agarwal (DIN: 00057653), Whole-Time Director of the Company will retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee of the Company has appointed Dr. Jagan Nath Chamber (DIN: 08841478) as additional Director (Independent Director) of the Company in their meeting held on November 06, 2020 to hold office till the next Annual General Meeting of the Company or last date up to which the Annual General Meeting should have been held, whichever is earlier.

Further, the Board has also recommended for appointment of Dr. Jagan Nath Chamber, as Independent Non-Executive Director for a period of 5 years w.e.f November 06, 2020 subject to the approval of the shareholder in the ensuing Annual General Meeting (AGM). The brief resume and other details relating to his appointment, as required to be disclosed under the Companies Act, 2013/Listing Regulations is given as **Annexure-I** to the Notice of the 27th AGM.

As per the provision of Companies Act, 2013 and SEBI (LODR) Regulations 2015, two consecutive terms of appointment as Independent Director of the following Directors in the Company have been completed on September 24, 2020. They have been retired from the post of Directorship w.e.f. September 25, 2020.

1. Mr. Girish Narain Mehra (IAS Retd.) (DIN:00059311);
2. Mr. Subhash Chander Verma (DIN:00098019);
3. Mr. Keshav Chandra Agrawal (DIN:00098143).

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "the Listing Regulations").

KEY MANAGERIAL PERSONNELS (KMP)

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rules made thereunder following are designated as Key Managerial Personnel (KMP) of the Company:

- Mr. Vijay Agarwal, Chairman & Managing Director;



- Mrs. Mona Agarwal, Whole-Time Director;
- Mr. Sorab Agarwal, Whole-Time Director;
- Mrs. Surbhi Garg, Whole-Time Director;
- Mr. Rajan Luthra, Chief Financial Officer (CFO); and
- Mr. Anil Kumar, Company Secretary & Compliance Officer.

NUMBER OF BOARD MEETINGS

During the financial year 2020-21, four (4) Board Meetings were held. For details thereof kindly refer to the Corporate Governance Report forming part of this Annual Report.

ANNUAL GENERAL MEETING

During the financial year 2020-21, 26th Annual General Meeting of the Company was held on September 24, 2020 at 11:30 a.m. through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”).

COMMITTEES OF THE BOARD

The Board has 6 (Six) committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee (constituted on 28.05.2021) and Committee of Board (COB). During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees, including its terms of reference is provided in the Corporate Governance Report forming part of this Annual Report.

The composition and terms of reference of all the Committee(s) of the Board of Directors of the Company is in line with the provisions of the Act and Listing Regulations.

NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy

and the basis for payment of remuneration to Executive and Non-Executive Directors (by way of sitting fees), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation. The above policy has been posted on the website of the Company at www.ace-cranes.com under investor relation section.

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to the provisions of clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013, your Directors hereby confirm that they:

- Have followed in the preparation of Annual Accounts for the financial year 2020-21, the applicable Accounting Standards and no material departures have been made for the same;
- Had 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 as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- Had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- Had prepared the annual accounts on a going concern basis;
- Have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- Have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of Companies Act, 2013 and Regulation 25 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Independent Directors at their separate meeting, without participation of the Non-Independent Directors and Management have considered and evaluated the Board’s performance and performance of the Chairman and Non-Independent Directors. The Independent Directors in the said meeting have also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Board of Directors has evaluated the performance of each of the Independent Directors (without participation of the relevant

Director). The Board has carried out the annual evaluation of its own performance and that of its Directors individually. The evaluation criteria as approved by the Nomination and Remuneration Committee included various aspects of the functioning of Board such as composition, process and procedures including adequate and timely information, attendance, decision making, roles and responsibilities etc.

The performance of individual directors including the Chairman was evaluated on various parameters such as industry knowledge & experience, vision, commitment, time devoted etc. The evaluation of Independent Directors was based on aspects like participation & contribution to the Board decisions, knowledge, experience and integrity etc.

STATUTORY AUDITORS

As per provisions of Section 139(1) of the Act, the Company has appointed M/s BRAN & Associates, Chartered Accountants (Firm Regn. No. 014544N) as Statutory Auditors of the Company for a period of 5 (Five) years (01.04.2017 to 31.03.2022) i.e. till the conclusion of the 28th AGM to be held in the calendar year 2022, in the AGM of the Company held on September 29, 2017.

Statutory Auditors' Report

The observations of Statutory Auditor in its reports on standalone and consolidated financials are self-explanatory and therefore, do not call for any further comments. There are no qualifications, reservations or adverse remarks made by Statutory Auditors in their reports.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s Vasisht & Associates, Company Secretaries, were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending March 31, 2021.

Secretarial Audit Report

A Secretarial Audit Report given by the Secretarial Auditors in **Form No. MR-3** is annexed with this Report as **Annexure-II**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

Secretarial Compliance Report

Pursuant to SEBI circular no CIR/CFD/CMD1/27/2019 dated February 08, 2019, in addition to secretarial audit, Annual Secretarial Compliance Report given by M/s Vasisht & Associates, Company Secretaries on compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder is annexed as **Annexure-III**.



COST AUDITORS

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice.

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s Vandana Bansal & Associates, Cost Accountants (Firm registration No. 100203) has been appointed as the Cost Auditor of the Company for the year ending March 31, 2021.

Cost audit report for financial year 2020-21 will be filed with the Ministry of Corporate Affairs within stipulated time period.

INTERNAL AUDIT

The Board of Directors of the Company has appointed Internal Auditors of the Company, to audit the function and activities of the Company and to review various operations of the Company, the Company continued to implement their suggestions and recommendations to improve the control environment.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors, Secretarial Auditors and Cost Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143 (12) of the Companies Act, 2013, including rules made there under.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR activities are primarily done through its trust namely ACE Emergency Response Service. The CSR Committee of the Board of Directors has been formed comprising of three directors with Chairman being Independent Director. CSR Committee has framed and formulated a CSR Policy indicating



the activities to be undertaken by the Company, in accordance with schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued under the Act. The same has also been approved and reviewed from time to time by the Board. The CSR policy is available at the website of the Company at www.ace-cranes.com.

Ministry of Corporate Affairs vide its Notification(s) dated January 22, 2021, notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which, inter alia, provides for the revised format of annual report for publishing the CSR activities undertaken during the financial year ended March 31, 2021.

The Annual Report on CSR Activities, as stipulated under the Act forms an Integral part of this Report and is appended as **Annexure-IV**.

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to the good corporate governance practices and has adopted the Code of Conduct which has set out the systems, processes and policy conforming to international standards.

In compliance with Regulation 34 of the Listing Regulations a separate report on corporate governance alongwith a certificate from Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under Schedule V of the Listing Regulations forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is separately given and forms part of this Annual Report and provides a more

detailed analysis on the performance of individual businesses and their outlook.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts or arrangements or transactions that were entered into by the Company during the financial year with related parties were on an arm's length basis and in the ordinary course of business. During the year, the Company had not entered into any contracts or arrangements or transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transaction. All related party transactions have been approved by the Audit Committee and the Board.

Further, the prescribed details of related party transactions of the Company in Form No. **AOC-2**, in terms of section 134 of the Act read with Rule 8 of the Company (Accounts) Rules, 2014 is given as **Annexure-V** to this report.

DISCLOSURE ON AUDIT COMMITTEE

The Audit Committee as on March 31, 2021 comprises of the following Directors: Mr. Avinash Parkash Gandhi (Chairman), Mr. Vijay Agarwal, Mr. Shrinivas Vashisht, and Dr. Jagan Nath Chamber as Members. For more details kindly refer to the section 'Committees of the Board-Audit Committee', in the Corporate Governance Report, which forms part of this Annual Report. All recommendations of Audit Committee were accepted by the Board of Directors.

RISK MANAGEMENT

Risk management is integral to your Company's strategy and for the achievement of our long-term goals. Our success as an organization depends on our ability to identify and leverage the opportunities while managing the risks.

The COVID-19 pandemic this year has posed several unprecedented challenges in the form of uncertain lockdowns, unlock phases, health hazards and supply chain disruptions across the globe. These have added a new dimension to the term VUCA (Volatile, Uncertain, Complex and Ambiguous).

The Company has implemented a comprehensive and fully integrated 'Enterprise Risk Management' framework in order to anticipate, identify, measure, manage, mitigate, monitor and report the principal risks and uncertainties that can impact its ability to achieve its strategic business objectives.

This integration is enabled by alignment of Risk Management, Internal Audit, Legal and compliance methodologies and processes in order to maximize enterprise value of the Company and ensure high value creation for our stakeholder over a period of time.

Pursuant to provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Risk Management Committee

of the Company has been constituted by the Board in their meeting held on May 28, 2021 with the responsibility of reviewing the risk management process in the Company and ensuring that the risks are brought within acceptable limits.

The Company endeavors to continually sharpen its Risk Management systems and processes in line with a rapidly changing business environment. There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. Such controls were tested during the financial year and no material weaknesses in the design or operation were observed. Review of the financial controls is done on an ongoing basis.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of effected Director(s) and Employee(s). In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on Company's website at www.ace-cranes.com. During the year, no case of genuine concerns received under this policy.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

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

The Company has laid down sexual harassment policy pursuant to provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. The objective of this policy is to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith. The Company has zero tolerance on sexual harassment at workplace. During the financial year 2020-21, no complaint was received under this policy.

RESEARCH AND DEVELOPMENT

Your Company continues to invest in a comprehensive Research & Development (R&D) programme to develop a unique source of sustainable competitive advantage and build future readiness by leveraging contemporary advances in several relevant areas of science and technology and blending the same with classical concepts of product development.

The Company has dedicated R&D centers at Jajru Road, Faridabad and at Dudhola Link Road, Dudhola Village, Palwal. Both these centers have accreditations from the Ministry of Science and Technology, Govt. of India. Both the centers continuously carries out Research and Developments for developing new products and also focus on the quality of products, making them more economical, cost effective and user friendly.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure-VI** to this Report.

PUBLIC DEPOSITS

During the year, your Company did not accept any public deposits under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2021.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 as at the end of the financial year 2020-21 are provided in the notes to standalone financial statements.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013 is annexed as **Annexure-VII** and forms a part of this report.

ANNUAL RETURN

The extracts of the Annual Return of the Company in Form **MGT-9**, as they stood on the close of the financial year i.e. March 31, 2021 is furnished in **Annexure-VIII** and forms part of this Report.

Further, a copy of the Annual Return of the Company containing the particulars prescribed under section 92 of the Companies Act, 2013, in Form **MGT-7**, as they stood on the close of the financial year i.e. March 31, 2020 is uploaded on the website of the Company i.e. www.ace-cranes.com in the Investor Relations Section.

INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years.

Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority.

The details relating to amount of dividend transferred to the IEPF authority and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the Corporate Governance Report section of this Annual Report.

AWARDS AND RECOGNITIONS

Your Company continues to deliver unmatched performance amongst its peers and has been conferred with awards every year. The Company was awarded with many awards and recognition. The significant award includes:

- “Best Company of the Year (Manufacturing)” Award at the Business Leader of the Year Awards, April 2021;
- The Economic Times Prestigious Brands 2020–21 Award, March 2021;

- “10 Most Inspiring CFO’s In India 2020” by CEO Insights Magazine;
- “Bestseller in Mobile Cranes Category” at Equipment India Awards, October 2020;
- Best Company in Cranes & Tower Cranes- CIA World Awards Feb 2019;
- Best Company of the Year - ET Now;
- Business Leader of the Year- CMD Mr. Vijay Agarwal - ET Now;
- Outstanding Employee Engagement Strategy Award- World HRD Congress;
- Most Innovative HR Award- World HRD Congress.

BUSINESS RESPONSIBILITY REPORT

Pursuant to the provision of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your company is required to submit Business Responsibility Report (BRR) for the financial year 2020-21 which is annexed as **Annexure-IX**.

DIVIDEND DISTRIBUTION POLICY

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, (“the Regulations”) makes it mandatory for the top 1000 listed entities based on their market capitalization calculated as on March 31 of every financial year to formulate a Dividend Distribution Policy.

In compliance with the provisions of Regulation 43A of the Listing Regulations, the Board of Directors of the Company at its meeting held on May 28, 2021, has approved and adopted the Dividend Distribution Policy of the Company (“the Policy”). The policy inter alia, lays down various parameters relating to declaration/ recommendation of dividend. The policy is available on the Company’s website at www.ace-cranes.com.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

In the opinion of Board of Directors of the Company, Independent Directors on the Board of Company hold highest standards of integrity and are highly qualified, recognized and respected individuals in their respective fields. It’s an optimum mix of expertise (including financial expertise), leadership and professionalism.

CHANGE OF REGISTRAR AND TRANSFER AGENT (RTA)

Company’s existing RTA M/s Kfin Technologies Private Limited (“KFIN”) based at Hyderabad has been replaced by the Board in their meeting held on January 28, 2021 with new RTA i.e. M/s

Skyline Financial Services Private Limited ("SKYLINE") based at New Delhi w.e.f April 2021 and pursuant to SEBI (LODR) Regulation, a tripartite agreement has been executed between the existing RTA, new RTA and the Company.

OTHER INFORMATION

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review or said items are not applicable to the Company:

1. The Managing Director and the Whole Time Directors has not received any remuneration or commission from any of its subsidiaries.
2. Buy back of securities: No.
3. Bonus shares: Not Issued.
4. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year is not applicable; and

5. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

ACKNOWLEDGEMENT

The Board places on record its appreciation for the support and continued co-operation extended by all the customers, vendors, dealers, bankers, regulators and business associates. The Board places on record its appreciation to all the employees for their dedicated and committed services. Your Directors deeply acknowledge the continued trust and confidence that the shareholders place in the management and is confident that with their continued support, the Company will achieve its objectives and emerge stronger in the coming years.

For and on behalf of the Board of
Action Construction Equipment Limited

Place : Faridabad
Date : July 31, 2021

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Annexure-I of Board's Report

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies
(Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts (₹ in Lakhs)

S. No.	Details	Particulars
1.	Name of the subsidiary	SC Forma SA, Romania
2.	The date since when subsidiary was acquired	01.02.2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.01.2020 to 31.12.2020
4.	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	RON, ₹ 18.3444
5.	Share capital	197.30
6.	Reserves & surplus (Inclusive of Revaluation Reserve)	-6.37
7.	Total Assets	414.42
8.	Total Liabilities	223.50
9.	Investments	NIL
10.	Turnover	0.15
11.	Profit before taxation	22.87
12.	Provision for taxation	NIL
13.	Profit after taxation	22.87
14.	Proposed Dividend	NIL
15.	% age of shareholding	89.50

Notes :

- There are no subsidiaries which are yet to commence operations.

Part "B": Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures Name of Associates/Joint Ventures - Nil.

For and on behalf of the Board of Directors

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Place : Faridabad
Date : July 31, 2021

Annexure-II of Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2020-21

(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,
Action Construction Equipment Limited
CIN : L74899HR1995PLC053860
Dudhola Link Road, Dudhola
Palwal, Haryana 121102

I, Shobhit Vasisht, Proprietor of Vasisht & Associates, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ACTION CONSTRUCTION EQUIPMENT LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the 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 **March 31, 2021** 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 March 31, 2021 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and regulations made thereunder to the extent of foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) The Securities and exchange board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and amendments thereof regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018;
- vi) The Employees State Insurance Act, 1948;
- vii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;

- viii) Employers Liability Act, 1938;
- ix) Air (Prevention & Control of Pollution) Act, 1981;
- x) Factories Act, 1948;
- xi) Environment Protection Act, 1986 and other Environmental Laws;
- xii) Industrial Dispute Act, 1947;
- xiii) Payment of Wages Act, 1936 and other applicable labour laws.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above.

I further report that

- The Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.
- The dissenting members' views were not required to be captured and recorded as part of the minutes as there were no such instance.
- There are adequate systems and process in the company commensurate with the size and operations of the company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has no specific event/action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above:

I further report that there were no instances of:-

- (i) Public/Right/Preferential Issue of shares/Debentures/Sweat Equity, etc.
- (ii) Redemption/ buy back of securities.
- (iii) Major Decision taken by the members in pursuance to section 180 of the companies Act, 2013.
- (iv) Merger/amalgamation/reconstruction/etc.
- (v) Foreign Technical collaborations.

**For VASISHT & ASSOCIATES;
Company Secretaries**

**Sd/-
CS SHOBHIT VASISHT
UDIN : A045412C000316287
Peer Review No: 844/2020
Membership No: 45412
C P No: 21476**

**Place: Faridabad
Date: May 15, 2021**

Note: This report is to be read with the letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To,
The Members,
ACTION CONSTRUCTION EQUIPMENT LIMITED
CIN: L74899HR1995PLC053860
Dudhola Link Road, Palwal,
Faridabad, Haryana-121102

This report of even date is to be read along with this letter –

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 the 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. 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.
5. 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.

For VASISHT & ASSOCIATES;
Company Secretaries

Place: Faridabad
Date: May 15, 2021

Sd/-
CS SHOBHIT VASISHT
UDIN : A045412C000316287
Peer Review No: 844/2020
Membership No: 45412
C P No: 21476

Annexure-III of Board's Report SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED MARCH 31,2021

(Pursuant to SEBI Circular No : CIR/CFD/CMD1/27/2019 dt. February 08 ,2019)

To,
The Board of Directors,
Action Construction Equipment Limited,
CIN: L74899HR1995PLC053860
Address: Dudhola Link Road, Palwal,
Faridabad, Haryana- 121102

I, Shobhit Vasisht, Proprietor of M/s. Vasisht & Associates have examined:

- a) All the documents and records made available to me and explanation provided by Action Construction Equipment Limited ("the listed entity").
- b) The filings/ submissions made by the listed entity to the stock exchanges.
- c) Website of the listed entity.
- d) Other document/ filing, as may be relevant, which has been relied upon to make this certification.

For the year ended March 31, 2021 ("Review Period") in respect of compliance with the provisions of:

- a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), Rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

The specific Regulations (as applicable), whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) The Employees State Insurance Act, 1948, Employees Provident Fund and Miscellaneous Provisions Act ,1952, Employer's Liability Act 1938, Environment Protection Act, 1986 and other Environment Laws, Air (Prevention and control of Pollution) Act, 1981, Factories Act, 1948, Industrial Dispute Act, 1947, Payment of Wages Act, 1936 and other applicable labour laws.

And based on the above examination, We hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement	Deviations	Observations Remarks of the Practicing Company Secretary
		-----None-----	

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedure issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
-----None-----				

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
-----NOT APPLICABLE-----				

For VASISHT & ASSOCIATES;
Company Secretaries

Sd/-
CS SHOBHIT VASISHT
UDIN : A045412C000316265
Peer Review No: 844/2020
Membership No: 45412
C P No: 21476

Place: Faridabad
Date: May 15, 2021

Annexure-IV to Board's Report

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2021

1. Brief outline on CSR Policy of the Company: The Company's focus area is health services. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Brief outline on CSR Policy is given in CSR policy of the Company which has been uploaded on the website of the Company and can be accessed at www.ace-cranes.com.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Divya Singal	Chairman/Independent Director	1	1
2.	Mrs. Mona Agarwal	Member/Executive Director	1	1
3.	Mr. Keshav Chandra Agrawal#	Member/Independent Director	1	1
4.	Dr. Jagan Nath Chamber*	Member/Independent Director	1	NA

#Retirement w.e.f. 25.09.2020

*Appointed w.e.f. 06.11.2020

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: www.ace-cranes.com
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-Rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-Rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Nil**
6. Average net profit of the Company as per section 135(5): ₹ **7636.95 Lakhs**
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ **152.74 Lakhs**
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
 (c) Amount required to be set off for the financial year: **Nil**
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ **152.74 Lakhs**
8. (a) CSR Amount spent or unspent for the Financial Year:

Total amount spent for the Financial Year (₹ in Lakhs)	Amount unspent				
	Total amount transferred to unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
152.84	NIL	NA	-	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project.	(6) Project duration	(7) Amount allocated for the project (₹ in Lakhs)	(8) Amount spent in the current financial Year (₹ in Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
										Name	CSR RTN. No.
1.	Health services including Ambulance and Pathology Laboratory	Promoting health care	Yes	Haryana (Palwal/ Ballabgarh/ Faridabad)	Ongoing (FY 2020-21 to 2022-23)	175.00	59.60	83.24*	No	ACE Emergency Response Service Trust	CSR000011903

*The unspent amount as shown in the above table belongs to ACE Emergency Response Service, a Trust (Implementing Agency) which is taking up all CSR Projects on behalf of the Company. The Company has paid its CSR contribution to implementing agency during the year under review. Further, as confirmed by the implementing agency that the unspent amount of ₹ 83.24 lakhs has been spent by July 2021 and as informed by the implementing agency that the delay in spending of unspent amount was on account of prevailing situation in the country due to COVID -19 and lockdown in the state of Haryana.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes / No)	(5) Location of the project. (State and District)	(6) Amount spent for the project (₹ in Lakhs)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
							Name	CSR Registration number
1.	Health Services	Promoting health care	Yes	Haryana (Palwal/ Ballabgarh/ Faridabad)	5.00	Through Implementing Agency	Blue sapphire healthcare	-
2.	Health Services	Promoting health care	Yes	Haryana (Palwal/ Ballabgarh/ Faridabad)	5.00	Through Implementing Agency	Sarvodya foundation	CSR00005304
Total					10.00			

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 152.84 Lakhs.

(g) Excess amount for set off, if any : Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years : **Nil**
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : **Nil**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **Nil**
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5):
The Company has made contribution of its CSR obligations amount to ACE Emergency Response Service, a Trust (Implementing Agency) which is taking up all CSR Projects on behalf of the Company. Further, as confirmed by the implementing agency that the unspent amount of ₹ 83.24 lakhs has been spent by July 2021 and as informed by the implementing agency that the delay in spending of unspent amount was on account of prevailing situation in the country due to COVID -19 and lockdown in the state of Haryana.

Place : Faridabad
Date : July 31, 2021

Sd/-
Vijay Agarwal
Chairman & Managing Director

Sd/-
Dr. Divya Singal
Chairman-CSR Committee

Annexure-V of Board's Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

S. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	Nil, as during the reporting Period, all transactions were at arm's length basis.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	Nil, as during the reporting Period, there was no material contract or arrangement.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts /arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

Note:

As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction(s) to be entered into individually or taken together with previous transaction(s) during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

For & on behalf of
Action Construction Equipment Limited

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Date : July 31, 2021
Place: Faridabad

Annexure-VI of Board's Report Particulars of Employees

1. INFORMATION AS PER RULE 5(1) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

(₹ in Lakhs)

S. No.	Requirement of Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	Details			
		Name of Directors	Remuneration (2020-21)	Ratio to the MRE	
1.	The Ratio of the remuneration of each Director to the median remuneration of the employees (MRE) of the Company for the Financial Year.	Mr. Vijay Agarwal	306.16	76.92	
		Mrs. Mona Agarwal	150.73	37.87	
		Mr. Sorab Agarwal	58.86	14.79	
		Mrs. Surbhi Garg	60.56	15.21	
		Mr. Girish Narain Mehra (Retirement w.e.f. 25.09.2020)	0.75	0.19	
		Mr. Subhash Chander Verma (Retirement w.e.f. 25.09.2020)	0.90	0.22	
		Mr. Keshav Chandra Agrawal (Retirement w.e.f. 25.09.2020)	0.45	0.11	
		Mr. Avinash Parkash Gandhi	1.75	0.44	
		Dr. Divya Singal	2.20	0.55	
		Mr. Shriniwas Vashisht (Appointed w.e.f. 24.09.2020)	1.30	0.32	
		Dr. Jagan Nath Chamber (Appointed w.e.f. 06.11.2020)	1.00	0.25	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year.	Name of Directors	Remuneration (2020-21)	Remuneration (2019-20)	% Change
		Mr. Vijay Agarwal	306.16	306.00	0.05
		Mrs. Mona Agarwal	150.73	150.88	-0.10
		Mr. Sorab Agarwal	58.86	58.79	0.12
		Mrs. Surbhi Garg	60.56	58.88	2.85
		Mr. Girish Narain Mehra (Retirement w.e.f. 25.09.2020)	0.75	1.50	NA
		Mr. Subhash Chander Verma (Retirement w.e.f. 25.09.2020)	0.90	2.10	NA
		Mr. Keshav Chandra Agrawal (Retirement w.e.f. 25.09.2020)	0.45	1.05	NA

		Mr. Avinash Parkash Gandhi (Appointed w.e.f. 01.10.2019)	1.75	1.20	NA
		Dr. Divya Singal (Appointed w.e.f. 01.04.2020)	2.20	NA	NA
		Mr. Shrinivas Vashisht (Appointed w.e.f. 24.09.2020)	1.30	NA	NA
		Dr. Jagan Nath Chamber (Appointed w.e.f. 06.11.2020)	1.00	NA	NA
		Name of Key Managerial Personnel (KMP)			
		Mr. Rajan Luthra	55.39	61.56	-10.02
		Mr. Anil Kumar	6.78	6.64	2.10
		Note : Independent Directors received only sitting fees for Board and Committee meetings.			
3.	The percentage increase in the median remuneration of employees in the Financial year.	9.04%			
4.	The Number of permanent employees on the rolls of the Company as on March 31, 2021.	1111			
5.	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 remuneration.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 6.60% whereas average percentile increase in the managerial remuneration in the last financial year is 6.10%.			
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Remuneration paid during the year ended March 31, 2021 was as per the Remuneration Policy of the Company.			

2. Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015.

Particulars of employees pursuant to the Rule 5(2) & (3) of Rules the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 to whom the Company pays remuneration aggregating to rupees one crore and two lakh or more per annum or rupees eight lakh and fifty thousand per month or more if employed for the part of the year as on March 31, 2021 are given as under:

Particulars	Details	
	Mr. Vijay Agarwal	Mrs. Mona Agarwal
Name	Mr. Vijay Agarwal	Mrs. Mona Agarwal
Designation	Chairman & Managing Director	Whole-Time Director
Remuneration received (₹ in Lakh)	306.16	150.73
Nature of employment	Contractual	Contractual
Educational Qualification	BE Mechanical and MBA	Under Graduate
Experience (in years)	50	27
Date of commencement of Employment in ACE	January 13, 1995	January 13, 1995
Age (in Years)	72	65
Previous Employment	Bhartiya Cuttler Hammer Limited, Escorts Limited.	–
% of equity shares	30.17	27.02

Annexure-VII of Board's Report

Disclosure 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

(a) Energy conservation measures taken:

The Company has always been conscious of the need for the conservation of energy and optimum utilization of available resources and has been steadily making progress towards this end.

The Company has taken lot of initiatives for reduction in power cost by improving the production processes. Production process of the Company does not require much power.

There is an optimum ratio of glass windows to utilize natural light and proper insulation/ventilation to balance temperature and reduce heat.

The Company has installed and commissioned PV Solar Power plant of 1795.9 KWP capacities across various roofs and parking space.

(b) Impact of above measures:

The above measures will results in efficient use of natural resources, lower energy consumption, significant reduction in Carbon emissions and hedge against continuous energy rate increase.

(c) Steps in utilization of alternate source of Energy:

Contributing to sustainable development goals and government's agenda of adopting clean and green energy, the Company has been substituting a share of its total electricity requirement through solar energy. The Company at present has solar power generation capacity of 1795.9 KWP. Recently, the Company has added 159.9 KWP rooftop solar power plant at its plant sites which has been commissioned in FY 2020-21 thereby taking the captive solar power generation capacity to 1795.9 KWP.

(d) Capital investment on energy conservation equipment's:

Efforts have been made by Company to reduce or optimize the energy requirements at all the plants. Company encourages capital investment in energy saving equipment, plants or machinery. No significant investments were incurred during the year.

B. TECHNOLOGY ABSORPTION

(a) The efforts made towards technology absorption:

Technology and innovation continue to be one of the key focus areas to drive growth of the Company. The Company is putting continuous efforts in acquisition, development, assimilation and utilization of technological knowledge of its products portfolio. This has enabled the Company to keep abreast with the latest developments in product technology.

(b) Research and Development (R&D):

In order to meet with the growing demand for latest technology products and to compete in the market place, the Company continued its efforts in strengthening of R&D activities. Efforts continued to enhance the in-house capabilities to bring operational efficiencies and product up-gradation to meet the customer needs. The Company is having a full-fledged dedicated R&D centers at Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh, Faridabad and Dudhola Link Road, Village Dudhola, Palwal. Both the centers are continuously engaged in Research and Developments activities related to various products, to make them specific to the user's requirement. Our R&D efforts also enable us to achieve economy and efficiency and cost effectiveness in the manufacturing of products.

(i) Specific areas in which R & D was carried out by the company during the year ended 2020-21:

S. No.	Title & Scope of Completed & on-going R&D Project
1	Constant mesh transmission for 50 /60hp 2WD tractor models
2	60 hp, 75hp engine as per BS-IV with standyne FIE's- LPDMS

3	Highly sensitive Hydraulic lift with EHR/EHC (Electronic Hitch Control) 1200 to 2000Kg- Feature for Export and optional for domestic
4	60 hp, 75 hp tractor with BSIV engine
5	Conversion of 2500kg to 3500kg by providing Hyd Cylinder for 100hp
6	4WD Tractor Model 75/90hp with AC/ Non AC cabin-For Export
7	New 550 NG 4WD model with Carraro Front Axle
8	Big Fuel tank & Fender Mudguard on front Tyre for export models
9	26 HP 4WD small Tractor
10	AWP 22M Aerial work platform
11	AWP 27M Aerial work platform
12	F350 4 wheel drive 35 ton pick & carry new gen crane
13	F150-HD 4 wheel drive 15 ton pick & carry new gen crane
14	BS IV Engine(above 50 HP) implementation in all models (10 models)
15	Development of 20XW with 72' boom length
16	Man Basket On NX360-P degree slew crane
17	F250 4 wheel drive 25 ton pick & carry new gen crane
18	Fully powered boom 58' on F160
19	Free fall winch on FP210
20	18XW with 2 part boom 2 wheel drive 18 ton pick & carry on Hydra crane
21	TX-130 2 wheel drive 13 ton pick & carry new gen crane
22	F230 4 wheel drive 23 ton pick & carry new gen crane
23	Development of 20 ton NX-360 with wireless hydraulic operations
24	Design and development of 5/10 crane for defence
25	Heavy recovery attachment for 6x6 HVM of AL for Defence
26	AB 113, knuckle boom crane for electricity boards
27	202L crane for Defence- technical issues and improvements there of
28	AF50D with Mechanical Transmission
29	BS IV Engine(above 50 HP) implementation in Forklift models
30	Development of Forklift 25E(72Volt) - VA/VE Project
31	Development of Forklift 120D - BS-IV
32	Development of Crawler Crane 50 Ton Capacity
33	Development of TC 5540T with FSH60 m
34	Development of TC 7060 (Travelling Type)-FSH62 m

35	Development of Forklift 100D - BS-IV
36	Development of Crawler Crane 160 Ton Capacity
37	Self propelled truck mounted crane 80 Ton Capacity
38	Self propelled truck mounted crane 25 Ton Capacity with Mahindra Drive line
39	Development of Crawler Crane 80 Ton Capacity
40	Tower crane TC6040 with Mast size 1200 mm
41	Tower Crane 5540/5040/6040/Flat top with split type Mast
42	TM 602 L (6X6 Truck) for Defence
43	TM 450/550/600/800 with BS-IV CEV Engine

(ii) Benefits derived as result of the above R&D:

- Upgraded technology to meet international standards of safety.
- Wide range of products to meet the requirements of each class of customer.
- Indigenization of technology and products to reduce dependence on international market.
- Simulation evaluation to shorten introduction time of new products.
- Product cost optimization through Value engineering.
- Upgradation of existing product and processes.

(iii) Future plan of action:

S. No.	Title & Scope of ongoing & Future R&D Project
1	Development of ROPS for 25-50 hp tractor
2	Development of wiring harness and electrical components to meet upcoming EMC (Electromagnetic compatibility) norms.
3	Development of tractor (modification in silencer, sheet-metal, sealing) to meet upcoming noise level norms.
4	Development of 60HP/ 75HP/ 90HP/ 110HP engine with common rail (CRDI Bharat stage Trem V/EURO V
5	Development of 60hp/ 75hp/ 90hp/ 110HP 4WD Tractor model with common rail (CRDI) Bharat Stage V/EURO V for Export
6	Upgradation of engine 25HP/ 32Hp/ 40HP/ 45HP and 50HP for next emission level -Bharat stage Trem IV
7	Development of 110hp Engine for export
8	Electric tractor 22/26hp. 2WD
9	20hp 2WD small tractor
10	Development of 4WD front axle for 75 &90 (carraro Type)
11	Development of 30 ton Pick & carry crane with 360 degree slew(Model-F300NX)
12	AWP 25M Aerial work platform
13	AWP 42M Aerial work platform
14	Design and development of RT 40 Crane
15	Design and development fo TM 602 crane
16	Design and development of AB 502
17	Design and development of TMC 032
18	Development of TC 6544 with FSH60 m
19	Development of Forklift 80D - BS-IV

20	Development of Forklift 60D - BS-IV
21	Development of Crawler Crane 25 Ton Capacity
22	Development of Crawler Crane 120 Ton Capacity
23	Tower Crane 20/25 Ton

(iv) Expenditure on Research & Development:

S. No	Particulars	Amount (₹ in Lakhs)
1.	Capital Expenditure	7.29
2.	Revenue expenditure (Incl. Salary to R&D Staff and other related expenditures)	1,208.56
Total		1,215.85

(c) Details of Imported technology during the last three years reckoned from the beginning of the financial year:

The Company shall continue its endeavour to adopt technologies for its product range to meet the requirements of a competitive market.

(i) Technology imported with year of import:

- (1) Crawler Crane model no 150T (2016-17);
- (2) Tower Cranes model no 5013 (2015-16);
- (3) Tower Cranes model no 5510 (2015-16);
- (4) Crawler Crane model no QUY 25 (2015-16);
- (5) Truck Mounted Crane (2015-16).

(ii) Absorption of Imported technologies

The Company has successfully absorbed the imported technology for all the above products.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

S. No.	Particulars	Amount (₹ in Lakhs)
1	Foreign Exchange earned	5,580.26
2	Foreign Exchange outgo	12,892.89

Annexure-VIII of Board's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year Ended on March 31, 2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I	REGISTRATION & OTHER DETAILS:	
i)	CIN	L74899HR1995PLC053860
ii)	Registration Date	January 13, 1995
iii)	Name of the Company	Action Construction Equipment Limited
iv)	Category/Sub-category of the Company	Limited By Shares/Public Indian Non Government Company
v)	Address of the Registered office & contact details	Dudhola Link Road, Dudhola, Palwal, Haryana - 121102, Phone: +911275-280111 (50 Lines), Fax:+91-1275-280133, E-mail : cs@ace-cranes.com.
vi)	Whether listed company	Yes
vii)	Name , Address & Contact details of the Registrar & Transfer Agent, if any	Skyline Financial Services Private Limited D-153 A, 1 st Floor, Okhla Industrial Area, Phone:- 011-26812682 Email: admin@skylinerta.com
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
	All the business activities contributing 5% or more of the total turnover of the company.	As per Attachment A
III	PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES	
		As per Attachment B
IV	SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PER PERCENTAGE OF TOTAL EQUITY)	
i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoters' Shareholding	As per Attachment E
iv)	Shareholding Pattern of top 15 Shareholders (other than Directors, Promoters and Holders of GDRs and ADR)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V	INDEBTEDNESS	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment H
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
A	Remuneration to Managing Director, Whole-Time Directors and/or Manager	As per Attachment I
B	Remuneration to other Directors	As per Attachment J
C	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment K
VII	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	
		As per Attachment L

ATTACHMENT-A
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 5% or more of the total turnover of the Company are given below:-

S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company on the basis of Gross Turnover
1	Cranes	291-Manufacture of general purpose machinery	64.40
2	Material Handling	291-Manufacture of general purpose machinery	10.90
3	Construction Equipment	291-Manufacture of general purpose machinery	8.38
4	Agri Equipment	292-Manufacture of special purpose machinery	16.32
Total			100.00

ATTACHMENT-B
III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

S. No.	Name & Address of the Company	CIN/GLN	Holding/subsidiary/ associate	% of shares held	Applicable Section
1	SC FORMA SA, Botosani (Romania)	NA	Subsidiary	89.50	2(87)(ii)

ATTACHMENT - C
IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)
i) Category -wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (01-04-2020)				NO. OF SHARES HELD AT THE END OF THE YEAR (31-03-2021)				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	82181305	0	82181305	72.42	79497463	0	79497463	70.05	-2.36
(b)	Central Government/State Government(s)	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)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1)	82181305	0	82181305	72.42	79497463	0	79497463	70.05	-2.36
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	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 A=A(1)+A(2)	82181305	0	82181305	72.42	79497463	0	79497463	70.05	-2.36
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	2877660	0	2877660	2.54	2303565	0	2303565	2.03	-0.51
(b)	Financial Institutions /Banks	61036	0	61036	0.05	156	0	156	0.00	-0.05
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1068505	0	1068505	0.94	3571658	0	3571658	3.15	2.21
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1)	4007201	0	4007201	3.53	5875379	0	5875379	5.18	1.65
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	2434038	0	2434038	2.14	1615423	0	1615423	1.42	-0.72
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹ 1 lakh	16561646	33527	16595173	14.62	16499562	32027	16531589	14.57	-0.06
(ii)	Individuals holding nominal share capital in excess of ₹ 1 lakh	6632759	0	6632759	5.84	8407091	0	8407091	7.41	1.56
(c)	Others									
	Clearing Members	189929	0	189929	0.17	196025	0	196025	0.17	0.01
	IEPF	22003	0	22003	0.02	29111	0	29111	0.03	0.01
	Non Residents Indians	1211392	0	1211392	1.07	1135710	0	1135710	1.00	-0.07
	NRI Non-Repatriation	207396	0	207396	0.18	193405	0	193405	0.17	-0.01
	Societies	0	0	0	0	0	0	0	0.00	0.00
	Trusts	2000	0	2000	0	2000	0	2000	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
	Sub-Total B(2)	27261163	33527	27294690	24.05	28078327	32027	28110354	24.77	0.72
	Total B=B(1)+B(2)	31268364	33527	31301891	27.58	33953706	32027	33985733	29.95	2.36
	Total (A+B)	113449669	33527	113483196	100.00	113451169	32027	113483196	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(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)	113449669	33527	113483196	100.00	113451169	32027	113483196	100.00	

ATTACHMENT-D
IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)
(ii) SHAREHOLDING OF PROMOTERS

S. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2020)			Shareholding at the end of the year (As on 31-03-2021)			% 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	Mr. Vijay Agarwal	41738092	36.78	0	34236078	30.17	0	-6.61
2	Mrs. Mona Agarwal	25839407	22.77	0	30657579	27.02	0	4.25
3	Mr. Sorab Agarwal	7623650	6.72	0	7623650	6.72	0	0.00
4	Mrs. Surbhi Garg	6930156	6.11	0	6930156	6.11	0	0.00
5	Mrs. Anuradha Garg	50000	0.04	0	50000	0.04	0	0.00

ATTACHMENT-E
IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)
(iii) Change in Promoters' Shareholding

S. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Share holding during the year (01-04-20 to 31-03-21)	
		No. of shares at the beginning of the year (01-04-2020)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Vijay Agarwal	41738092	36.78	01.04.2020	0		41738092	36.78
				10.04.2020	10000	Purchase	41748092	36.79
				11.09.2020	35000	Purchase	41783092	36.82
				18.09.2020	262900	Purchase	42045992	37.05
				25.09.2020	284000	Purchase	42329992	37.30
				30.09.2020	92000	Purchase	42421992	37.38
				02.10.2020	19500	Purchase	42441492	37.40
				09.10.2020	34258	Purchase	42475750	37.43
				27.11.2020	77500	Purchase	42553250	37.50
				04.12.2020	1000	Purchase	42554250	37.50
				11.12.2020	(8318172)	Transfer by way of Gift	34236078	30.17
				31.03.2021	0		34236078	30.17
2	Mrs. Mona Agarwal	25839407	22.77	01.04.2020	0		25839407	22.77
				11.12.2020	8318172	Received by way of Gift	34157579	30.10

				12.03.2021	(3500000)	Sale	30657579	27.02
				31.03.2021	0		30657579	27.02
3	Mr. Sorab Agarwal	7623650	6.72	01.04.2020	0		7623650	6.72
				31.03.2021	0		7623650	6.72
4	Mrs. Surbhi Garg	6930156	6.11	01.04.2020	0		6930156	6.11
				31.03.2021	0		6930156	6.11
5	Mrs. Anuradha Garg	50000	0.04	01.04.2020	0		50000	0.04
				31.03.2021	0		50000	0.04

ATTACHMENT-F

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as % to Total Equity)

(ii) Shareholding Pattern of top fifteen (15) Shareholders (other than Directors, Promoters and Holders of GDRS and ADRS)

S. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Share holding during the year (01-04-20 to 31-03-21)	
		No. of shares at the beginning of the year (01-04-2020)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Edelweiss Trusteeship Co Ltd Ac- Edelweiss MF AC-	830771	0.73	01.04.2020	0		830771	0.73
				05.02.2021	434982	Purchase	1265753	1.12
				12.02.2021	243649	Purchase	1509402	1.33
				26.02.2021	109163	Purchase	1618565	1.43
				31.03.2021	0		1618565	1.43
2	Chander Bhatia	1500000	1.32	01.04.2020	0		1500000	1.32
				20.11.2020	2000	Purchase	1502000	1.32
				31.03.2021			1502000	1.32
3	Gmo Emerging Domestic Opportunities Fund, a Series	0	0.00	01.04.2020			0	0.00
				19.03.2021	1226030	Purchase	1226030	1.08
				26.03.2021	123364	Purchase	1349394	1.19
				31.03.2021			1349394	1.19
4	Dileep Madgavkar	1100000	0.97	01.04.2020	0		1100000	0.97
				29.01.2021	(25000)	Sale	1075000	0.95
				31.03.2021	0		1075000	0.95
5	Rajesh Seth	739150	0.65	01.04.2020	0		739150	0.65
				12.06.2020	1250	Purchase	740400	0.65
				20.11.2020	1000	Purchase	741400	0.65
				26.03.2021	100000	Purchase	841400	0.74
				31.03.2021	0		841400	0.74

6	Massachusetts Institute of Technology	264000	0.23	01.04.2020	0	0	264000	0.23
				26.11.2020	88000	Purchase	352000	0.31
				11.12.2020	225000	Purchase	577000	0.51
				18.12.2020	113799	Purchase	690799	0.61
				31.03.2021	0		690799	0.61
7	Ravindra Raichand Dharamshi	0	0.00	01.04.2020	0	0	0	0.00
				06.11.2020	500000	Purchase	500000	0.44
				31.03.2021	0		500000	0.44
8	Hemang Raichand Dharamshi	0	0.00	01.04.2020	0	0	0	0.00
				12.03.2021	11643	Purchase	11643	0.01
				19.03.2021	188357	Purchase	200000	0.18
				26.03.2021	200000	Purchase	400000	0.35
				31.03.2021	100000	Purchase	500000	0.44
				31.03.2021	0		500000	0.44
9	Puneet Bhatia	0	0.00	01.04.2020	0	0	0	0
				04.12.2020	300000	Purchase	300000	0.26
				12.02.2021	179000	Purchase	479000	0.42
				31.03.2021	0		479000	0.42
10	Rita Duggal	440300	0.39	01.04.2020	0		440300	0.39
				31.03.2021	0		440300	0.39
11	Jasmine India Fund	434478	0.38	01.04.2020	0	0.00	434478	0.38
				31.03.2021	0		434478	0.38
12	Mdpim Emerging Markets Equity Pool	0	0.00	01.04.2020	0	0	0	0.00
				19.03.2021	350509	Purchase	350509	0.31
				26.03.2021	35269	Purchase	385778	0.34
				31.03.2021	0		385778	0.34
13	Nitin Kapil Tandon	393000	0.35	01.04.2020	0		393000	0.35
				18.12.2020	(28000)	Sale	365000	0.32
				31.03.2021	0		365000	0.32
14	SG Air Travel Pvt Ltd	0	0.00	01.04.2020	0	0	0	0.00
				19.03.2021	300000	Purchase	300000	0.26
				31.03.2021	0		300000	0.26
15	Vikas Vijaykumar Khemani	118550	0.10	01.04.2020	0	0	118550	0.10
				09.10.2020	25000	Purchase	143550	0.13
				16.10.2020	50000	Purchase	193550	0.17
				30.10.2020	85000	Purchase	278550	0.25
				06.11.2020	21449	Purchase	299999	0.26
				31.03.2021	0		299999	0.26

ATTACHMENT-G

IV Shareholding Pattern (Equity Share Capital Break up as % to total Equity)

(V) Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Shareholding		Date	Increase / (Decrease) in share holding	Reason	Cumulative Share holding during the year (01-04-20 to 31-03-21)	
		No. of shares at the beginning of the year (01-04-2020)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Vijay Agarwal	41738092	36.78	01.04.2020	0		41738092	36.78
				10.04.2020	10000	Purchase	41748092	36.78
				11.09.2020	35000	Purchase	41783092	36.82
				18.09.2020	262900	Purchase	42045992	37.05
				25.09.2020	284000	Purchase	42329992	37.30
				30.09.2020	92000	Purchase	42421992	37.38
				02.10.2020	19500	Purchase	42441492	37.40
				09.10.2020	34258	Purchase	42475750	37.43
				27.11.2020	77500	Purchase	42553250	37.50
				04.12.2020	1000	Purchase	42554250	37.50
				11.12.2020	(8318172)	Transfer by way of Gift	34236078	30.17
				31.03.2021	0		34236078	30.17
2	Mrs. Mona Agarwal	25839407	22.77	01.04.2020	0		25839407	22.77
				11.12.2020	8318172	Received by way of Gift	34157579	30.10
				12.03.2021	(3500000)	Sale	30657579	27.02
				31.03.2021	0		30657579	27.02
3	Mr. Sorab Agarwal	7623650	6.72	01.04.2020	0		7623650	6.72
				31.03.2021	0		7623650	6.72
4	Mrs. Surbhi Garg	6930156	6.11	01.04.2020	0		6930156	6.11
				31.03.2021	0		6930156	6.11
5	Dr. Divya Singal	20500	0.02	01.04.2020	0		20500	0.02
				31.03.2021	0		20500	0.02
6	Mr. Rajan Luthra	91	0	01.04.2020	0		91	0.00
				31.03.2021	0		91	0.00
7	Mr. Anil Kumar	300	0	01.04.2020	0		300	0.00
				11.12.2020	(300)	Transfer by way of Gift	0	0.00
				31.03.2021	0		0	0.00

ATTACHMENT-H
V INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (April 1, 2020)				
i) Principal Amount	8197.77	–	–	8197.77
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	24.91	–	–	24.91
Total (i+ii+iii)	8222.68	–	–	8222.68
Change in Indebtedness during the financial year				
Additions	3332.50	–	–	3332.50
Reduction	6108.21	–	–	6108.21
Exchange Difference	–	–	–	–
Net Change	(2775.71)	–	–	(2775.71)
Indebtedness at the end of the financial year (March 31, 2021)				
i) Principal Amount	5422.06	–	–	5422.06
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	11.56	–	–	11.56
Total (i+ii+iii)	5433.62	–	–	5433.62

ATTACHMENT-I
VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Managing Director, Whole-Time Director and/or Manager:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total
		Mr. Vijay Agarwal	Mrs. Mona Agarwal	Mr. Sorab Agarwal	Mrs. Surbhi Garg	
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	288.00	141.60	54.60	48.00	532.20
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	18.16	9.13	4.26	12.56	44.11
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	–	–	–	–	–
2	Stock option	–	–	–	–	–
3	Sweat Equity	–	–	–	–	–
4	Commission as % of profit	–	–	–	–	–
5	Others, please specify	–	–	–	–	–
Total		306.16	150.73	58.86	60.56	576.31
Ceiling as per the Act		₹ 1090.16 Lakhs (being 10 % of the net profits of the Company calculated as per Section 197 & 198 of the Companies Act, 2013).				

ATTACHMENT-J
VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
(B) Remuneration to other Directors:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Non-Executive Directors							Total
		Mr. Girish Narain Mehra*	Mr. Keshav Chandra Agrawal*	Mr. Subhash Chander Verma*	Mr. Avinash Parkash Gandhi	Dr. Divya Singal	Mr. Shrinwas Vashisht#	Dr. Jagan Nath Chamber\$	
1	Independent Directors								
(a)	Fee for attending board / committee meetings	0.75	0.45	0.90	1.75	2.20	1.30	1.00	8.35
(b)	Commission	-	-	-	-	-	-	-	-
(c)	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	0.75	0.45	0.90	1.75	2.20	1.30	1.00	8.35
2	Other Non-Executive Directors								
(a)	Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-
(b)	Commission	-	-	-	-	-	-	-	-
(c)	Others, please specify.	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-
	Total (1+2)	0.75	0.45	0.90	1.75	2.20	1.30	1.00	8.35
	Overall Ceiling as per the Act.	₹ 109.02 Lakhs (being 1 % of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).							

*Retirement w.e.f 25.09.2020

#Appointed w.e.f. 24.09.2020

\$Appointed w.e.f. 06.11.2020

ATTACHMENT-K
VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ In Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Mr. Rajan Luthra (CFO)	Mr. Anil Kumar (CS)	
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		54.99	6.78	61.77
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961.		0.40	-	0.40
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission as % of profit		-	-	-
5	Others, please specify		-	-	-
	Total		55.39	6.78	62.17

ATTACHMENT-L

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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

NIL

Annexure-IX of Board's Report

BUSINESS RESPONSIBILITY REPORT

Pursuant to the provision of Regulation 34(2)(f) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

S. No.	General information about the company	Details
1.	Corporate Identity Number (CIN) of the Company.	L74899HR1995PLC053860
2.	Name of the Company.	Action Construction Equipment Limited (ACE)
3.	Registered address.	Dudhola Link Road, Dudhola, Palwal, Haryana – 121102.
4.	Website.	www.ace-cranes.com
5.	E-mail id.	cs@ace-cranes.com
6.	Financial Year reported.	2020-21
7.	Sector(s) that the Company is engaged in.	Manufacturing of Construction Equipment
8.	List three key products/services that the Company manufactures/provides (as in balance sheet).	The Company's core business(es) includes manufacturing of four types of heavy equipment – (i) mobile cranes / tower cranes (ii) material handling (iii) construction equipment and (iv) agri equipment etc.
9.	Total number of locations where business activity is undertaken by the Company.	3
9(a)	Number of International Locations (Provide details of major 5).	NIL
9(b)	Number of National Locations.	ACE conducts its operations through a network of area offices located all over the India.
10.	Markets served by the Company – Local/State/National/International.	National: Across India International: Tanzania, Nigeria, Myanmar, Yaman, Afghanistan, Uganda, South Africa, Nepal, Bangladesh etc.

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

S. No.	Financial details of the company	Details
1.	Paid up Capital (₹)	2269.66 Lakhs
2.	Total Turnover (₹)	122700.91 Lakhs
3.	Total profit after taxes (₹)	8015.93 Lakhs
4.	Total CSR spent (₹)	152.84 Lakhs
5.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.91%
6.	List of activities in which expenditure in 4 above has been incurred:-	Detailed list of CSR activities is mentioned in Annexure –IV of Director' Report of the Company.

SECTION C: OTHER DETAILS:

S. No.	Other details	Details
1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	The Company has only 1 subsidiary as on March 31, 2021. Subsidiary company is not engaged in BR initiatives process of the Company.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The other entities with whom the Company does business with viz. suppliers, distributors, etc. are not directly included in the BR initiatives of the Company.

SECTION D: BR INFORMATION:

1. Details of Director/Directors responsible for BR.

(a) Details of the Director/Director responsible for implementation of the BR policy/policies:

DIN	Name	Designation
00057634	Mr. Vijay Agarwal	Chairman & Managing Director

(b) Details of the BR head:

S. No.	Particulars	Details
1.	DIN Number (if applicable)	00057666
2.	Name	Mr. Sorab Agarwal
3.	Designation	Whole Time Director
4.	Telephone number	0129-4550114
5.	e-mail id	edoffice@ace-cranes.com

2. Principle-wise (as per NVGs) BR Policy/policies.

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

S. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are in conformance to the spirit of international standards like ISO 14001, ISO 45001 and meets the national regulatory requirements such as the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also, guidelines as per NVG on social, environment and economic responsibility of business have been considered for formulation of some policies.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	These policies are administered and supervised by the management of the Company through internal governance structure.								
6.	Indicate the link for the policy to be viewed online?	Code of Business Conduct is available on our website: www.ace-cranes.com and other policies related to the employees are accessible to all employees.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, the Internal Auditor of the Company periodically reviews/ evaluates the working of the policies of the Company.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options).

S. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles.	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months.	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year.	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify).	-	-	-	-	-	-	-	-	-

3. Governance related to BR.

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Board of Directors and CSR Committee of the Board shall annually review the BR performance of the Company.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The applicability of BS Report is mandatory for the Company from the FY 2019-20, the Company has decided to make Business Responsibility Report an integral part of the Annual Report being part of Board's Report. The report will be published on an annual basis. Such report can be viewed at www.ace-cranes.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE:

Principle1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?**

The Company considers Corporate Governance as an integral part of good management. The Company's policy relating to ethics, bribery and corruption is covered under ACE Code of Business Ethics and Business Policies, which are applicable to all personnel of the Company.

All employees sign a code of conduct at the time of joining the Company. The Company also has in place a Whistle Blower Policy.

All suppliers and contractors of the Company are Independent entities. Therefore, the Company's codes of business conduct do not apply to them and Whistle Blower Policy is applicable to all stakeholders of the Company.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the year under review, the Company has not received any complaint in connection with sexual harassment. Further, the Company has not received any complaint w.r.t Ethics, bribery or corruption.

The details of the investor's complaints are provided in the in the Corporate Governance Report.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

(a) Product :

- (i) Development of tractors with BS-IV engines.
- (ii) Development of cranes and constructions equipments with BS-VI engines.

(b) Energy Saving :

The company has taken lot of initiatives for reduction in power cost by improving the production processes. There is an optimum ratio of glass windows to utilize natural light and proper insulation/ventilation to balance temperature and reduce heat.

The Company has installed and commissioned PV Solar Power plant of 1795.9 KWP capacity across various roofs and parking space.

The above measures will results in efficient use of natural resources, lower energy consumption, significant reduction in Carbon emissions and hedge against continuous energy rate increase.

- (c) Underground Water Saving:** Installation of rain water harvesting system in the Plant areas to increase in underground water level, Water reused for Gardening.

- (d) Environmental Improvement:** Green Area has been developed inside the Company.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

As production lines at the Company are flexible and produce multiple models, there is practical difficulty in isolating model-wise resource utilization data.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The end users of the equipments produced by the Company are Individual customers. Therefore, it is difficult for the Company to determine the reduction in energy and water during usage of equipments.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Company encourages our supplier to send their vehicle systematically. It helps to fix time for every inbound vehicle & helps us in saving time & overall reducing logistics cost & improving efficiency.

The Company strives to procure components without compromising on Quality.

The Company has been encouraging and supporting its suppliers towards Green Supply Chain & We direct suppliers to use of banned substances as per law in component manufacturing.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work ?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Majority of small parts which are used in manufacturing process are coming from local producers only. Services, whether related to Plant maintenance or giving contracts related to cleaning/ maintaining are preferred to be taken from local suppliers only. The Company undertakes initiatives to build capabilities of the suppliers & runs many such programmes for knowledge sharing & continual improvement.

The Company supports supplier in building Capacity and Capability through regular assessment and guiding the improvement areas in the field of machine requirements, infrastructure, quality system, process improvement, transportation and packaging. The Company give's periodically recognition to best supplier in terms of cost, quality and delivery.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

As part of its endeavor of contributing towards reducing carbon footprint and ensuring sustainability across all operations, the Company focuses on various initiatives like:

- i. Usage of sewage treatment plant output water for maintenance of greenery in the Plant & washing facilities;
- ii. Installation of monitoring system for ETP discharge;
- iii. Implementation of rain water harvesting;
- iv. 100% of hazardous waste sent to authorised party;

Principle 3 : Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of parmanent employees: 1111

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 2131

3. Please indicate the Number of permanent women employees: 16

4. Please indicate the Number of permanent employees with disabilities: 1

5. Do you have an employee association that is recognized by management?: No

6. What percentage of your permanent employees is members of this recognized employee association?: NA

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints Filed during the Financial year	No of complaints Pending as on end of The financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?

- (a) Permanent Employees: 15.40%
- (b) Permanent Women Employees: 0%
- (c) Casual/Temporary/Contractual Employees: 10.20%
- (d) Employees with Disabilities: 0%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The Company follows very high standard of Corporate Governance which covers all stakeholders. The Company is especially sensitive to needs of the underprivileged segment of the community around us and is working in improving their lifestyle.

1. Has the Company mapped its internal and external stakeholders? Yes/No.

Yes, the principal stakeholders of the Company are its employees, shareholders, suppliers, customers, vendors, partners, government and regulatory authorities, etc. These stakeholders are mapped in a structured manner through systematic communication platforms which helps us to understand the customer needs and the improvement opportunities for the Company in all prospects.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

The Company has identified following two vulnerable sections:

- 1. Local community.
- 2. Socio-economically disadvantaged sections of the society.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company covers a wide range of social issues both at local as well as national level. The main CSR areas is : Health & Wellness
Yes, programs have been conducted under the CSR and environment protection initiatives, so as to have positive social impact on the disadvantaged, vulnerable and marginalized stakeholders.

Principle 5: Businesses should respect and promote human rights:

The Company fosters a culture of working with respect and dignity for its employees and all the stakeholders. We are committed to respect the dignity of every person associated with us and take every possible effort to promote this philosophy. The Company strictly prohibits any harassment (mental or physical) or discrimination on race, color, sex, language, religion, etc. and strives to render a fair treatment and equal opportunity to everyone. We strongly support the ideology of human rights and comply with applicable laws related to the employees and associates.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company does not have a standalone policy for human rights, however, the Company's internal policies on Code of Conduct, Ethics and CSR recognises all the key aspects of human rights and we provide equal opportunity to all the sections of the society without any discrimination. These policies covers all the employees of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any stakeholder complaint during the past financial year regarding human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment:

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Our Company is committed to achieve the global standards of health, safety and environment. We believe in sharing process and product innovations within the Company and extending its benefits to the Industry. We believe in safeguarding environment for long term.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The Company has taken following initiatives to address global environmental issues:

1. The Company has in place system for rainwater harvesting. Further, the Company is also planning to increase such systems.
2. The Company has installed and commissioned PV Solar Power plant of 1795.9 KWP capacity across various roofs and parking space.
3. No industrial solid waste is allowed to go out of plant(s) without proper identification in storage & recycle to authorised vendors.
4. Green Area has been developed inside the Company.

3. Does the Company identify and assess potential environmental risks? Y/N.

The Company is taking care of all statutory potential risks. The study is reviewed every year or when it is required & suitable controls are taken. All processes and operations are studied for its aspect and impact on environment and for significant aspects periodical objective and targets are set, operate and monitored.

For example:

1. Waste oils or used oils are collected, stored, recycle reused and ultimate waste oils are disposed to Pollution Control Board (PCB) authorised vendors.
2. Paint sludge are collected, stored and disposed to PCB authorised Vendors.
3. All stacks are monitored for their emissions for defined parameters set by PCB & HSPCB.
4. Company has Sewage Treatment Plant (STP) for sewage treatment at all locations to treat it's all sewage generated.
5. Installation of fire hydrants.
6. Precautions while handling Hazardous Waste.
7. Access warning on fragile roof.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company continues to work towards development and implementation of climate change mitigation project mainly through energy saving projects.

5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, the Company has taken the following initiatives on clean technology, energy efficiency, renewable energy, etc.

The Company has always been conscious of the need for the conservation of energy and optimum utilization of available resources and has been steadily making progress towards this end.

The Company has taken lot of initiatives for reduction in power cost by improving the production processes. Production process of the Company does not require much power.

There is an optimum ratio of glass windows to utilize natural light and proper insulation/ventilation to balance temperature and reduce heat.

The Company has installed and commissioned PV Solar Power plant of 1795.9 KWP capacity across various roofs and parking space.

The above measures will result in efficient use of natural resources, lower energy consumption, significant reduction in Carbon emissions and hedge against continuous energy rate increase.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All emissions and waste generated by the Company are within the limits defined by CPCB/SPCB in 2020-21.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year: NIL

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner:

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Following is the list of major industry bodies and expert agencies with whom ACE engages/involved for various activities. This list is indicative:

- (a) Confederation of Indian Industry (CII);
- (b) Federation of Indian Chambers of Commerce & Industry (FICCI);
- (c) The Associated Chambers of Commerce and Industry of India (ASSOCHAM);
- (d) Tractors and Mechanization Association;
- (e) Faridabad Industries Association;
- (f) Indian Construction Equipment Manufacturers Association (ICEMA);
- (g) PHD Chamber of Commerce and Industry etc.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

ACE is an active participant in committees/programs set up by the CII, FICCI, IACC, Tractor and Mechanization Association, Faridabad Industries Association, Indian Construction Equipment Manufacturers Association (ICEMA) and the Government on various subjects pertaining to policy and regulation with various policy makers for framing new regulations and policies. The Company's engagements include areas such as agriculture, R&D, technology, international collaborations and more.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company supports inclusive growth and equitable development through various training and development programmes for its employees as well as its key stakeholders.

- 1. The Company's approach and projects are given in the CSR Policy.
- 2. Organized various medical check-up camps.
- 3. Contributed for the COVID-19 affected people.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company has initiated various programmes which mainly focus on healthcare, Education, Skill Development and Road Safety and the same have also implemented to the large extent.

3. Have you done any impact assessment of your initiative?

On a periodic basis, we measure the direction of our initiatives and their impact. The assessment helps in focusing our efforts and achieving better results.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year under review, the Company has spent ₹ 152.84 lakhs towards various CSR activities. Details are provided in Annexure-IV of Director's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company is striving for a favorable behavioral change among communities towards the facilities developed. To bring about the change in behavior and build capabilities of the Community, the Company has ACE Emergencies Response Service trust for educating them on adopting and maintaining the common community assets constructed by the Company.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

In 2020-21, the Company has sold 10,482 total no. of vehicles and during the year (2020-21), total customer cases registered were Ten (10). Total customer cases pending as on March 31, 2021 are 53. These cases are under process of resolution and the same are not significant in comparison to total revenues of the Company.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information)

Yes. The Company complies with disclosure requirements relating to its products and services. Further, the Company also displays Customer Code & Delivery No., the child part details and scheme details, if any.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No court case is pending against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior as on the end of Financial year 2020-21.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

In the current financial year 2020-21, the Company has not carried out any consumer survey.



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last.

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Action Construction Equipment Limited (ACE) philosophy on corporate governance envisages the attainment of the highest level of transparency, accountability and equity in all facets of its operations and in its interactions with its stakeholders. The Company is committed to achieving and maintaining the highest standards of corporate governance. The Company believes that all its actions must serve the underlying goal of enhancing overall stakeholder value over a sustained period of time.

Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At ACE, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices across our operations. Our Code of Business Principles inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning. To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors fully supports and endorses the Corporate Governance practices in accordance with the provisions of Regulation 34(3), and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation"), as amended with the Stock Exchanges and the voluntary Corporate Governance guidelines to ensure good Corporate Governance practices across the Company in letter and in spirit. The Company has complied with all the mandatory requirements of the said clause.

The Company has adopted a Code of Conduct for its employees including the Managing Director, Executive Directors, Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 (Act).

BOARD OF DIRECTORS

Composition and category of Board of Directors:

The Board of Directors ("the Board") of your Company provides leadership and guidance to the Company's management and directs,

supervises and controls the performance of the Company. The Board plays a crucial role of piloting the Company towards enhancement of the short and long term interests of the stakeholders.

The composition of the Board is in conformity with the Companies Act, 2013 and Listing Regulations enjoining specified combination of Executive and Non-Executive Directors with Women Directors.

The Board comprises of the members distinguished in various fields such as management, finance, strategic planning etc. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management.

As on the date of this Report, the Board comprised of 8 (Eight) members, 4 (Four) of which are Independent Directors constituting half of the Board strength, 4 (Four) are Executive Directors including Chairman & Managing Director.

All Executive Directors are promoters of the Company. The Executive Directors are authorized for conducting the general business of the Company, but all the other crucial decisions are taken at the Board Level. The Chairman and Managing Director (CMD) provided overall direction and guidance to the Board. The Board of directors of the Company meets at timely intervals and takes the crucial decisions of the Company.

None of the Directors on the Board holds directorships in more than 7 (Seven) listed Companies. None of the Independent Directors serves as an independent director on more than Seven listed entities. Necessary disclosures regarding their directorship and Committee positions (including chairmanship) in other Companies as on March 31, 2021 have been made by the Directors.

As mandated by Regulation 26 of the Listing Regulations, none of the Directors is a member of more than Ten Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than Five Committees across all public limited Companies (listed or unlisted) in which he/she is a Director.

Number of Board Meetings:

During the financial Year 2020-21, four (4) Board Meetings were held i.e. on June 15, 2020, August 10, 2020, November 06, 2020 and January 28, 2021.

Directors' attendance record and their other Directorships/Committee memberships:

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited Companies as on March 31, 2021 are given herein below:

Name of Directors	Position in the Company	Attend-ance at Board Meeting out of Four (4)	Attendance at AGM (24.09.2020)	Directorship in other listed Companies & Categories	No. of Director-ship in public Com-panies including ACE	Position on Audit & Stakeholders Relationship Committee in Indian Companies including ACE	
						As Chairman	As Member
Mr. Vijay Agarwal (DIN:00057634)	Chairman & Managing Director	4	Yes	–	1	–	1
Mrs. Mona Agarwal (DIN:00057653)	Whole-Time Director	4	Yes	–	1	–	–
Mr. Sorab Agarwal (DIN:00057666)	Whole-Time Director	4	Yes	–	1	–	1
Mrs. Surbhi Garg (DIN:01558782)	Whole-Time Director	3	Yes	–	1	–	–

Mr. Avinash Parkash Gandhi (DIN:00161107)	Independent Non-executive	4	Yes	1. Schaeffler India Ltd, (Ind-Director) 2. Lumax Industries Ltd, (Ind-Director) 3. Minda Corporation Ltd, (Ind-Director) 4. Lumax Auto Technologies Limited, (Ind-Director)	9	2	6
Dr. Divya Singal (DIN: 08722144)	Independent Non-executive (Independent Woman Director)	4	Yes	–	1	1	–
Mr. Shrinivas Vashisht (DIN:06572418)*	Independent Non-executive	2	Yes	–	1	–	1
Dr. Jagan Nath Chamber (DIN: 08841478)#	Additional Director (Independent Non-executive)	2	NA	–	1	–	1
Mr. Girish Narain Mehra (IAS retd) (DIN: 00059311)\$	Independent (Non-executive)	2	Yes	1. Amrit Corp Ltd, (Non Ind.) 2. Bharat Seats Ltd, (Ind.) 3. Subros Ltd, (Ind.)	5	4	3
Mr. Subhash Chander Verma (DIN:00098019)\$	Independent (Non-executive)	2	Yes	–	1	1	1
Mr. Keshav Chandra Agrawal (DIN: 00098143) \$	Independent (Non-executive)	2	Yes	–	1	–	–

*Appointed w.e.f 24.09.2020

#Appointed w.e.f 06.11.2020

\$Retirement w.e.f. 25.09.2020

Disclosure of relationships between Directors inter-se:

Mr. Vijay Agarwal, Chairman & Managing Director is the husband of Mrs. Mona Agarwal, Whole-Time Director and father of Mr. Sorab Agarwal and Mrs. Surbhi Garg, Whole-Time Directors of the Company. All other Directors of the Company, act in their Independent capacities and do not have any inter-se relationship among them.

The Board periodically reviews the compliance report of all laws applicable to the Company.

The particulars of Directors, who are proposed to be appointed/ re-appointed at the ensuing AGM are given in the Notice convening the AGM.

Number of Independent Directorships:

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three listed companies.

Shareholding of Non-Executive Directors:

Number of Equity shares held by non-executive directors as on March 31, 2021 is given below:

S. No.	Name of the Directors	No. of shares held
1	Dr. Divya Singal	20,500

Note: The Company has not issued any convertible instruments.

Independent Directors:

The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI Listing regulations read with section 149(6) of the Act.

The sample terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at www.ace-cranes.com.

Separate meeting of the Independent Directors:

Independent Directors of the Company met separately on January 28, 2021 without the presence of Non-Independent Directors and members of management.

The detail and attendance of the Independent Directors are given below:-

S. No.	Name of the Directors	Category	No. of Meeting held during the year	No. of Meeting Attended
1.	Mr. Avinash Parkash Gandhi	Independent	1	1
2.	Dr. Divya Singal	Independent	1	1
3.	Mr. Shriniwas Vashisht	Independent	1	1
4.	Dr. Jagan Nath Chamber	Independent	1	1

In accordance with the Companies Act, 2013 and Listing Regulations, following matters were, inter alia, reviewed and discussed in the meeting: -

- Performance of Non-Independent Directors and the Board of Directors as a whole;
- Performance of the Chairman of the Company taking into consideration the views of executive and Non-Executive Directors;
- Assessment of 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.

Familiarization programs for Independent Directors:

The details regarding Independent Directors' Familiarization Programs are available on the Company's website at www.ace-cranes.com.

Key Board qualifications, expertise and attributes:

The Company's core business(es) includes manufacturing of four types of heavy equipment – (i) mobile cranes / tower cranes (ii) material handling (iii) construction equipment and (iv) agri equipment etc.

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's aforesaid business (es) for it to function effectively and those available with the Board as a whole.

- General management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders;
- Sales & Marketing: Experience in sales and marketing management based on understanding of the construction equipment industry and Agri Business;
- International Business experience: Experience in leading businesses in different geographies/ markets around the world;
- Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.;
- Technical skills: Professional skills and knowledge including legal and regulatory aspects.

The details of Directors who have such skills/ expertise/ competence are provided herein below:

Name of Directors	General Management/Governance	Sales & Marketing	International Business Experience	Financial Skills	Technical Skills
Mr. Vijay Agarwal, Chairman & Managing Director	Y	Y	Y	Y	Y
Mrs. Mona Agarwal Whole-Time Director	Y	Y	Y	Y	Y
Mr. Sorab Agarwal Whole-Time Director	Y	Y	Y	Y	Y
Mrs. Surbhi Garg Whole-Time Director	Y	Y	Y	–	Y
Mr. Avinash Parkash Gandhi Independent Director	Y	Y	Y	Y	Y
Dr. Divya Singal Independent Director	Y	–	–	Y	Y
Mr. Shrinivas Vashisht Independent Director	Y	Y	Y	Y	Y
Dr. Jagan Nath Chamber Independent Director	Y	Y	Y	Y	Y

Board of Director confirm that in the opinion of the Board, the independent directors fulfill the conditions specified in LODR Regulations and are independent of the management.

None of the Independent Directors of the Company have resigned before the expiry of their tenure, thus disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by him is not applicable.

Performance evaluation of the Board, its committees and individual Directors, including Independent Directors:

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

For evaluation of the entire Board, its Committees and evaluation of individual Director's performance, a structured questionnaire, covering various aspects of the functioning of the Board and its Committee is in place.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2020-21.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated.

Information supplied to the Board:

The Board has complete access to all information with the Company. All Board Meetings are governed by a structured agenda which is backed by comprehensive background information.

Agenda papers of the Boards and its Committee meetings are circulated to the Directors well in advance of the meetings, supported with significant information including that as enumerated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting. Important decisions taken at the Board / Board Committee meetings are communicated promptly to the concerned departments.

COMMITTEES OF BOARD

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Board periodically reviews the composition and terms of reference of its Committees in order to comply with any amendments/modifications to the provisions relating to composition of Committees under the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Company has currently following 6 (Six) Board level Committees, namely:

- (A) **Audit Committee (AC);**
- (B) **Nomination and Remuneration Committee (NRC);**
- (C) **Stakeholders' Relationship Committee (SRC);**
- (D) **Corporate Social Responsibility Committee (CSR);**
- (E) **Risk Management Committee (RMC);**
- (F) **Committee of Board of Directors (COB);**

The composition of various committees of the Board of Directors is available on the website of the Company at www.ace-cranes.com.

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of various committees. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance are provided below:

(A) AUDIT COMMITTEE

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

Due to retirement and appointment of Directors, the Board has re-constituted its Audit Committee w.e.f .06.11.2020.

During the year, four meetings were held i.e. on June 15, 2020, August 10, 2020, November 06, 2020 and January 28, 2021.

Details of the composition of the Committee and attendance during the year are as under:

S. No.	Name of the Directors	Designation	Category	No. of meetings held during the year	No. of meetings which AC member was entitled to attend	No. of Meeting Attended
1.	Mr. Avinash Parkash Gandhi	Chairman	Independent	4	4	4
2.	Mr. Vijay Agarwal	Member	Executive	4	4	4
3.	Mr. Shriniwas Vashisht *	Member	Independent	4	2	2
4.	Dr. Jagan Nath Chamber #	Member	Independent	4	1	1
5.	Dr. Divya Singal	Member	Independent	4	3	3
6.	Mr. Girish Narain Mehra\$	Member	Independent	4	2	2
7.	Mr. Subhash Chander Verma\$	Chairman	Independent	4	2	2

*Appointed w.e.f 24.09.2020

#Appointed w.e.f. 06.11.2020

\$Retirement w.e.f. 25.09.2020

The terms of reference of Audit Committee as amended from time to time, includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, reappointment, terms of appointment and, if required, the replacement or removal of the statutory auditors, and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other non-audit services rendered by them;
4. Reviewing, with the management, the quarterly/ annual standalone and consolidated financial statements and auditors' report thereon, before submission to the Board for approval, with particular reference to:

- (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report;
- (b) Changes, if any, in accounting policies and practices and reasons for the same;
- (c) Major accounting entries involving estimates based on the exercise of judgment by management;
- (d) Significant adjustments made in the financial statements arising out of audit findings;
- (e) Compliance with listing and other legal requirements relating to financial statements;
- (f) Disclosure of any related party transactions;
- (g) Qualifications in the draft audit report;
- (h) The investments made by unlisted subsidiary companies.



5. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
6. To mandatorily review the following information:
 - (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 - (c) Management letters/ letters of internal control weaknesses issued by the statutory auditors;
 - (d) Internal audit reports relating to internal control weaknesses;
 - (e) The appointment, removal and terms of remuneration of the chief internal auditor;
 - (f) Statement of deviations:
 - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus /notice in terms of regulation 32(7).
7. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
8. Evaluation of internal financial controls and risk management systems;
9. Reviewing and monitoring of the auditor's independence and performance and effectiveness of audit process;
10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
11. Discussion with internal auditors any significant findings and follow up thereon;
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
13. Discussion with 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;



14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
15. To direct the Company to establish a vigil mechanism for directors and employees to report genuine concerns to the Audit Committee and to ensure that the vigil mechanism provides adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
16. To review the functioning of the Whistle Blower/ Vigil mechanism;
17. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate;
18. Scrutiny of inter-corporate loans and investments;
19. Approval or any subsequent modification of transactions of the Company with related parties;
20. Valuation of undertakings or assets of the company, wherever it is necessary;
21. To investigate into any matter or activity within its terms of reference or referred to it by the Board;
22. To call for the comments of the Auditors about internal control systems, the scope of audit, including the observations of the Auditors and also discuss any related issues with the internal and Statutory Auditors and the Management of the Company;

The Chairman of the Audit Committee was present in the last Annual General Meeting held on September 24, 2020.

The MD, CFO and the Statutory Auditors of the Company are permanent invitees to the meetings of the Audit Committee Meetings.

(B) NOMINATION AND REMUNERATION COMMITTEE

The Committee's constitution and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Part D of Schedule II of the Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or in any subsequent amendment thereto.

Terms of reference of the Committee inter alia include determination of the Company's policy on specific remuneration packages for Directors, Key Managerial Personnel and Senior Management. Senior Management means the officers /personnel of the Company who are members of its core management team excluding Board of Directors and normally this comprises all members of the management one level below the Managing Director/Whole-Time Directors and includes Company Secretary and Chief Financial Officer.

Due to retirement and appointment of Directors, the Board has re-constituted its Nomination and Remuneration Committee w.e.f. 06.11.2020.

During the year, two meetings were held i.e. on August 10, 2020 and November 06, 2020.

The details of Composition and attendance of the Nomination and Remuneration Committee are given below:-

S. No.	Name of the Directors	Designation	Category	Total No. of meeting held during the year	No. of meetings which NRC member was entitled to attend	No. of Meeting Attended
1.	Mr. Shriniwas Vashisht*	Chairman	Independent	2	1	1
2.	Dr. Divya Singal	Member	Independent	2	2	2
3.	Mr. Avinash Parkash Gandhi	Member	Independent	2	0	0
4.	Mr. Girish Narain Mehra#	Member	Independent	2	1	1
5.	Mr. Subhash Chander Verma#	Member	Independent	2	1	1

*Appointed w.e.f 24.09.2020

Retirement w.e.f.25.09.2020

The broad terms of reference of the Nomination and Remuneration Committee as amended from time to time, includes the following:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
2. To formulate the criteria for evaluation of Independent Directors and the Board and to carry out the evaluation of every Director's performance;
3. To formulate the criteria for determining qualification, positive attributes and independence of Directors;
4. To recommend/ approve remuneration of the Executive Directors and any increase therein from time to time, within the limit approved by the members of the Company;
5. To recommend/ approve remuneration of Non-Executive Directors in the form of sitting fees for attending meetings of Board and its Committees, remuneration for other services, commission on profits, grant of stock options or payment of any other amount;
6. To decide the overall compensation structure/ policy for the employees, senior management and the Directors of the Company including ratio of fixed and performance pay, performance parameters etc.;
7. To approve rating of Company's performance for the purpose of payment of annual bonus/ performance incentive to employees and Executive Director(s) of the Company;
8. To approve Management Incentive Plan or any other Incentive Plan for the purpose of payment of performance Incentive to the employees and Executive Director(s) of the Company;
9. To engage the services of any consulting/ professional or other agency at the cost of the Company for the purpose of recommending to the Committee on compensation structure/ policy including Stock Option Scheme;
10. To recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
11. To recommend Employees Stock Option Scheme of the Company or to recommend any such new Scheme for approval of members of the Company;
12. To exercise all the powers as mentioned in the Employees Stock Option Scheme of the Company to be exercised by the Compensation Committee of the Company;
13. To invite any executive or outsider, at its discretion at the meetings of the Committee;
14. To devise a policy on Board diversity;
15. Whether to extend or continue the term of appointment of the independent directors;
16. Recommend to the Board, all remuneration in whatever form, payable to senior management;
17. To exercise such other powers as may be delegated to it by the Board from time to time.

All decision relating to the remuneration of the Directors are taken by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration committee.

Performance evaluation criteria for independent directors:

The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The evaluation of all directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition and the terms of reference of the Stakeholders' Relationship Committee are in line with Section 178 of the Companies Act, 2013 and Part D of Schedule II of the Regulation 20(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or in any subsequent amendment thereto.

Due to retirement and appointment of Directors, the Board has re-constituted its Stakeholders Relationship Committee w.e.f. 06.11.2020.

During the year, one meeting was held i.e. on June 15, 2020.

The detail of composition and attendance of the Stakeholders Relationship Committee is given below:-

S. No.	Name of the Directors	Designation	Category	No. of meeting held during the year	No. of meetings which SRC member was entitled to attend	No. of Meeting Attended
1.	Dr. Divya Singal	Chairman	Independent	1	1	1
2.	Mr. Avinash Parkash Gandhi	Member	Independent	1	0	0
3.	Mr. Sorab Agarwal	Member	Executive	1	1	1
4.	Mr. Subhash Chander Verma*	Member	Independent	1	1	1

***Retirement w.e.f. 25.09.2020**

The terms of reference of the Stakeholders Relationship Committee, as amended from time to time, includes the following:

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

The Committee also reviews matters relating to unclaimed equity shares and dividend transferred to Investor Education and Protection Fund (IEPF) pursuant to the IEPF Rules.

The status of shareholder correspondences, queries grievances etc. are endeavored to be addressed instantaneously by the secretarial department and Registrar & Share Transfer Agent (RTA).

Investor Grievance Redressal

Details of complaints received and resolved by the Company during the financial year 2020-21 are given below:

S. No.	Nature of Investor Grievance	Total
1.	Complaints pending at the beginning of the year as on April 01, 2020	NIL
2.	Complaints received during the year	
•	Non receipt of dividend	10
•	Non receipt of shares sent for transfer	NIL
•	Non receipt of Annual Report including Investor Grievance received through Statutory Authority	1
•	Non confirmation of dematerialization/re-materialization of shares	NIL
•	Miscellaneous	NIL
3.	Complaints disposed-off during the year	11
4.	Complaints pending at the end of the year as on March 31, 2021	NIL

Compliance Officer

Mr. Anil Kumar, Company Secretary is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreement with the Stock Exchange(s).

(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board had constituted Corporate Social Responsibility Committee in terms of section 135 of the Companies Act, 2013 and rules made thereunder. The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013. Due to retirement and appointment of Directors, the Board has re-constituted its Corporate Social Responsibility Committee w.e.f. 06.11.2020.

During the year, one meeting was held i.e. on June 15, 2020.

The detail of Composition and attendance of the CSR Committee is given below:-

S. No.	Name of the Directors	Designation	Category	No. of Meetings held during the year	No. of meetings which CSR member was entitled to attend	No. of Meeting Attended
1.	Dr. Divya Singal	Chairman	Independent	1	1	1
2.	Mrs. Mona Agarwal	Member	Executive	1	1	1
3.	Dr. Jagan Nath Chamber	Member	Independent	1	0	0
4.	Mr. Keshav Chandra Agrawal*	Member	Independent	1	1	1

*Retirement w.e.f 25.09.2020

The Committee is entrusted with the following powers:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as amended;
- To recommend the amount of expenditure to be incurred on the activities referred in clause (a) above;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- To formulate & recommend, an annual action plan in pursuance to CSR policy and;
- Such other activities as the Board of Directors may determine from time to time.

Details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section in the Annual Report. The CSR Policy of the Company has been uploaded on the Company's website at www.ace-cranes.com.

(E) RISK MANAGEMENT COMMITTEE (RMC)

Due to amendment dated May 05, 2021 in SEBI LODR, the Board in their meeting held on May 28, 2021 has constituted Risk Management Committee in terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The committee's constitution and terms of reference meet with the requirements of the SEBI LODR.

Details of composition of Risk Management Committee:

S. No.	Name of the Directors	Designation	Category
1.	Mr. Vijay Agarwal	Chairman	Executive
2.	Mr. Sorab Agarwal	Member	Executive
3.	Dr. Divya Singal	Member	Independent

Note: RMC constituted on May 28, 2021, therefore no meetings have been held during the year 2020-21.

The broad term of reference of the Risk Management Committee includes the following:

- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

- (b) Measures for risk mitigation including systems and processes for internal control of identified risks and;
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and system are in place to monitor and evaluate risks associated with the business of the Company;
 - (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - (4) To periodically review the risk management policy, at least once in 2 years, including by considering the changing industry dynamics and evolving complexity;
 - (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors .

(F) COMMITTEE OF BOARD OF DIRECTORS (COB)

The Board has constituted Internal Management Committee of Directors named as “Committee of Board of Directors” (COB) for taking the administrative decisions of Company.

During the year, Five (5) meetings were held i.e. on May 27, 2020, October 07, 2020, November 21, 2020, December 31, 2020 and March 20, 2021.

The detail of Composition and attendance of the COB Committee is given below:-

S. No.	Name of the Directors	Designation	Category	No. of meeting held during the year	No. of Meeting Attended
1.	Mr. Vijay Agarwal	Chairman	Executive	5	5
2.	Mrs. Mona Agarwal	Member	Executive	5	5
3.	Mr. Sorab Agarwal	Member	Executive	5	5

Note : The Company Secretary of the Company acts as secretary to all the aforesaid committees of the Board.

REMUNERATION OF DIRECTORS:

(a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

Apart from sitting fees that are paid to the Non- Executive and Independent Directors for attending Board/Committee meetings, no other fees/commission were paid during the year. During the period under review, there was no pecuniary relationship or business transaction by the Company with any Non-Executive Directors.

Following is the detail of sitting fees paid to the Non-Executive Directors during the year 2020-21:

S. No.	Name of the Directors	Amount Paid (₹ in Lakhs)
1.	Mr. Avinash Parkash Gandhi	1.75
2.	Dr. Divya Singal	2.20
3.	Mr. Shrinivas Vashisht*	1.30

4.	Dr. Jagan Nath Chamber#	1.00
5.	Mr. Girish Narain Mehra \$	0.75
6.	Mr. Subhash Chander Verma \$	0.90
7.	Mr. Keshav Chandra Agrawal \$	0.45

*Appointed w.e.f 24.09.2020

#Appointed w.e.f. 06.11.2020

\$ Retirement w.e.f. 25.09.2020

(b) Criteria of making payments to Non-Executive Directors:

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company at www.ace-cranes.com.

The Non-Executive Directors, except for promoter directors, are entitled to sitting fees for attending Meetings of the Board and its Committees.

(c) Disclosure with respect to remuneration:

(i) Element of remuneration package of individual Directors of the Company during the year 2020-21:

(₹ in lakhs)

S. No.	Names of the Directors	Salary & Allowances	Other benefits and perquisites	Stock options, Pension etc.	Total
1.	Mr. Vijay Agarwal Chairman & Managing Director	288.00	18.16	—	306.16
2.	Mrs. Mona Agarwal Whole-Time Director	141.60	9.13	—	150.73
3.	Mr. Sorab Agarwal Whole-Time Director	54.60	4.26	—	58.86
4.	Mrs. Surbhi Garg Whole-Time Director	48.00	12.56	—	60.56
Total		532.20	44.11	—	576.31

(ii) Details of fixed component and performance linked incentives, along with the performance criteria:

Directors are not entitled to any performance linked incentives.

(iii) Service contracts, notice period, severance fees:

The appointments of the Executive Directors are governed by resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate service contract is also entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

(iv) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

Not applicable.

GENERAL BODY MEETINGS

(a) The location and time of last three Annual General Meetings (AGM) are as follows:

For the Year	2017-18	2018-19	2019-20
AGM	24 th	25 th	26 th
Date & Time	28.09.2018 11:30 a.m.	27.09.2019 11:30 a.m.	24.09.2020 11:30 a.m.
Venue	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001.	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001.	Through video conferencing ("VC")/ Other Audio Visual Means("OAVM")

(b) Special Resolutions passed in the previous three Annual General Meetings:

Year	Special Resolution passed
2017-2018	(a) Re-appointment of Mr. Vijay Agarwal (DIN: 00057634) as Chairman & Managing Director of the Company; (b) Re-appointment of Mrs. Mona Agarwal (DIN: 00057653) as Whole-Time Director, Designated as Executive Director of the Company; (c) Re-appointment of Mr. Sorab Agarwal (DIN: 00057666) as Whole-Time Director, Designated as Executive Director of the company.
2018-2019	(a) Re-appointment of Mrs. Surbhi Garg (DIN: 01558782) as Whole-Time Director, Designated as Executive Director of the Company. (b) Appointment of Mr. Avinash Parkash Gandhi (DIN: 00161107) as an Independent Non-Executive Director of the company.
2019-2020	None

(c) Special Resolution (s) passed last year (2020-21) through Postal Ballot, detail of voting pattern and the procedure thereof:

During the financial year 2020-21, no special resolution has been passed through postal ballot.

(d) Person who conducted the postal ballot exercise:

Not Applicable

(e) Special resolution(s) proposed to be conducted through postal ballot:

None of the businesses at the ensuing AGM requires to be conducted through postal ballot.

(F) Procedure for postal ballot:

Not Applicable

MEANS OF COMMUNICATION

(a) Quarterly Results:

The Company publishes limited reviewed un-audited standalone/consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited results for the complete financial year.

(b) Newspaper:

The Company's financial results and other required information are generally published in Financial Express (English) and Naya India/Jansatta (Hindi) newspapers.

(c) Website:

The financial results, the official news and other information are placed on the Company's website at www.ace-cranes.com in the investor relations section.

(d) Official news releases and presentations made to institutional investors or to the analysts:

Official press releases, presentation made to institutional investors or to the analysts including investor presentation and earning presentation etc. are displayed on the Company's website at www.ace-cranes.com.

(e) Designated Email ID:

The Company has designated Email Id- cs@ace-cranes.com for redressal of shareholder queries / investor servicing.

(f) SCORES (SEBI Complaints Redressal System):

SEBI has commenced processing of investor complaints in a centralized web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.

(g) Uploading on NSE NEAPS & BSE Listing Centre:

The quarterly results, quarterly/ half yearly/ yearly compliances and all other corporate communications to the Stock Exchange(s) are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.

GENERAL SHAREHOLDER INFORMATION:

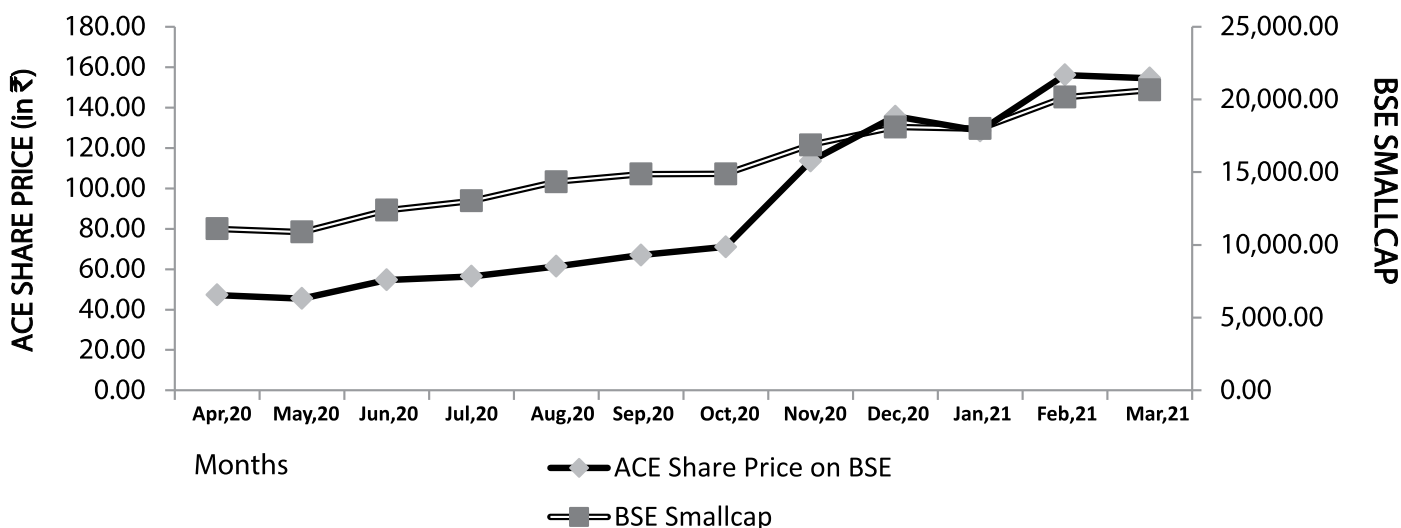
1.	Corporate Identification Number (CIN)	L74899HR1995PLC053860
2.	Registered Office	Action Construction Equipment Limited Dudhola Link Road, Dudhola, Distt. Palwal-Haryana-121102.
Forthcoming Annual General Meeting		
3.	Day & Date	Friday, September 03, 2021
	Time	12:00 Noon (IST)
	Mode	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
4.	Dates of book closure	(Friday, August 27, 2021 to Friday, September 03, 2021) (both days inclusive)
Financial Calendar		
5.	Financial Year	1 st April to 31 st March
	Tentative schedule for declaration of financial results during the financial year 2021-22	
	Quarter ending June 30, 2021	1 st Week of August, 2021
	Quarter ending September 30, 2021	2 nd Week of November, 2021
	Quarter ending December 31, 2021	2 nd Week of February, 2022
	Quarter and FY ended March 31, 2022	3 rd Week of May, 2022
	Annual General Meeting for the year ending March 31, 2022	Last Week of September, 2022
Dividend payment date		
6.	Dividend details	Payment date
	Final Dividend for FY 2020-21 of ₹ 0.50 (25%) per equity shares recommended by the Board of Directors at its meeting held on May 28, 2021.	The dividend, if approved by the shareholders shall be paid within 30 days from the date of declaration.
Listing details		
7.	Name of Stock Exchange(s) & Stock Code(s)	Address
	BSE Limited (BSE) – 532762	BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
	National Stock Exchange of India Limited (NSE) – ACE	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
8.	ISIN for Depositories	INE731H01025
9.	Listing Fees for the financial year 2021 -2022 has been paid to both, BSE Limited and National Stock Exchange of India Limited. Annual custodian charges of Depository have also been paid to NSDL and CDSL for the same period.	

10. Market Price Data: High, Low during each month in Last Financial Year:

MONTH(S) 2020-21	NSE		BSE	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2020	52.55	31.35	52.70	31.50
May, 2020	50.00	41.00	51.05	41.25
June, 2020	60.35	45.50	62.90	46.30
July, 2020	70.00	54.00	69.90	53.95
August, 2020	74.55	55.20	74.50	53.10
September, 2020	71.35	58.25	72.50	58.50
October, 2020	78.00	66.85	77.90	67.55
November, 2020	115.50	69.30	115.25	69.00
December, 2020	141.40	112.00	141.75	111.90
January, 2021	149.50	126.00	149.35	125.70
February, 2021	171.30	125.10	171.35	125.30
March, 2021	175.90	144.50	175.95	142.55

11. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.:

Share Price of ACE Vs BSE Smallcap



12. Suspension from trading:

No Security of the Company has been suspended from trading on any of the stock exchanges where they are listed.

13. Registrar and Share Transfer Agent:

Skyline Financial Services Private Limited
D-153/A, 1st floor, Phase I, Okhla Industrial Area,
New Delhi-110020
Phone: +91 011 2681 2682-83 (Board)
Email: admin@skylinerta.com
Website: www.skylinerta.com

14. Share Transfer System:

Currently Skyline Financial Services Private Limited is the Company's Registrar and Share Transfer Agent (RTA) (previously Kfin Technologies Private Limited). All the documents received from shareholders are scrutinized by the Company's RTA. The shares lodged for transfer, etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

The Directors and Company officials (Chief Financial Officer and Company Secretary) and RTA are authorized by the Board severally to approve the transfer of shares, transmission of shares, requests for deletion of name of the shareholder etc. which are noted at subsequent Board Meetings.

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

15. Ownership Pattern as on March 31, 2021:

Category	No. of shareholders	No. of shares held	% of total shareholding
Promoters			
Indian Promoters	5	7,94,97,463	70.05
Non Promoters			
Institutional Investors			
Mutual Fund	4	16,18,565	1.43
Foreign Portfolio Investors	16	35,71,658	3.15
Banks/Financial Institutions	1	156	0.00
Non-Institutional Investor			
Bodies Corporate	199	16,00,779	1.41
Indian Public*	42565	2,58,65,460	22.79
Non Resident Indians	434	11,35,710	1.00
NRI Non-Repatriation	174	1,93,405	0.17
Total	43,398	11,34,83,196	100.00

* Indian Public shareholding includes shareholdings of Alternative Investment Fund, Individuals, HUF, IEPF, Clearing Members, NBFC and Societies/Trust.

Note: As per the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128, dated December 19, 2017, the consolidated no. of shareholder on the basis of PAN are 41,110.

16. Shareholding Pattern by size as on March 31, 2021 on the basis of Shares held:

S. No.	Category	No. of Shareholders	% to total Shareholders	No of shares	% of total Shares
1	upto 1-5000	42,177	97.18	85,75,068	7.56
2	5001 -10000	592	1.36	22,14,992	1.95
3	10001-20000	301	0.69	22,66,855	2.00
4	20001 -30000	89	0.21	11,12,137	0.98
5	30001 -40000	51	0.12	9,13,549	0.81
6	40001 - 50000	40	0.09	9,12,615	0.80
7	50001 -100000	72	0.17	26,35,644	2.32
8	100001 & ABOVE	76	0.18	9,48,52,336	83.58
Total		43,398	100.00	11,34,83,196	100.00

17. Dematerialization of Shares and Liquidity:

As on March 31, 2021, 99.97% of the shareholding is held in dematerialized form as per details mentioned below: Trading in Equity Shares of the Company is permitted only in dematerialized form.

S. No.	Mode of holding	No. of Holders	No. of Shares	% to Total Issued Equity
1	PHYSICAL	1,312	32,027	0.03
2	NSDL	18,547	9,42,77,134	56.64
3	CDSL	23,539	4,91,74,035	43.33
Total		43,398	11,34,83,196	100.00

18. Outstanding ADR or GDR or warrants or any convertible instruments:

There are no outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments as on March 31, 2021.

19. Commodity price risk or foreign exchange risk and hedging activities:

Company is not having much exposure to foreign exchange and there is a natural hedging partly available in terms of exports made by the Company.

In respect of price risk of raw materials used for manufacturing purpose the same is taken care of as per industry requirement.

20. Locations:

The following are the locations of the Company:-

Plants Locations:

- (a) Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh-121004, Distt. Faridabad, Haryana.
- (b) Dudhola Link Road, Dudhola, Distt. Palwal- 121102, Haryana.
- (c) 45th Mile Stone, Delhi-Mathura Road, Prithla, Faridabad, Haryana.

Research & Development (R&D) Centers:

- (a) Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh-121004, Distt. Faridabad, Haryana
- (b) Dudhola Link Road, Dudhola, Distt. Palwal- 121102, Haryana.

Marketing Office:

4th Floor, Pinnacle Tower, Surajkund, Faridabad-121009, Haryana.

21. Address for Correspondence:

Registered & Corporate Office:
 Action Construction Equipment Limited
 Dudhola Link Road, Dudhola, Dist. Palwal-121102, Haryana.
 Phone: + 91-1275-280111 & + 91-1275-280103
 Fax No.:+ 91-1275-280133
 Email Id: cs@ace-cranes.com

Investor Correspondence:

(a) For Shares held in Physical form

Skyline Financial Services Private Limited
 D-153/A, 1st floor, Phase I, Okhla Industrial Area,
 New Delhi- 110020
 Phone: +91 011 2681 2682-83 (Board)
 Email: admin@skylinerta.com
 Website: www.skylinerta.com

(b) For Shares held in Demat form

Investors concerned Depository Participants and/or Skyline Financial Services Private Limited

(c) For all matters relating to investor relations may also contact at:

Company Secretary & Compliance Officer
 Action Construction Equipment Limited
 Dudhola Link Road, Dudhola,
 Dist. Palwal – 121102, Haryana.
 Phone: + 91-1275-280103
 Fax No.:+ 91-1275-280133
 Email Id: cs@ace-cranes.com

22. Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:

During the year, the Company has issued commercial paper (CP) amounting in total ₹ 95 Crore and all redemption payments were made to the beneficiaries of CP on due date. As on March 31, 2021, there is no outstanding CP in the books of accounts of the Company.

Further, the Company does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended March 31, 2021.

ICRA Limited on April 13, 2020 has placed long term rating on watch with negative implications due to COVID lockdown and reaffirmed short term rating. Further on September 04, 2020, ICRA has restored long term rating to same level before COVID i.e. assigned a stable outlook to the long term rating from watch with negative implications.

As on March 31, 2021, the Company has the following rating assigned by ICRA on banking facilities:

Long Term Rating	[ICRA]AA- (pronounced ICRA double A minus) with a Stable outlook
Short Term Rating	[ICRA]A1+ (pronounced ICRA A one plus)

OTHER DISCLOSURES

(1) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company:

All transactions entered into with Related Parties as defined under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 188 or any other provision, applicable, if any, of the Companies Act, 2013 read with rules, during the financial year were in the ordinary course of business and on an arm’s length pricing basis. None of the transactions with any of the related parties were in conflict with the Company’s interest. These have been approved by the audit committee. Necessary disclosures regarding related party transactions are given in the notes to the Financial Statements and also submitted with stock exchanges pursuant of SEBI LODR.

The Board has approved a policy for related party transactions which has been uploaded on the Company’s website at www.ace-cranes.com.

(2) Statutory Compliance, Penalties and Strictures:

The Company has complied with the requirements of the Stock Exchange(s), SEBI and Regulatory Authorities on matters related to the capital market and no penalties/ strictures have been imposed against the Company by the Stock Exchanges or SEBI or any other Regulatory Authority on any matter related to capital market during the last three years.

(3) Whistle Blower Policy/ Vigil Mechanism:

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to directors, employees, agents, consultants, vendors and business partners to disclose instances of wrong doing in the workplace. The Company is keen on demonstrating the right values and ethical, moral and legal business practices in every field of activity within the scope of its work. The objective of this policy is to:

- (i) Encourage and enable directors, employees, agents, consultants, vendors and business partners to raise issues or concerns, which are either unacceptable or patently against the stated objectives, law or ethics, within the Company.

- (ii) Ensure that directors, employees, agents, consultants, vendors and business partners can raise issues or concerns without fear of victimization, subsequent discrimination or disadvantage thereof.
- (iii) Reassure the whistle blower(s) that they will be protected from possible reprisals or victimization if they have made disclosure/s in good faith.
- (iv) Ensure that where any wrong doing by the Company or any of its directors, employees, agents, consultants, vendors or business partners is identified and reported to the Company under this policy, it will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine the means of ensuring how such wrong doing can be prevented in future and will take corrective action accordingly.

The policy also provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

It is affirmed that no person has been denied access to the Audit Committee; no complaint has been received during the year under review.

(4) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(5) Web link where policy for determining 'material' subsidiaries is disclosed:

As on March 31, 2021, the Company has one foreign subsidiary. The Company has no unlisted material Subsidiary Company as defined in regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy for determining 'material' subsidiaries is available on the website of the Company at www.ace-cranes.com in the investor relations section.

(6) Web link where policy on dealing with related party transactions is disclosed:

The policy on dealing with related party transactions is available on the website of the Company at www.ace-cranes.com in the investor relations section.

(7) Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations:

The Company has not raised funds through preferential allotment or qualified institutional placement.

(8) Certificate from Practicing Company Secretary:

Certificate as required under Part C (10) (i) of Schedule V of Listing Regulations, received from M/s Vasisht & Associates, Company Secretaries is annexed as **Annexure I** with it and forms an integral part of the Annual Report that confirming none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India; Ministry of Corporate Affairs or any such statutory authorities.

(9) Recommendations of Committees of the Board:

There were no instances during the financial year 2020-21, wherein the Board had not accepted recommendations made by any committee of the Board.

(10) Total fees paid to Statutory Auditors of the Company:

Details relating to fees paid to the Statutory Auditors are given in Note no. 27 to the Standalone Financial Statements.

(11) Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2020-21 are as under:

- (a) Number of complaints filed during the financial year: NIL

- (b) Number of complaints disposed off during the financial year: NA
(c) Number of complaints pending as on end of the financial year: NIL

(12) Transfer to the Investor Education and Protection Fund (IEPF):

Pursuant to applicable provisions of the Companies Act, 2013 (Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (IEPF Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of 7 (seven) years from the date of transfer to Unclaimed Dividend Account of the Company. Further, according to the IEPF Rules, the shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. During the year under review, the Company had sent individual notices and also advertised in the newspapers, seeking action from the shareholders who have not claimed their dividends for 7 (seven) consecutive years or more. The Company has transferred to IEPF the following unclaimed dividends and corresponding shares:

The details of unclaimed dividends and shares transferred to IEPF during FY 2020-21 are as follows:

Relevant Financial year	Unclaimed dividend transferred (Amount in ₹)	Number of shares transferred
2012-2013	70,352	7,108
Total	70,352	7,108

During the financial year 2021-22, the due date for transferring unclaimed final dividend amount for the financial year ended March 31, 2014 would be September 07, 2021 to IEPF.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website of the Company at www.ace-cranes.com.

Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the IEPF Rules.

The shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed.

Mr. Anil Kumar, Company Secretary & compliance officer of the company is the Nodal Officer of the Company for coordination with IEPF Authority and following are the contact details:

Email ID: cs@ace-cranes.com, Telephone No.: 01275-280103

Address: Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana, India.

(13) Unclaimed dividends due for transfer to the Investor Education and Protection Fund (IEPF)

S. No.	Financial Year	Last Date for claiming unpaid dividend
1.	Final Dividend 2013-14	07.09.2021
2.	Final Dividend 2014-15	25.10.2022
3.	Interim Dividend 2015-16	15.04.2023
4.	Final Dividend 2016-17	30.10.2024
5.	Final Dividend 2017-18	31.10.2025
6.	Final Dividend 2018-19	31.10.2026
7.	Interim Dividend 2019-20	21.04.2027

Pursuant to the provisions of IPEF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company on the Company's website www.ace-cranes.com.

(14) Disclosure pursuant to Regulation 26 (6) of the Listing Regulations:

In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

(15) Secretarial Compliance Report:

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form **MR-3** and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year. The Company has engaged the services of M/s Vasisht & Associates, Company Secretaries and Secretarial Auditor of the Company for providing this certification. The Company is publishing the said Secretarial Compliance Report and the same has been annexed as Annexure to the Board's Report forming part of this Annual Report.

(16) Code of Conduct to Regulate, Monitor and Report trading by Designated Persons:

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations). The Insider Trading Code and other policy/ies under SEBI (Prohibition of Insider Trading) Regulations, 2015 have been uploaded on website of the Company at www.ace-cranes.com.

The Audit Committee and Board of Directors review the cases of non-compliances, if any, under SEBI (Prohibition of Insider Trading) Regulations, 2015 from time to time.

(17) Compliance /non-compliance:

There is no non-compliance of any of the requirements of Corporate Governance Report as required under the Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(18) Disclosure of the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

- (i) **The Board:** As the Chairman of the Company is an Executive Director, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.
- (ii) **Shareholder Rights:** Quarterly financial statements and other information are published in leading newspapers and uploaded on Company's website at www.ace-cranes.com.
- (iii) **Modified opinion(s) in audit report:** The Auditors have raised no qualification on the financial statements.
- (iv) **Separate posts of Chairperson and CEO:** Presently, Mr. Vijay Agarwal is the Chairman and Managing Director of the Company. There is no post of CEO in the Company.
- (v) **Reporting of Internal Auditor:** Internal Auditor has direct access to the Audit Committee.

(19) Disclosure of compliance of Regulation 17 to 27 and clauses (b) to (i) of sub Regulation (2) of Regulation 46 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-Regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(20) Declaration signed by the CEO/MD stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management:

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company. The Code is available on the website of the Company at www.ace-cranes.com.

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 signed by Chairman and Managing Director regarding all Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended March 31, 2021 is annexed with it as **Annexure II** and forms an integral part of the Annual Report.

(21) Chairman and Managing Director (CMD) & Chief Financial Officer (CFO) certification as per (Regulation 17(8)) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Certificate from the Chairman and Managing Director (CMD) & Chief Financial Officer (CFO) as per Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with it as **Annexure III** and forms an integral part of the Annual Report.

(22) Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance:

The Certificate from the Practicing Company Secretaries regarding compliance of conditions of corporate governance is annexed with it as **Annexure IV** and forms an integral part of the Annual Report.

(23) Demat Suspense Account/ Unclaimed Suspense Account:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

For Action Construction Equipment Limited

Place: Faridabad
Date: July 31, 2021

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Annexure I

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members of
Action Construction Equipment Limited
Dudhola Link Road, Dudhola,
Distt. Palwal-121102, Haryana, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ACTION CONSTRUCTION EQUIPMENT LIMITED having CIN: L74899HR1995PLC053860 and having registered office at Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs and any other Statutory Authority/ies.

S. No.	Name of Director	DIN	Date of appointment/re- appointment in Company
1.	Mr. Vijay Agarwal	00057634	01/10/2018
2.	Mrs. Mona Agarwal	00057653	01/10/2018
3.	Mr. Sorab Agarwal	00057666	01/10/2018
4.	Mrs. Surbhi Garg	01558782	01/04/2020
5.	Mr. Avinash Parkash Gandhi	00161107	01/10/2019
6.	Dr. Divya Singal	08722144	01/04/2020
7.	Mr. Shrinivas Vashisht	06572418	24/09/2020
8.	Dr. Jagan Nath Chamber	08841478	06/11/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Vasisht & Associates
Company Secretaries**

Sd/-
Shobhit Vasisht
Proprietor
UDIN-A045412C000316221
Membership No: 45412
CP: 21476

Place: Faridabad
Date: May 15, 2021

Annexure II

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2021, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management means the officers /personnel of the listed entity who are members of its core management team excluding Board of Directors and normally this comprises all members of the management one level below the Chief Executive Officer/Managing Director/Whole Time Directors and includes Company Secretary and Chief Financial Officer.

For Action Construction Equipment Limited

Place: Faridabad
Date: July 31, 2021

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Annexure III**CHAIRMAN AND MANAGING DIRECTOR (CMD) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE**

To,
The Board of Directors
Action Construction Equipment Limited

We, the undersigned, in our respective capacities as Chairman and Managing Director (CMD) and Chief Financial Officer (CFO) of Action Construction Equipment Limited ('the Company'), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2021 and to the best of our knowledge and belief, we state that:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (i) Significant changes, in the internal control over financial reporting during the year;
 - (ii) Significant changes, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Action Construction Equipment Limited

Place: Faridabad
Date: July 31, 2021

Sd/-
Vijay Agarwal
Chairman & Managing Director,
DIN: 00057634

Sd/-
Rajan Luthra
Chief Financial Officer

Annexure IV

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Action Construction Equipment Limited
Dudhola Link Road, Dudhola,
Distt. Palwal-121102, Haryana, India

I have examined the compliance of conditions of Corporate Governance by Action Construction Equipment Limited, for the year ended on March 31, 2021, as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended, ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchange(s).

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

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

**For Vasisht & Associates
Company Secretaries**

**Sd/-
Shobhit Vasisht
Proprietor
UDIN: A045412C000715719
Membership No: 45412
CP: 21476
PR: 844/2020**

**Place: Faridabad
Date: July 31, 2021**

Independent Auditor's Report To the Members of Action Construction Equipment Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Action Construction Equipment Limited (the Company) which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2021, and its profit including other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to the Note no 27 to the financial statements, which describes that the company has spent ₹ 152.84 lacs on CSR activities, however, out of ₹ 152.84 lacs, the Company has not spent ₹ 83.24 lacs on CSR activities before March 31, 2021 in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide Notification dated January 22, 2021. As explained to us, the cheque for ₹ 83.24 lacs issued to the Implementing Agency was encashed on May 15, 2021 and the Implementing Agency informed the Company that the said amount could not be spent due to the Lockdown and COVID situation in Haryana and assured that this amount would be spent for the CSR Activities latest by July 2021. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the Audit of Standalone Ind AS Financial Statements Section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of the material misstatement of the Standalone Ind AS Financial Statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS Financial Statements.

Sr. No.	Key Audit Matters	How Our audit addressed the key audit matters
1.	Revenue Recognition under Ind AS 115 - Revenue from Contracts with Customers	
	<p>The Company has Four operating segments, namely, Cranes Segment, Construction Equipment Segment, Material Handling Segment and Agri Equipment Segment. The type of customers varies across these segments, ranging from Dealers, Corporates, Government and Individuals. The multiplicity of products, sales transactions, distribution network and the contracts / arrangements with various customers across these segments are different involving significant risk and judgement. Revenue recognition in accordance with Ind AS 115 requires management to make certain judgements of distinct performance obligations like after sales services, warranties, discounts & rebates in the transaction price and allocating the transaction price to the performance obligations. Sale of goods depends upon the transfer of control of the goods to the customer, usually on delivery of goods. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> - Evaluating the integrity of the information and technology general control environment and testing the operating effectiveness of key IT application controls. - Evaluating the design and implementation of Company's controls in respect of revenue recognition. - Testing the effectiveness of such controls over revenue cut off at year-end. - Testing by selecting samples of revenue transactions recorded during the year. - Assessed the appropriateness of Company's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115. - On a sample basis, making selections from sales entries and tracing to their contracts, invoices, delivery challan and goods outward register. - Performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation to assess whether the revenue was recognized in the correct period.

Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other Information comprises the, Report of the Directors and the following Annexures thereon namely Management Discussion and Analysis, Report on the Corporate Governance, Annual report on Corporate Social responsibility Activities, Form AOC-1, Form AOC-2, Conservation of energy, Technology Absorption and exchange earnings and outgo but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the Implementation Guide on Reporting Standards matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments

and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2021 and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Accounting Standards) Rules 2015, as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. 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 the requirement of Section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of the Section 197 read with Schedule V of the Act.
- (h) 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 Standalone Ind AS Financial Statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BRAN & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No.014544N

CA Ravi Gulati
Partner
Membership No. 090672
UDIN: 21090672AAAABS6659

Place : Faridabad
Date : 28th May 2021

Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind AS Standalone Financial Statements for the year ended March 31, 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified on regular basis. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the Office Buildings located at Faridabad (Haryana) & Kolkata (West Bengal) amounting to Rs 6.81 Crores purchased during the financial year have not been registered in the name of the Company due to COVID 19 restrictions. As explained to us the registration of the title deeds is in progress in respect of the above properties acquired during the previous year.
- (ii) Physical verification of inventory was conducted by the management at reasonable interval during the year.
- In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and discrepancies noticed on physical verification by the Management have been properly adjusted in books of accounts.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to the companies, firms, limited liability partnerships or other parties covered under register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of granting of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause 3(v) of the order are not applicable.
- (vi) The Company has maintained books of accounts pursuant to the rules made by the central government for the maintenance of cost records under Section 148(1) of the companies Act 2013, and in our opinion the prescribed accounts and records have been properly made and maintained. We have not however made a detail examination of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods & service tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods & service tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the company on account of disputes:

Name of statute	Name of the disputed dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute are pending
Income-Tax Act 1961	Income Tax	471.60	2015-16 & 2016-17	CIT (Appeal)
Income-Tax Act 1961	Income Tax	6.58	2009-10 & 2010-11	ITAT Delhi
Income-Tax Act 1961	Income Tax	211.50	2017-18	CIT (Appeal)
The Central Excise Act 1944	Excise duty	607.44	2006-2007, to 2010-2011	CESTAT
The Central Excise Act 1944	Excise duty	829.60	2008-2009 to 2013-14	CESTAT
The Central Excise Act 1944	Excise duty	2.38	2009-2010	Commissioner(Appeal)
The Service Tax under finance Act 1994	Service Tax	8.11	2010-11	Add. Commissioner
The Haryana Vat Act 2003	Sale Tax	17.30	2004-05 to 2005-06	Jt. Commissioner Faridabad
The west Bengal Act 2003	Sale Tax	1260.70	2006-07 to 2012-13	Add-Commissioner Review Board (West Bengal)

- (viii) In our opinion and according to the information and explanation given to us by the management, the Company has not defaulted in repayment of loans or borrowings from any financial institutions, banks, government or debenture holders during the year.
- (ix) In our opinion and according to the information and explanation given to us by the management the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration and has got requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, the provisions of Clause 3(xii) are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013, wherever applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirement under clause 3(xiv) are not applicable to the company and not commented upon.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) According to the information and explanation given to us, the provisions of the Section 45-IA of the Reserve Bank of India Act 1934 are not applicable to the Company.

For BRAN & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No.014544N

CA Ravi Gulati
Partner
Membership No. 090672
UDIN: 21090672AAAABS6659

Place : Faridabad
Date : 28th May 2021

Annexure B To The Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of Action Construction Equipment Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements 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") and the Standards on Auditing, specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, issued by the Institute of Chartered Accountants of India. 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 with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting with reference to these Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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 Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 knowledge 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 with respect to these Standalone Financial Statements were operating effectively as at March 31, 2021, 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 BRAN & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No.014544N

CA Ravi Gulati
Partner
Membership No. 090672
UDIN: 21090672AAAABS6659

Place : Faridabad
Date : 28th May 2021

Standalone Balance Sheet as at March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	40,774.35	39,168.53
Capital work in progress	2	1,254.87	1,821.02
Investment properties	3	1,198.86	1,222.43
Intangible assets	4	122.38	91.17
Financial assets			
i. Investments	5	1,289.23	2,796.52
ii. Other financial assets	6	659.35	144.18
Other non-current assets	7	972.66	1,298.67
Non-current tax assets (Net)		14.19	14.30
Total non-current assets		46,285.89	46,556.82
Current assets			
Inventories	8	26,568.54	27,025.88
Financial assets			
i. Investments	5	2,504.74	647.40
ii. Trade receivables	9	22,459.23	14,725.61
iii. Cash and cash equivalents	10	3,281.10	337.47
iv. Bank balances other than (iii) above	11	362.67	587.95
v. Other current financial assets	6	230.20	230.47
Other current assets	7	3,572.55	4,794.68
Current tax Assets (Net)		22.93	213.33
Total current assets		59,001.96	48,562.79
Total Assets		1,05,287.85	95,119.61
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,269.66	2,269.66
Other equity	13	50,076.68	41,984.78
Total Equity		52,346.34	44,254.44
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14	2,013.40	2,904.17
ii. Other financial liabilities	18	13.46	42.04
Provisions	15	185.35	347.58
Deferred tax liabilities (Net)	16	1,605.94	1,418.46
Total non-current liabilities		3,818.15	4,712.25
Current Liabilities			
Financial liabilities			
i. Borrowings	14	3,093.07	4,466.86
ii. Trade payables	17		
(a) Total outstanding dues of micro and small enterprises		3,851.68	4,492.88
(b) Total outstanding dues of creditors other than micro and small enterprises		29,190.22	27,553.38
iii. Other financial liabilities	18	8,876.10	7,085.90
Other current liabilities	19	3,786.51	2,313.93
Provisions	15	141.84	134.62
Current tax liabilities (Net)		183.94	105.35
Total current liabilities		49,123.36	46,152.92
Total Equity and Liabilities		1,05,287.85	95,119.61

The accompanying Notes (1 to 38) are an integral part of Financial Statements

In terms of our report of even date
For M/s BRAN & Associates
Chartered Accountants
Firm Registration No.: 014544N

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 28, 2021

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Sd/-
Anil Kumar
Company Secretary

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Avinash Parkash Gandhi
Independent Director
DIN: 00161107

Standalone Statement of Profit and Loss for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	20	1,22,700.91	1,15,619.75
Other income	21	1,530.59	403.12
Total income		1,24,231.50	1,16,022.87
Expenses			
Cost of materials consumed	22	87,709.76	80,964.01
Purchase of stock-in-trade		606.07	1,635.08
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(2,721.25)	(3,149.64)
Employee benefits expenses	24	7,208.81	8,561.67
Finance costs	25	1,223.28	1,465.99
Depreciation and amortisation expenses	26	1,394.48	1,301.35
Other expenses	27	17,962.51	18,424.71
Total expenses		1,13,383.66	1,09,203.17
Profit before exceptional items and tax		10,847.84	6,819.70
Exceptional items		—	—
Profit before tax		10,847.84	6,819.70
Tax expense	28		
Current tax		2,669.98	1,693.25
Deferred tax		161.93	(137.36)
Profit after tax		8,015.93	5,263.81
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment defined benefit obligation		101.52	(17.19)
Income tax relating to these items		(25.55)	3.28
Other Comprehensive income for the year (net of tax)		75.97	(13.91)
Total comprehensive income for the year		8,091.90	5,249.90
Earnings per equity share (Face Value of ₹ 2/- each)	34		
Basic (₹)		7.06	4.58
Diluted (₹)		7.06	4.58

The accompanying Notes (1 to 38) are an integral part of Financial Statements

In terms of our report of even date
For M/s BRAN & Associates
Chartered Accountants
Firm Registration No.: 014544N

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 28, 2021

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Executive Director
DIN: 00057666

Sd/-
Avinash Parkash Gandhi
Independent Director
DIN: 00161107

Standalone Statement of Changes in Equity for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

Balance as at April 1, 2019	2,346.46
Increase/(Decrease) during the year	(76.80)
Balance as at March 31, 2020	2,269.66
Increase/(Decrease) during the year	–
Balance as at March 31, 2021	2,269.66

B) Other equity

Particulars	General Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Total
Balance as at April 1, 2019	9,925.00	2,417.55	8,532.73	20,497.14	41,372.42
Profit for the year	–	–	–	5,263.81	5,263.81
Other comprehensive income	–	–	–	(13.91)	(13.91)
Dividend	–	–	–	(1,144.97)	(1,144.97)
Tax on Dividend	–	–	–	(235.35)	(235.35)
Utilised on buyback of equity shares	–	–	(3,257.22)	–	(3,257.22)
Transferred on Buyback of Equity Shares	–	76.80	–	(76.80)	–
Transferred on redemption of Preference Shares	–	604.39	–	(604.39)	–
Balance as at March 31, 2020	9,925.00	3,098.74	5,275.51	23,685.53	41,984.78
Profit for the year	–	–	–	8,015.93	8,015.93
Other comprehensive income	–	–	–	75.97	75.97
Balance as at March 31, 2021	9,925.00	3,098.74	5,275.51	31,777.43	50,076.68

In terms of our report of even date
For M/s BRAN & Associates
Chartered Accountants
Firm Registration No.: 014544N

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 28, 2021

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Sd/-
Anil Kumar
Company Secretary

For and on behalf of the Board of Directors

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Avinash Parkash Gandhi
Independent Director
DIN: 00161107

Standalone Statement of Cash Flow for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	10,847.84	6,819.70
Adjustments for		
Depreciation and amortisation expense	1,394.48	1,301.35
Gain on disposal of property, plant and equipment	(538.64)	(105.80)
Loss on disposal of property, plant and equipment	17.35	50.34
Gain on modification of lease	(2.58)	–
Unrealised foreign exchange fluctuation	(33.07)	98.58
Interest income	(62.00)	(67.94)
(Gain)/ loss on Investments carried at fair value through profit or loss (net)	(462.94)	35.37
Rental income classified as investing cash flows	(43.75)	(93.05)
Finance costs	1,218.35	1,457.07
Finance charges of lease liabilities	4.93	8.92
Bad Debts Written off	494.26	200.33
Provision for doubtful receivable & advances (net)	716.87	165.09
Operating profit before working capital changes	13,551.10	9,869.96
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(8,303.78)	(620.31)
(Increase)/Decrease in inventories	457.34	(5,779.79)
(Increase)/Decrease in other financial assets	(49.43)	(6.14)
(Increase)/Decrease in other current assets	622.13	(53.51)
Increase/(Decrease) in trade payables	987.75	3,813.79
Increase/(Decrease) in provisions	(53.49)	51.74
Increase/(Decrease) in other financial liabilities	2,322.21	(880.01)
Increase/(Decrease) in other current liabilities	1,472.58	39.94
Cash generated from operating activities	11,006.41	6,435.67
Income taxes paid	(2,400.88)	(1,640.28)
Net cash inflow/(outflow) from operating activities	8,605.53	4,795.39
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,206.12)	(8,546.11)
Purchase of Intangible assets	(63.00)	(70.34)
Capital advances and Capital work in progress	892.16	4,448.00
Sale /(Purchase) of Investments	(350.05)	1,607.96
Proceeds from disposal of property, plant & equipment and Investment Property	1,775.55	450.29
Fixed deposit having maturity more than 3 months	(240.19)	26.22
Interest income	62.00	67.94
Gain/ (loss) on Investments carried at fair value through profit or loss (net)	462.94	(35.37)
Rental income classified as investing cash flows	43.75	93.05
Net cash inflow/(outflow) from investing activities	(1,622.96)	(1,958.36)

Standalone Statement of Cash Flow for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from financing activities		
Net proceeds from non-current borrowings	(1,401.92)	(928.48)
Net proceeds from current borrowings	(1,373.79)	4,406.39
Payment of lease liabilities	(39.95)	(36.48)
Redemption of Preference Shares	–	(604.39)
Interest paid	(1,218.35)	(1,457.07)
Finance charges of lease liabilities	(4.93)	(8.92)
Dividend and Tax thereon	–	(1,380.32)
Buy-back of Equity Shares	–	(3,334.02)
Net cash inflow/(outflow) from financing activities	(4,038.94)	(3,343.29)
Net increase/(decrease) in cash and cash equivalents	2,943.63	(506.26)
Cash and cash equivalents at the beginning of the year	337.47	843.73
Cash and cash equivalents at end of the year	3,281.10	337.47

Notes:

- (a) The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) - “Statement of Cash Flows”.
- (b) Cash and Cash Equivalents comprises of:

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in current accounts	129.52	64.91
Cash on hand	22.84	49.62
Deposits with original maturity less than 3 months	3,128.74	222.94
	3,281.10	337.47

In terms of our report of even date
For M/s BRAN & Associates
Chartered Accountants
Firm Registration No.: 014544N

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 28, 2021

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Sd/-
Anil Kumar
Company Secretary

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Avinash Parkash Gandhi
Independent Director
DIN: 00161107

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

COMPANY OVERVIEW

Action Construction Equipment Limited (the Company) is a public limited company and domiciled in India, which was incorporated on January 13, 1995, and having its registered office at Dudhola link Road, Village Dudhola, Palwal - 121102, Haryana, India and is listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The company is engaged in the business of manufacturing and marketing of Hydraulic Mobile Cranes, Mobile Tower Cranes, Crawler cranes, Truck mounted Cranes, Material Handling equipment like Forklifts, Road construction equipment like Backhoe loaders, Compactors, Motor graders and Agriculture equipment like Tractors, Harvesters, Rotavators etc. The Company has manufacturing facilities at Haryana.

The Company concluded its Initial Public Offer (IPO) in September 2006 and its Equity Shares got listed at BSE Limited and National Stock Exchange of India Limited on September 26, 2006. The IPO comprised of 46,00,000 Equity Shares of face value of ₹ 10 each allotted at a premium of ₹ 120 per share and on March 24, 2008, the Company has sub-divided its Shares from face value of ₹ 10 each to ₹ 2 each.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on May 28, 2021.

1. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation and Measurement

Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting except for the following –

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans - plan assets measured at fair value.

1.2. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- a) the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- b) the asset is intended for sale or consumption;
- c) the asset/liability is held primarily for the purpose of trading;
- d) the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- f) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets and inventories for processing and their realization in cash and cash equivalents.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

1.3 Summary of significant accounting policies

a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and services tax (GST) and amounts collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Recognising revenue from major business activities

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date when the outcome of the transaction can be estimated reliably.

Revenues from the sale of extended warranties and maintenance contracts embedded in the original sales contracts are recognized over the life of the contract and matched to related costs.

Income from export incentives/ government grants are recognised at fair value when there is reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Rental Income

Rental income is recognised on a straight-line basis over the term of the lease.

Interest Income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Dividend Income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

b) Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian Rupee and are rounded to two decimal places of Lakhs, which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate on the reporting date. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

d) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives mentioned below:

Asset category	Estimated useful life
Factory Building	10-30 Years
Office Building	60 Years
Plant and Machinery	9-15 Years
Furniture & Fixtures	10 Years
Office Equipment	5-10 Years
Motor Vehicles	8 Years
Computers	3-5 Years
Electric Equipment & Fittings	10 Years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for certain items within these classes of assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

e) Investment properties

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

Recognition and initial measurement

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance cost are recognised in profit or loss when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Subsequent measurement (depreciation and useful lives)

Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The useful lives of investment properties are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to investment properties, or where investment properties has been sold, discarded, demolished or destroyed; depreciation on such investment properties is calculated on a pro rata basis with specific useful life from the month of such addition or, as the case may be, up to the month on which such investment properties has been sold, discarded, demolished or destroyed.

De-recognition

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal . The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

f) Intangible assets

Recognition and initial measurement

Purchased Intangible assets are stated at cost less accumulated amortisation and impairment, if any.

Computer Software and Technical Knowhow

All finite-lived intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Asset category	Estimated useful life
Computer Software	5 Years
Technical Know how	5 Years

g) Leases

Company as a lessee

The Company enters into an arrangement for lease of land, Building, Gas Storage Tank etc. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception.

A contract is, or contains, a lease if the contract conveys the right to –

- (a) control the use of an identified asset,
- (b) obtain substantially all the economic benefits from use of the identified asset, and

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

(c) direct the use of the identified asset.

The Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term.

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the Right-of-use assets. Where the carrying amount of the Right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss. Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. "Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as finance or operating lease. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

h) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- (i) at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- (ii) in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below:

h.1) Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

(i) Financial assets at amortised cost

A financial instrument is measured at amortised cost if both the following conditions are met;

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

(ii) Investments in equity instruments of subsidiaries and associates

Investments in equity instruments of subsidiaries and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

(iii) Financial assets at fair value

- **Investments in equity instruments other than above** - All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

- **Mutual funds** - All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

h.2) Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

i) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

Trade receivables are recognized initially at fair value and subsequent measured at amortized cost using the effective interest method, less provision for impairment.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

j) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

generating unit level.

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

k) Fair value measurement

The Company measures certain financial instruments, such as, investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Refer Note 30 for fair value hierarchy.

l) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

m) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax Laws) that have been enacted or substantively enacted at the reporting

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority

n) Investment in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses, if any where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

q) Post-employment, long term and short term employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The group operates the following post-employment scheme:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

r) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised and continuously assessed for recoverability. However, when inflow of economic benefits is probable, related asset is disclosed.

s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t) Amounts rounding off

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division III) of the Companies Act, 2013, unless otherwise stated.

1.4. Key accounting estimates and judgements

The preparation of the Company's Financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for Income taxes, Including amount expected to be paid/ recovered for uncertain tax positions.

b) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand or the product or service output of the asset.

c) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 29, 'Employee benefits'.

d) Fair value measurement of financial instruments

When the Fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (a) Property, plant and equipment

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2020 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2019	Additions for the Year	Deletions / Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation for the year	Deletions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Land	16,049.84	335.99	–	16,385.83	–	–	–	–	16,049.84	16,385.83
Factory Building	6,292.62	366.88	35.64	6,623.86	2,317.73	187.41	3.82	2,501.32	3,974.89	4,122.54
Office Building	5,178.77	5,751.16	–	10,929.93	552.75	90.99	–	643.74	4,626.02	10,286.19
ROU - Office Building	–	113.09	–	113.09	–	41.57	–	41.57	–	71.52
Plant and Machinery	11,179.40	1,431.18	676.88	11,933.70	5,201.96	606.01	393.13	5,414.84	5,977.44	6,518.86
ROU- -Plant and Machinery	–	8.48	–	8.48	–	0.64	–	0.64	–	7.84
Furnitures & Fixtures	1,080.17	105.59	1.52	1,184.24	620.78	77.71	0.08	698.41	459.39	485.83
Office Equipment	400.60	43.69	–	444.29	248.73	32.91	–	281.64	151.87	162.65
Motor Vehicles	1,545.10	461.82	141.11	1,865.81	826.00	154.96	71.91	909.05	719.10	956.76
Computer	444.28	19.36	3.39	460.25	373.45	29.88	0.09	403.24	70.83	57.01
Electric Equipment & Fittings	304.16	30.44	–	334.60	201.26	19.84	–	221.10	102.90	113.50
Total	42,474.94	8,667.68	858.54	50,284.08	10,342.66	1,241.92	469.03	11,115.55	32,132.28	39,168.53

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2021 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2020	Additions for the Year	Deletions / Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation for the year	Deletions	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
Land	16,385.83	15.95	–	16,401.78	–	–	–	–	16,385.83	16,401.78
Factory Building	6,623.86	1,121.39	–	7,745.25	2,501.32	201.52	–	2,702.84	4,122.54	5,042.41
Office Building	10,929.93	954.98	724.51	11,160.40	643.74	91.68	76.80	658.62	10,286.19	10,501.78
ROU- Office Building	113.09	13.26	69.55	56.80	41.57	36.56	49.37	28.76	71.52	28.04
Plant and Machinery	11,933.70	1,723.18	790.63	12,866.25	5,414.84	679.07	246.65	5,847.26	6,518.86	7,018.99
ROU- Plant & Machinery	8.48	–	–	8.48	0.64	2.54	–	3.18	7.84	5.30
Furnitures & Fixtures	1,184.24	111.23	–	1,295.47	698.41	78.46	–	776.87	485.83	518.60
Office Equipment	444.29	44.27	–	488.56	281.64	35.80	–	317.44	162.65	171.12
Motor Vehicles	1,865.81	92.54	153.29	1,805.06	909.05	168.29	102.20	975.14	956.76	829.92
Computer	460.25	21.63	–	481.88	403.24	23.58	–	426.82	57.01	55.06
Electric Equipment & Fittings	334.60	120.94	11.74	443.80	221.10	21.61	0.26	242.45	113.50	201.35
Total	50,284.08	4,219.37	1,749.72	52,753.73	11,115.55	1,339.11	475.28	11,979.38	39,168.53	40,774.35

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (b) Capital Work-in-progress

Particulars	As at April 1, 2019	Additions	Capitalisation	As at March 31, 2020	Additions	Capitalisation	As at March 31, 2021
Capital work-in-progress	713.58	7,454.70	6,347.26	1,821.02	1,533.98	2,100.13	1,254.87

(i) Property, plant and equipment Pledged as security (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Land	333.05	558.14
Factory Building	–	1,215.50
Office Building	6,546.75	6,326.05
Plant and Machinery	7,018.99	6,518.86
Motor Vehicles	141.33	171.25
	14,040.12	14,789.80

(ii) Capital commitments - Refer Note No. 33.

3. Investment Properties

Particulars	As at April 1, 2019	Additions/Charge for the Year	Disposal	As at March 31, 2020	Additions/Charge for the Year	Disposal	As at March 31, 2021
Gross carrying value	1,772.45	–	9.30	1,763.15	–	–	1,763.15
Accumulated depreciation	521.12	23.58	3.98	540.72	23.57	–	564.29
Net carrying value	1,251.33			1,222.43			1,198.86

(i) Amounts recognised in profit or loss for investment properties

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income	43.75	93.05
Direct operating expenses that generated rental income	13.27	14.41
Direct operating expenses that did not generate rental income	–	–
Profit from leasing of investment properties before depreciation	30.48	78.64
Depreciation	23.57	23.58
Profit from investment properties	6.91	55.06

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. All the lease are cancellable at the option of lessee.

(iii) Fair value of Investment properties

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of Investment properties	2024.79	2024.79

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

4. Intangible assets

The changes in the carrying value of intangible assets for the year ended March 31, 2020 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2019	Additions for the year	Deletions / Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation for the year	Deletions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Computer Software	618.66	6.75	–	625.41	591.74	14.55	–	606.29	26.92	19.12
Technical Know how	220.34	63.59	–	283.93	190.58	21.30	–	211.88	29.76	72.05
Total	839.00	70.34	–	909.34	782.32	35.85	–	818.17	56.68	91.17

The changes in the carrying value of intangible assets for the year ended March 31, 2021 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2020	Additions for the year	Deletions / Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation for the year	Deletions	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
Computer Software	625.41	63.00	–	688.41	606.29	8.31	–	614.60	19.12	73.81
Technical Know how	283.93	–	–	283.93	211.88	23.48	–	235.36	72.05	48.57
Total	909.34	63.00	–	972.34	818.17	31.79	–	849.96	91.17	122.38

5. Investments

(i) Investments - Non Current

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Investments in subsidiary and associates - Unquoted investment (Measured at cost)		
SC Forma SA	147.76	147.76
ACE Employees Group Gratuity Scheme Trust	0.40	0.25
Namo Metals (Partnership firm)*	502.54	502.16
(b) Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
Nil Units (P.Y- 2000000 Units) LD525G-SBI Debts Fund Series-C-7-(1190 Days)- Direct Growth	–	236.93
Nil Units (P.Y- 2000000 Units) LD528G-SBI Debts Fund Series-C-9-(1150 Days)- Direct Growth**	–	236.90
4239905.706 Units (P.Y- 4239905.706 Units) Nippon India Fixed Horizon Fund - XXXVIII - Series O2 - Direct Growth Plan (TQAG)	509.52	438.88

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

Particulars	As at March 31, 2021	As at March 31, 2020
1000000 Units (PY- 1000000 Units) Nippon India Fixed Horizon Fund XXXIX- Series 2 - Direct Growth Plan (FGAG)	129.01	118.16
Nil Units (PY- 2000000 Units) Axis Fixed Term Plan - Series 97 (1116 Days) Growth (WIGPG)	—	215.85
Nil Units (PY- 1023198.525 Units) LD543G SBI Debts Fund Series C-20 (1100 Days) Direct Growth**	—	119.36
Nil Units (PY- 5000000 Units) LD544G SBI Debts Fund Series - C-21 (1100 Days) - Direct Growth**	—	573.13
(c) Investment in Debentures - Un-quoted		
Debentures of Reddy Veeranna Investments Pvt. Ltd	—	207.14
	1,289.23	2,796.52
Aggregate amount of quoted investment & market value thereof	638.53	1,939.21
Aggregate amount of unquoted investments	650.70	857.31
Aggregate amount of impairment in the value of investments	—	—

*Company has 90% share in Profit & Loss of the partnership firm M/s Namo Metals and balance 10% share of Profit & Loss is held by Mrs. Mona Agarwal. Namo Metals have capital of ₹ 502.26 lakhs as at March 31, 2021 (₹ 502.27 lakhs as at March 31, 2020)

**Mutual funds pledged with State Bank of India

(ii) Investments - Current

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
2000000 Units (PY- Nil Units) LD525G-SBI Debts Fund Series-C-7- (1190 Days)- Direct Growth	252.08	—
2000000 Units (PY- Nil Units) LD528G-SBI Debts Fund Series-C-9- (1150 Days)- Direct Growth*	251.64	—
1023198.525 Units (PY- Nil Units) LD543G SBI Debts Fund Series C-20 (1100 Days) Direct Growth*	127.57	—
5000000 Units (PY- Nil Units) LD544G SBI Debts Fund Series - C-21 (1100 Days) - Direct Growth*	613.58	—
2000000 Units (PY- Nil Units) Axis Fixed Term Plan - Series 97 (1116 Days) Growth (WIGPG)	235.25	—
112083.33 units (PY 112083.33 units) L465G SBI Dynamic Asset Allocation Fund - Regular Plan - Growth	17.20	12.97
1430265.90 Units (PY 1404616.11 Units) ICICI Prudential Balanced Advantage Fund - Growth	632.75	429.39
857026.02 units (PY 825789.03 units) Invesco India Dynamic Equity Fund - Growth	283.42	205.04

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

Particulars	As at March 31, 2021	As at March 31, 2020
(b) Investment in Debentures - Un-quoted		
Debentures of Reddy Veeranna Investments Pvt. Ltd	91.25	–
	2,504.74	647.40
Aggregate amount of quoted investment & market value thereof	2,413.49	647.40
Aggregate amount of unquoted investments	91.25	–
Aggregate amount of impairment in the value of investments	–	–

*Mutual funds pledged with State Bank of India

6. Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Non-current financial assets (Unsecured, Considered good)		
Security deposits	107.05	107.55
Employee Advances	58.84	12.79
Term deposits with Banks [#]	493.46	23.84
	659.35	144.18
(ii) Current financial assets (Unsecured, Considered good)		
Security deposits	173.67	151.53
Employee Advances	48.11	71.58
Interest receivable on fixed deposits	0.20	4.35
Accrued Interest on Investment in Debentures	8.22	3.01
	230.20	230.47

7. Other assets

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Other non-current assets		
Capital advances	972.66	1,298.67
	972.66	1,298.67
(ii) Other current assets		
Advances to Suppliers	2,702.35	3,011.10
Balance with Government Authorities		
Sales Tax Receivable	95.82	96.36
Balance with Excise/ GST Authorities	504.53	1,145.95
Duty Drawback Receivable	33.25	75.00
Balance with Custom Authorities	80.48	246.85
Prepaid expenses	140.58	146.92
Others	15.54	72.50
	3,572.55	4,794.68

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

8. Inventories (at lower of cost or net realisable value)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Material and Components		
Raw Material and Components	10,609.07	13,631.94
Goods-in-transit	2,590.14	2,745.86
	13,199.21	16,377.80
Work-in-Progress	2,276.99	4,239.19
Finished Goods	11,092.34	6,408.89
	26,568.54	27,025.88

Note : Working capital facilities are secured by first pari passu charge on entire inventories (Refer Note No. 14)

9. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good	22,459.23	14,725.61
Doubtful	354.52	237.65
	22,813.75	14,963.26
Allowances for Expected Credit Loss	(354.52)	(237.65)
	22,459.23	14,725.61

Notes:

- i) Receivables due from related parties (refer note no. 32) 3,630.55 421.27
- ii) Working capital facilities are secured by first pari passu charge on entire book debts (Refer Note No. 14)
- iii) Refer Note No 30 Financial Instrument for assessment of Expected Credit Loss

10. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in current accounts	129.52	64.91
Cash on hand	22.84	49.62
Deposits with original maturity less than 3 months	3,128.74	222.94
	3,281.10	337.47

11. Other Bank Balances

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits with maturity for more than 3 months but less than 12 months [#]	355.08	578.37
Unclaimed dividend Accounts	7.59	9.58
	362.67	587.95

#Fixed deposits with banks, includes the following:

Particulars	As at March 31, 2021	As at March 31, 2020
Deposit pledged with the State Bank of India	266.00	225.24
Deposit pledged against the bank guarantees	485.14	211.03

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

12. Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
a) Authorised Capital:				
Equity shares of ₹ 2/- each	12,50,00,000	2,500.00	12,50,00,000	2,500.00
8% Cumulative Non-Participating Redeemable Preference Shares of ₹ 10/- each	3,02,50,000	3,025.00	3,02,50,000	3,025.00
Issued, Subscribed and fully paid up:				
Equity shares of ₹ 2/- each	11,34,83,196	2,269.66	11,34,83,196	2,269.66
b) Reconciliation of number of equity shares Outstanding				
At the beginning of the year	11,34,83,196	2,269.66	11,73,23,000	2,346.46
Changes during the year	–	–	(38,39,804)	(76.80)
At the end of the year	11,34,83,196	2,269.66	11,34,83,196	2,269.66

c) During the financial year 2019-20 pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, the provisions of the SEBI (Buy Back of Securities) Regulations, 2018, Article 62 of the Articles of Association of the Company and pursuant to the resolutions passed by the Board of Directors of the Company at their meeting held on May 16, 2019, the Company has bought back 38,39,804 No. of Equity shares of ₹ 2 each in electronic form.

d) Rights, preferences and restrictions attached to equity shares

The equity shares of the company, having par value of ₹ 2/- per share rank pari passu in all respects including voting rights and entitlement to dividend.

e) Shareholders holding more than 5% of the Equity Shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	%age	No. of Shares	%age
Mr. Vijay Agarwal / Mrs. Mona Agarwal	3,42,36,078	30.17%	4,17,38,092	36.78%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	3,06,57,579	27.02%	2,58,39,407	22.77%
Mr. Sorab Agarwal	76,23,650	6.72%	76,23,650	6.72%
Mrs. Surbhi Garg	69,30,156	6.11%	69,30,156	6.11%

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

13. Other Equity

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
General Reserve	(a)	9,925.00	9,925.00
Capital Redemption Reserve	(b)	3,098.74	3,098.74
Securities Premium Reserve	(c)	5,275.51	5,275.51
Retained Earnings	(d)	31,777.43	23,685.53
		50,076.68	41,984.78

Particulars	As at March 31, 2021	As at March 31, 2020
a) General reserve		
Balance at the beginning of the year	9,925.00	9,925.00
Transferred from retained earnings	–	–
Balance at the end of the year	9,925.00	9,925.00
b) Capital Redemption Reserve		
Balance at the beginning of the year	3,098.74	2,417.55
Transferred from retained earnings on Buyback of Equity Shares	–	76.80
Transferred from retained earnings on redemption of Preference Shares	–	604.39
Balance at the end of the year	3,098.74	3,098.74
c) Securities Premium Reserve		
Balance at the beginning of the year	5,275.51	8,532.73
Premium paid on buyback of equity shares	–	(3,257.22)
Balance at the end of the year	5,275.51	5,275.51
d) Retained earnings		
At the beginning of the year	23,696.73	20,494.43
Net profit for the year	8,015.93	5,263.81
Transferred to CRR on redemption of Preference Shares	–	(604.39)
Transferred to CRR on Buyback of Equity Share	–	(76.80)
Payment of equity dividend and tax thereon	–	(1,380.32)
	31,712.66	23,696.73
Other comprehensive income (net of tax)		
Re-measurements of defined employee benefit plans		
At the beginning of the year	(11.20)	2.71
Changes during the year	75.97	(13.91)
	64.77	(11.20)
Balance at the end of the year	31,777.43	23,685.53

Nature and purpose of other reserves

a) General reserve

It is the portion of net profit transferred to general reserve before declaring dividend pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

Other Equity (Contd.)

b) Capital redemption reserve

It is created on redemption of preference shares and buyback of equity shares.

c) Securities premium reserve

Amount received on issue of shares in excess of the par value has been classified as Securities premium reserve.

14. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Non-current Borrowings		
Secured		
Term Loans from Banks in ₹	2,327.99	3,703.42
Term Loans from NBFC	1.00	27.49
	2,328.99	3,730.91
Current maturity of long term loans	(315.59)	(826.74)
	2,013.40	2,904.17
(ii) Current Borrowings		
Secured		
Cash Credit	87.17	1,666.50
Short term loans	2,750.10	2,265.10
Working Capital Demand Loan	–	535.26
Buyers Credit	255.80	–
	3,093.07	4,466.86

Notes:-

a) There have been no breach of covenants mentioned in the loan agreements during the reporting period.

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Borrowings (Contd.)

b) Detail of Borrowings

Sl. No.	Nature of Loans	Repayment terms	Security offered	Rate of Interest	As at March 31, 2021	As at March 31, 2020
1.	Rupee Loan from ICICI Bank Ltd.	Repayable in 122 equated monthly installments, including interest	Exclusive charge on the assets financed out of this loan.	7.10%	2,322.05	2,562.98
2.	Rupee Loan from Kotak Mahindra Bank Ltd.	Repayable in 60 equated monthly installments, including interest	Exclusive charge by way of equitable mortgage over property situated at industrial unit at Plant IV Prithla Dhatir Road, Village Dudholla, Palwal and Subservient charge on all existing and future current assets of the company.	8.70%	–	1,121.06
3.	Vehicle loan from ICICI Bank, Kotak Mahindra Prime Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Vehicle financed out of this loan.	8.50%	6.94	46.87
4.	Short term loan from ICICI Bank	Repayable in 12 structured monthly installments starting from March 2021	Residual charge over all movable fixed assets	6.45%	2,750.10	–
5.	Working capital facilities from various banks	Repayable on demand	Secured by way of hypothecation of the Company's entire inventory and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present & future and Plant & Machinery on pari passu basis and First charge by the way of equitable mortgage of 1425 Sq. Yards Land situated at Lakkarpur and office No. 403, Pinnacle Tower Situated at Surajkund, Faridabad on pari passu basis.	7.85%	342.97	4,466.86

15. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Non-Current Provisions		
Provision for Leave entitlement	185.35	222.06
Provision for Gratuity	–	125.52
	185.35	347.58
(ii) Current Provisions		
Provision for warranty	109.38	101.30
Provision for Leave entitlement	32.46	33.32
	141.84	134.62

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Provisions (contd.)

Provision for warranty

The company gives warranties on certain products and undertake to repair or replace them, if they fails to perform satisfactorily during the free warranty period. Such provisions represents the amount of the expected cost of meeting the obligations of such rectification/ replacement. The timing of the outflow is expected to be within the period of one to two years. The provision is based on estimates made from historical warranty data associated with similar products and services.

Movement in Provisions

Particulars	Provision for Warranty
Provision at April 1, 2019	119.90
Additional provisions recognised	101.30
Amount utilised during the year	(119.90)
Provision at March 31, 2020	101.30
Additional provisions recognised	109.38
Amount utilised during the year	(101.30)
Provision at March 31, 2021	109.38

16. Deferred tax liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
Depreciation on Property, Plant and Equipment and intangible asset	1,879.29	1,545.82
	1,879.29	1,545.82
Deferred tax Assets		
Provision for employee benefits	32.54	67.55
Provision for doubtful debts	240.23	59.81
Excess of lease liability over ROU Assets	0.58	–
	273.35	127.36
Deferred tax liabilities (Net)	1,605.94	1,418.46

Movement in deferred tax liabilities (Net)

Particulars	Property, Plant and Equipment and intangible assets	Provision for employees benefit	Provision for doubtful debts	Excess of lease liability over ROU Assets
As at April 1, 2019	1,685.51	(101.06)	(25.35)	–
Charged/(Credited):				
-to profit and loss	(139.69)	36.79	(34.46)	–
-to other comprehensive income	–	(3.28)	–	–
As at March 31, 2020	1,545.82	(67.55)	(59.81)	–
Charged/(Credited):				
-to profit and loss	333.47	9.46	(180.42)	(0.58)
-to other comprehensive income	–	25.55	–	–
As at March 31, 2021	1,879.29	(32.54)	(240.23)	(0.58)

The Company has opted for reduced tax rate as per Section 115BAA of the Income Tax Act, 1961 introduced by Taxation Laws (Amendment Ordinance 2019). The Company has recognised Provision for Income Tax for the year and Re-measured its Deferred Tax Liability based on the rate prescribed in the said section.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

17. Trade payables (including acceptances)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues to Micro and Small Enterprises*	3,851.68	4,492.88
Dues to enterprises other than Micro and Small Enterprises	29,190.22	27,553.38
	33,041.90	32,046.26

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. The Company has provided interest of Rs. 5.29 lakhs on the overdue outstanding principal amounts (Refer note no. 36).

18. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Non-current financial liabilities		
Lease Liability	35.64	85.08
Current Maturities of lease liability	(22.18)	(43.04)
	13.46	42.04
(ii) Current financial liabilities		
Current Maturities of long term debts	315.59	826.74
Current Maturities of lease liability	22.18	43.04
Unclaimed Dividends	7.59	9.58
Security deposits	1,012.17	882.95
Employee benefits	658.53	666.14
Others Payables	6,860.04	4,657.45
	8,876.10	7,085.90

19. Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers	1,885.66	1,567.26
Statutory Liabilities	959.26	244.18
Deferred revenue	941.59	481.49
Other Current Liabilities	–	21.00
	3,786.51	2,313.93

20. Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Products	1,20,945.14	113,991.84
Sale of Services	120.06	124.62
Hiring Charges	1,399.17	1,251.79
Export Incentives	163.76	201.79
Other operating revenue	72.78	49.71
	1,22,700.91	115,619.75

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

21. Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	62.00	67.94
Rental income	43.75	93.05
Profit on Sale of property, plant and equipment	538.64	105.80
Gain on Investments carried at fair value through profit or loss (net)	462.94	–
Gain on foreign currency transactions (net)	123.17	–
Miscellaneous income	300.09	136.33
	1,530.59	403.12

22. Cost of materials consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock of Raw material	16,377.80	13,747.65
Add: Purchases (net of returns)	84,531.17	83,594.16
Less: Closing stock of Raw material	(13,199.21)	(16,377.80)
	87,709.76	80,964.01

23. Changes in inventories of finished goods, Stock-in-trade and work-in-progress

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock		
Work-in progress	4,239.19	2,793.44
Finished goods	6,408.89	4,705.00
	10,648.08	7,498.44
Closing Stock		
Work-in progress	2,276.99	4,239.19
Finished goods	11,092.34	6,408.89
	13,369.33	10,648.08
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	(2,721.25)	(3,149.64)

24. Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	6,638.58	7,496.93
Contribution to provident and other funds	294.85	356.82
Staff welfare expenses	275.38	707.92
	7,208.81	8,561.67

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

25. Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Working Capital facilities	957.73	1,166.13
Interest on Term Loans	16.28	8.65
Interest on Other Loans	244.34	282.29
Finance Charges of lease Liability	4.93	8.92
	1,223.28	1,465.99

26. Depreciation and amortisation expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	1,300.02	1,199.71
Amortisation of intangible assets	31.79	35.85
Depreciation of Investment Property	23.57	23.58
Depreciation on ROU Assets	39.10	42.21
	1,394.48	1,301.35

27. Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Manufacturing Expenses	4,974.43	5,056.98
Repairs & Maintenance - Building	148.35	214.30
Repairs & Maintenance - Plant & Machinery	311.93	409.65
Power & Fuel	462.00	516.39
Freight & Forwarding Charges	4,697.97	3,775.45
Selling Expenses	1,214.32	1,973.10
Commission on Sales	1,646.58	1,410.75
Rent	67.51	106.61
Rates & Taxes	53.21	86.15
Insurance	197.89	162.38
Travelling & Conveyance	666.34	1,572.31
Communication Expenses	276.09	252.40
Auditors Remuneration*	24.55	23.40
Vehicle Expenses	157.02	176.69
Bad Debts Written off	494.26	200.33
Provision for doubtful receivables and advances (net)	716.87	165.09
Loss on Investments carried at fair value through profit or loss (net)	–	35.37
Loss on foreign currency transactions (net)	–	66.53
Corporate Social Responsibility (CSR) expense**	152.84	134.40
Miscellaneous Expenses	1,700.35	2,086.43
	17,962.51	18,424.71

*Auditor's Remuneration (excluding taxes) Includes

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Audit Fees	16.00	16.00
Tax audit fees	3.00	3.00
Certification	1.00	1.20
Cost audit fees	0.75	1.00
Secretarial audit fees	0.60	0.60
GST audit fees	3.20	1.60
	24.55	23.40

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Other expenses (contd.)

**CSR Expenditure

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gross amount required to be spent by the company during the year	152.74	130.75
Amount spent during the year for promoting health care	152.84*	134.40

Note: *Out of above, ₹ 83.24 lakhs is unspent by ACE Emergency Response Service, a Trust (Implementing Agency) as this pertains to ongoing projects. Further, as confirmed by the implementing agency that the unspent amount of ₹ 83.24 lakhs will be spent latest by July 2021.

28. Income tax expense

(a) Income tax expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax on profit for the year	2,656.84	1,735.83
Adjustment of current tax of prior periods	13.14	(42.58)
	2,669.98	1,693.25
Deferred tax		
Decrease/(increase) in deferred tax assets	(171.54)	2.33
(Decrease)/increase in deferred tax liabilities	333.47	(139.69)
	161.93	(137.36)
	2,831.91	1,555.89

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income tax expense	10,847.84	6,819.70
Statutory Income Tax rate	25.168%	25.168%
Income tax expense at the statutory tax rate	2,730.19	1,716.38
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Income exempt from tax	(252.04)	(43.98)
Tax on expense not eligible for deduction	223.67	105.59
Adjustments for current tax of prior periods	13.14	(42.58)
Effect of Income which is taxed at special rates	–	(11.93)
Other items	116.95	(167.59)
Income tax expense	2,831.91	1,555.89

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 effective from April 01, 2019, domestic companies have a non-reversible option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. Based on the assessment, the Company has decided to opt for the New tax rate i.e. 25.168%

29. Employee Benefits

(A) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (contd.)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Amount recognized in the balance sheet is as under:		
Present value of defined benefit obligation	600.11	629.87
Fair value of plan assets with LIC	602.85	504.35
Net defined benefit obligation	(2.74)	125.52
(ii) Amount recognized in the statement of profit and loss is as under:		
Current Service cost	74.38	91.07
Net interest cost	4.90	3.48
Amount recognized in the statement of profit and loss	79.28	94.55
(iii) Movement in the present value of defined benefit obligation recognized in the balance sheet is as under:		
Present value of defined benefit obligation as at the beginning of the year	629.87	543.82
Current service cost	74.38	91.07
Interest cost	41.01	39.50
Actuarial loss/(gain) recognized during the year	(98.67)	17.09
Benefits paid	(46.48)	(61.61)
Present value of defined benefit obligation as at the end of the year	600.11	629.87
(iv) Movement in the plan assets recognized in the balance sheet is as under:		
Fair Value of plan assets at beginning of the year	504.35	467.19
Expected return on plan assets	36.11	36.02
Employer's contribution	105.02	62.86
Benefit paid	(45.49)	(61.62)
Actuarial gain/(loss) on plan assets	2.86	(0.10)
Fair Value of plan assets at the end of the year	602.85	504.35
Actual return on plan assets	38.97	35.92
(v) Breakup of actuarial (gain)/loss:		
Actual (gain)/loss arising from change in financial assumption	(110.63)	21.58
Actual (gain)/loss arising from experience adjustment	9.11	(4.38)
Total actuarial (gain)/loss	(101.52)	17.20

(vi) Actuarial assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Attrition Rate	20.00% P.a.	20.00% P.a.
Imputed rate of Interest (D)	6.76% P.a.	6.76% P.a.
Imputed rate of Interest (IC)	6.76% P.a.	7.70% P.a.
Salary escalation	10.00% P.a.	10.00% P.a.
Return on plan asset	6.76% P.a.	7.70% P.a.
Remaining working life	21.65 Years	22.12 Years

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (contd.)

Gratuity payable to the employees on death or resignation or on retirement or at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives 2012-14 Ultimate Mortality table .

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of obligation at the end of the year	600.11	629.87
Impact of the change in discount rate		
Impact due to increase of 1.00%	(15.13)	(22.79)
Impact due to decrease of 1.00%	16.18	24.80
Impact of the change in salary increase rate		
Impact due to increase of 1.00%	15.66	22.34
Impact due to decrease of 1.00%	(15.04)	(21.19)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior periods.

B) Compensated absences (unfunded)

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provisions has been recognised in the statement of profit and loss.

Particulars	As at March 31, 2021	As at March 31, 2020
Compensated absences (unfunded)		
Current	32.46	33.32
Non-Current	185.35	222.06
	217.81	255.38

C) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

D) Other employee benefits

The Company has taken an Insurance Policy for medical benefits in respect of its working employees. The Insurance Policy for on-roll employees is partially funded by the Company.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

30. Financial Instruments

A) Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets measured at fair value		
Investments measured at fair value through profit and loss	3,052.02	2,586.61
Financial assets measured at amortised cost		
Trade receivables	22,459.23	14,725.61
Cash and cash equivalents	3,281.10	337.47
Other Bank balances	362.67	587.95
Other financial assets	889.55	374.65
	26,992.55	16,025.68
Financial liabilities measured at amortised cost		
Borrowings	5,422.06	8,197.77
Trade payables	33,041.90	32,046.26
Other financial liabilities	8,573.97	6,301.20
	47,037.93	46,545.23

B) Fair Value Hierarchy

The fair value of financial Instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted price in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1 : Quoted prices for identical instruments in an active market

Level 2 : Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs and

Level 3 : Inputs which are not based on observable market data (unobservable inputs).

Financial assets measured at Fair Value

Particulars	As at March 31, 2021	As at March 31, 2020
Investments measured at fair value through profit and loss		
Level 1	3,052.02	2,586.61
Level 2	—	—
Level 3	—	—
	3,052.02	2,586.61

Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statement as at the Balance Sheet date.

C) Financial Risk Management

The company's activities expose it to credit risk, market risk and liquidity risk. The company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

C.1) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

Expected credit losses for financial assets other than trade receivables

Financial assets for which loss allowance is measure using 12 months expected credit loss.

Credit risks related to balances of banks and financial institutions, cash & cash equivalents and deposits with banks are managed by the Company in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, debt mutual funds and other risk free securities having good credit ratings. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 is the carrying amounts.

Expected credit losses for trade receivables under simplified approach

Financial assets for which loss allowance is measured using lifetime expected credit loss as per simplified approach.

Credit risks related to receivables is managed by each business unit subject to the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on trade receivables by using lifetime expected credit losses as per simplified approach wherein the weighted average loss rates are analysed from the historical trend of defaults relating to each business segment. Such provision matrix has been considered to recognize lifetime expected credit losses on trade receivables (other than those where defaults criteria are met).

The Company evaluates the concentration of risk with respect to trade receivables as low, since its customers are from various industries, jurisdictions and operate in independent markets. Trade receivables and other financial assets are written off when there is no reasonable expectation of recovery.

Movement in the expected credit loss allowance-Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	237.65	72.56
Add : Provided during the year	848.78	365.42
Less : Reversal of provisions	(237.65)	–
Less : Bad debts written off	(494.26)	(200.33)
Balance at the end of the year	354.52	237.65

C.2) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserve, 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Less than 1 year	1-5 Years	More than 5 Years	Total
As at March 31, 2021				
Borrowings	3,408.66	1,478.25	535.15	5,422.06
Trade payables	33,041.90	–	–	33,041.90
Other financial liabilities	8,560.51	13.46	–	8,573.97
	45,011.07	1,491.71	535.15	47,037.93
As at March 31, 2020				
Borrowings	5,293.60	2,288.09	616.08	8,197.77
Trade payables	32,046.26	–	–	32,046.26
Other financial liabilities	6,259.16	42.04	–	6,301.20
	43,599.02	2,330.13	616.08	46,545.23

C.3) Market Risk

The Company is not an active investor in equity market. Further the treasury activities, focused on managing investments in debt instruments, are centralized and administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in fixed deposits and debt mutual funds. Mark to market movements in respect of the Company's investments that are held at amortised cost are temporary and get recouped through fixed coupon accruals. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

The Company also invests in mutual fund schemes of leading fund. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund scheme in which the Company has invested, such price risk is not significant.

Foreign currency risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar and Euro) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited hence the Company does not use any derivative instruments to manage its exposure.

Foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets	2,773.25	941.39
Financial Liabilities	1,666.32	2,730.96
Net exposure to foreign currency risk	1,106.93	(1,789.57)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at March 31, 2021	As at March 31, 2020
USD sensitivity		
INR/USD increase by 150 bps*	22.69	(35.61)
INR/USD decrease by 150 bps*	(22.69)	35.61

*Holding all other variables constant

Foreign currency risk exposure in EURO:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets	74.48	3.92
Financial Liabilities	—	—
Net exposure to foreign currency risk	74.48	3.92

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at March 31, 2021	As at March 31, 2020
Euro sensitivity		
INR/Euro increase by 200 bps*	1.73	0.09
INR/Euro decrease by 200 bps*	(1.73)	(0.09)

*Holding all other variables constant

C.4) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of change in market interest is not material relating to the financial liabilities. The Company's borrowing outstanding as at March 31, 2021 comprise of long term loans for properties, vehicles and short term working capital facilities from various banks.

C.5) Risk due to outbreak of COVID 19 pandemic

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. The company has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date and observed that there is no significant impact on its financial statements.

31. Capital Management

The Company's capital management objectives are:

- To ensure the company's ability to continue as going concern
- To provide an adequate return to shareholders

The Company monitors capital on the basis of carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Capital Management (contd.)

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, buy back of share, issue of new shares.

(a) Debt to equity ratio

Particulars	As at March 31, 2021	As at March 31, 2020
Net debt	1,785.88	7,281.93
Total equity	52,346.34	44,254.44
Net debt to equity ratio	3.41%	16.45%

(b) Dividends (excluding dividend tax)

Equity shares

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Final dividend for the preceding financial year of Rs. Nil (P.Y Rs. 0.50/-) per fully paid equity share	–	577.55
Interim dividend for the current financial year of Rs. Nil (P.Y Rs. 0.50/-) per fully paid equity share	–	567.42
	–	1,144.97

32. Related party transactions

The company's related party transactions and outstanding balance with its subsidiaries, Key management and others are as described below:-

A. Name of Related Parties

a) Subsidiaries

SC Forma SA
Namo Metals

b) Key management personnel

Mr. Vijay Agarwal	Chairman & Managing Director
Mrs. Mona Agarwal	Whole - Time Director
Mr. Sorab Agarwal	Whole - Time Director
Mrs. Surbhi Garg	Whole - Time Director
Mr. Avinash Parkash Gandhi	Independent Director
Mr. Girish Narain Mehra (IAS Retd.)	Independent Director (Retired w.e.f. 25.09.2020)
Major General (Retd.) Dr. K. C. Agrawal	Independent Director (Retired w.e.f. 25.09.2020)
Mr. Subhash Chander Verma	Independent Director (Retired w.e.f. 25.09.2020)
Dr. Divya Singal	Independent Woman Director (Appointed w.e.f. 01.04.2020)
Mr. Shriniwas Vashisht	Independent Director (Appointed w.e.f. 24.09.2020)
Dr. Jagan Nath Chamber	Independent Director (Appointed w.e.f. 06.11.2020)
Mr. Rajan Luthra	Chief Financial Officer
Mr. Anil Kumar	Company Secretary & Compliance Officer

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

c) Enterprises owned or significantly influenced by Key Management Personnel or their relatives

VMS Equipment Pvt Ltd.
Rotadrill India Pvt Ltd.
Reachall India Pvt Ltd.
ACE Emergency Response Service Trust
ACE Employees Group Gratuity Scheme Trust

B. Transactions with related party

(i) Transactions with Subsidiaries and significantly influenced enterprises

Nature of Transaction	For the year	VMS Equipment Pvt Ltd.	Rotadrill India Pvt. Ltd.	Reachall India Pvt. Ltd.	Namo Metals	ACE Emergency Response Trust	Total
Sale of Goods	2020-21	1,505.39	410.00	2,299.30	–	–	4,214.69
	2019-20	1,232.13	273.00	–	–	–	1,505.13
Purchase of Goods	2020-21	52.50	–	–	–	–	52.50
	2019-20	7.35	–	–	–	–	7.35
Rent Received	2020-21	4.44	1.20	1.80	–	1.14	8.58
	2019-20	4.44	0.20	0.20	–	1.10	5.94
Donation Paid	2020-21	–	–	–	–	142.84	142.84
	2019-20	–	–	–	–	182.40	182.40
Investment in Equity	2020-21	–	–	–	0.38	–	0.38
	2019-20	–	–	–	107.47	–	107.47

Note : All transactions are done at Arm's Length Price

(ii) Outstanding balances arising from sales/purchase of goods and services

Name of Party	Nature of Outstanding	As at March 31, 2021	As at March 31, 2020
VMS Equipment Pvt Ltd.	Amount Receivable	581.78	98.65
Rotadrill India Pvt. Ltd.	Amount Receivable	484.53	322.38
Reachall India Pvt. Ltd.	Amount Receivable	2,564.24	0.24
		3,630.55	421.27

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

(iii) Transactions with Key management personnel

Name of Party/ Nature of Transaction	For the year	Short-term employee benefits	Dividend paid	Redemption of preference shares	Rent Paid	Service rendered	Sale of Im-movable Property	Purchase of Immoveable Property	Total
Mr. Vijay Agarwal	2020-21	306.16	–	–	34.35	–	–	530.53	871.04
	2019-20	306.00	415.66	–	56.40	–	–	–	778.06
Mrs. Mona Agarwal	2020-21	150.73	–	–	–	–	1,160.00	150.00	1,460.73
	2019-20	150.88	258.39	–	–	–	–	–	409.27
Mr. Sorab Agarwal	2020-21	58.86	–	–	–	–	–	–	58.86
	2019-20	58.79	76.24	–	–	–	–	–	135.03
Mrs. Surbhi Garg	2020-21	60.56	–	–	20.90	–	–	–	81.46
	2019-20	58.88	69.30	604.39	26.40	–	–	–	758.97
Mr. Girish Narain Mehra (IAS Retd.)	2020-21	–	–	–	–	0.75	–	–	0.75
	2019-20	–	–	–	–	1.50	–	–	1.50
Major General (Retd.) Dr. K. C. Agrawal	2020-21	–	–	–	–	0.45	–	–	0.45
	2019-20	–	–	–	–	1.05	–	–	1.05
Mr. Subhash Chander Verma	2020-21	–	–	–	–	0.90	–	–	0.90
	2019-20	–	–	–	–	2.10	–	–	2.10
Dr. Amar Singhal	2020-21	–	–	–	–	–	–	–	–
	2019-20	–	–	–	–	2.25	–	–	2.25
Mr. Avinash Parkash Gandhi	2020-21	–	–	–	–	1.75	–	–	1.75
	2019-20	–	–	–	–	1.20	–	–	1.20
Dr.. Divya Singal	2020-21	–	–	–	–	2.20	–	–	2.20
	2019-20	–	–	–	–	–	–	–	–
Mr. Shrinivas Vashisht	2020-21	–	–	–	–	1.30	–	–	1.30
	2019-20	–	–	–	–	–	–	–	–
Dr. Jagan Nath Chamber	2020-21	–	–	–	–	1.00	–	–	1.00
	2019-20	–	–	–	–	–	–	–	–
Mr. Rajan Luthra	2020-21	55.39	–	–	–	–	–	–	55.39
	2019-20	61.56	–	–	–	–	–	–	61.56
Mr. Anil Kumar	2020-21	6.78	–	–	–	–	–	–	6.78
	2019-20	6.64	–	–	–	–	–	–	6.64

33. Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Bank Guarantees	3,025.33	2,276.04
Letter of Credits	6,382.61	6,553.16
Claim against the Company, not acknowledged as Debts	967.42	803.99
Sales Tax, Excise & Income Tax Matters, pending before Assessing Appellate Authorities, not acknowledged as liability	3,415.22	3,415.22
	13,790.58	13,048.41

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Contingent liabilities and commitments (contd.)

Notes:

- i) The amount indicated as contingent liability or claim against the company, reflects only the basic value. Any interest, penalty or legal cost is not considered.
- ii) It is not practically possible for the company to estimate the timings and amount of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(b) Capital commitments

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	729.10	900.77

(c) Non-cancellable operating leases

The company leases Immovable property under non-cancellable operating leases expiring in next five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum undiscounted lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	54.39	27.43
Later than one year but not later than five years	29.00	25.61
Later than five years	—	—

34. Earnings per share (EPS)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit after tax for the year	8,015.93	5,263.81
Weighted average number of equity shares outstanding during the year	11,34,83,196	11,49,27,557
Basic earnings per share (in ₹)	7.06	4.58
Diluted earnings per share (in ₹)	7.06	4.58

35. Leases

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right-of-use (ROU) asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

The Company applied the available practical expedients, wherein it :

- (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Leases (contd.)

- (b) Applied the exemption not to recognize Right-of-Use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- (c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- (d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
- (e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The carrying value of Right of Use assets recognised on the date of transition and the movements thereof during the year ended March 31, 2021 :

The changes in the carrying value of Right-of-Use assets for the year ended March 31, 2021 are as follows:

Particulars	Category of Right-of-Use asset		Total
	Office Building	Plant & Machinery	
Balance as at April 1, 2019	–	–	–
ROU assets recognised as on, April 1, 2019 on adoption of Ind AS 116	85.95	-	85.95
Additions during the year	27.14	8.48	35.62
Depreciation for the year	(41.57)	(0.64)	(42.21)
Balance as at March 31, 2020	71.52	7.84	79.36
Additions during the year	13.26	–	13.26
Depreciation for the year	(36.56)	(2.54)	(39.10)
Modification of lease during the year	(20.18)	–	(20.18)
Balance as at March 31, 2021	28.04	5.30	33.34

The carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2021:

Particulars	Amount
Transition impact on account of adoption of Ind AS 116 “Leases”	85.95
Addition during the year	35.62
Finance Cost accrued during the year	8.92
Interest accrued but not due as on March 31, 2020	(0.06)
Payment of lease liabilities	(45.35)
Balance as at March 31, 2020	85.08
Addition during the year	13.26
Finance Cost accrued during the year	4.93
Modification of lease during the year	(22.75)
Interest accrued but not due as on March 31, 2021	(0.12)
Payment of lease liabilities	(44.76)
Balance as at March 31, 2021	35.64
Current maturities of Lease Liabilities (refer Note 18)	22.18
Non-Current Lease Liabilities (refer note 18)	13.46

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Leases (contd.)

Impact on the Statement of Profit and Loss for year ended 31st March, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of Right-of-Use assets	39.10	42.21
Interest on Lease Liabilities	4.93	8.92
Total	44.03	51.13

Rental expense recorded for Short-Term Leases was ₹ 67.51 lakhs for the year ended March 31, 2021 (₹ 106.61 lakhs for the year ended March 31, 2020). (Refer Note 27)

The effect of this adoption is insignificant on earnings per share.

The maturity analysis of undiscounted lease liabilities is disclosed in Note 33 (c).

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Impact of COVID-19

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used are long term in nature and no changes in terms of those leases are expected due to the COVID-19

36. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act). Principal amount due to micro and small enterprises	3,851.68	4492.88
Interest due on overdue principal amounts out of the above	5.29	—
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the suppliers beyond the appointed day during the period.	—	—
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	—	—
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	—	—
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	—	—

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

37. Segment information

The company's operating segments are established on the basis of those components of the company which are evaluated regularly by the executive committee in deciding how to allocate resources and in assessing performances. The company has four (4) operating and reporting segments as given below:

- i) Cranes
- ii) Construction Equipment
- iii) Material Handling
- iv) Agri Equipment

(a) Segment Revenue and Results

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Segment revenue (Net)		
(i) Cranes	79,020.91	82,868.65
(ii) Construction Equipment	13,373.03	10,065.31
(iii) Material Handling	10,284.72	8,358.18
(iv) Agri Equipment	20,022.25	14,327.61
Total Segment Revenue	1,22,700.91	1,15,619.75
Segments results		
(i) Cranes	8,724.00	9,294.81
(ii) Construction Equipment	678.50	1.65
(iii) Material Handling	1,273.35	816.11
(iv) Agri Equipment	2,405.46	(411.45)
	13,081.31	9,701.12
Finance costs	(1,223.28)	(1,465.99)
Other Unallocated Expenses	(1,010.19)	(1,415.43)
Total Segment results	10,847.84	6,819.70

(b) Segment Assets and Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Segment assets		
(i) Cranes	74,334.50	67,441.09
(ii) Construction Equipment	9,673.05	10,198.24
(iii) Material Handling	3,830.99	2,866.78
(iv) Agri Equipment	9,658.04	5,803.82
Total segment assets	97,496.58	86,309.93
Unallocated	7,791.27	8,809.68
Total assets as per the balance sheet	1,05,287.85	95,119.61

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

Segment information (Contd.)

Segment liabilities		
(i) Cranes	31,503.33	29,431.97
(ii) Construction Equipment	4,611.58	5,384.90
(iii) Material Handling	2,665.55	1,510.51
(iv) Agri Equipment	6,949.05	4,816.20
Total segment liabilities	45,729.51	41,143.58
Unallocated	59,558.34	53,976.03
Total liabilities as per the balance sheet	1,05,287.85	95,119.61

Segment revenue, segment results, segment assets and segment liabilities includes the respective amount identifiable for each operating segment.

The company has substantial business in India and exports are not material. Hence in the context of Ind AS 108 segments identified above are the only reportable segments.

38. Previous year figures have been re-grouped/reclassified wherever necessary, to conform to current year's classification.

In terms of our report of even date
For M/s BRAN & Associates
Chartered Accountants
Firm Registration No.: 014544N

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 28, 2021

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Sd/-
Anil Kumar
Company Secretary

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Avinash Parkash Gandhi
Independent Director
DIN: 00161107

Independent Auditor's Report To the Members of Action Construction Equipment Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Action Construction Equipment Limited (herein referred to as "the Holding Company") and its subsidiaries (the Holding Company & its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Ind As Financial Statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on the separate financial statements of the subsidiaries referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit including other comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw your attention to the Note no 27 to the Consolidated Ind As financial statements, which describes that the company has spent ₹ 152.84 lacs on CSR activities, however, out of ₹ 152.84 lacs, the Company has not spent ₹ 83.24 lacs on CSR activities before March 31, 2021 in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide Notification dated January 22, 2021. As explained to us, the cheque for ₹ 83.24 lacs issued to the Implementing Agency was encashed on May 15, 2021 and the Implementing Agency informed the Company that the said amount could not be spent due to the Lockdown and COVID situation in Haryana and assured that this amount would be spent for the CSR Activities latest by July 2021. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the Audit of Consolidated Ind AS Financial Statements Section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of the material misstatement of the Consolidated Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements.

Sr. No.	Key Audit Matters	How Our audit addressed the key audit matters
1.	Revenue Recognition under Ind AS 115 - Revenue from Contracts with Customers	
	<p>The Company has Four operating segments, namely, Cranes Segment, Construction Equipment Segment, Material Handling Segment and Agri Equipment Segment. The type of customers varies across these segments, ranging from Dealers, Corporates, Government and Individuals. The multiplicity of products, sales transactions, distribution network and the contracts / arrangements with various customers across these segments are different involving significant risk and judgement. Revenue recognition in accordance with Ind AS 115 requires management to make certain judgements of distinct performance obligations like after sales services, warranties, discounts & rebates in the transaction price and allocating the transaction price to the performance obligations. Sale of goods depends upon the transfer of control of the goods to the customer, usually on delivery of goods. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> – Evaluating the integrity of the information and technology general control environment and testing the operating effectiveness of key IT application controls. – Evaluating the design and implementation of Company’s controls in respect of revenue recognition. – Testing the effectiveness of such controls over revenue cut off at year-end. – Testing by selecting samples of revenue transactions recorded during the year. – Assessed the appropriateness of Company’s identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115. – On a sample basis, making selections from sales entries and tracing to their contracts, invoices, delivery challan and goods outward register. – Performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation to assess whether the revenue was recognized in the correct period.

Information other than the Consolidated Ind AS Financial Statements and Auditor’s Report Thereon

The Holding Company’s Board of Directors is responsible for the other information. The other Information comprises the Report of the Directors and the following Annexures thereon namely Management Discussion and Analysis, Report on the Corporate Governance, Annual report on Corporate Social responsibility Activities, Form AOC-1, Form AOC-2, Conservation of energy, Technology Absorption and exchange earnings and outgo but does not include the Consolidated Ind AS financial Statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements our responsibility is to read the other information with the unaudited financial information for the period January 01, 2021 to March 31, 2021 in respect of the foreign subsidiary whose financial year ending is December 31, 2020 and unaudited financial information of the firm for the financial year ending March 31, 2021, to the extent it relates to the entity and in doing so place reliance on these 3 months period unaudited financial information of the foreign subsidiary and unaudited financial information of the firm as submitted by the Management and to consider whether the other information is materiality inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from the unaudited financial information as submitted by the Management. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company’s Board of Directors is responsible for the Implementation Guide on Reporting Standards matters stated in Section 134(5) of the Act, with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the

consolidated financial position, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Boards of Directors included in the Group are also responsible for overseeing the Group financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

As part of an audit in accordance with Standards on Auditing we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatements of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures, responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances in Section 143(3)(i) of the Act. We are also responsible for expressing our opinion on whether the Holding Company has adequate Internal Financial Controls system in place with respect to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the consolidated Ind AS financial statements or if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated Ind AS financial statements, including the disclosures and whether the consolidated Ind AS financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are independent auditors to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the directions, supervisions and performance of the audit of the financial statements of such entity included in the consolidated

financial statements of which we are the independent auditors. For the other entity included in the consolidated Ind AS financial statements which have been audited by other auditors, such other auditors remain responsible for the directions, supervision and performance except for a period of 3 months unaudited financial information of the foreign subsidiary and unaudited financial information of the firm for the financial year ending March 31, 2021, provided by the Management and for such Management remains responsible for the directions, supervision and performance of the 3 months unaudited financial of the foreign Subsidiary & unaudited financial information of the firm for the year as submitted by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding among other matters the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

Other Matter

- We did not audit the financial information of subsidiaries "SC Forma SA" and M/s Namo Metals, (a partnership firm) included in the Consolidated Ind AS financial statements, whose financial information reflects total assets of ₹ 890.97 lakhs as at March 31, 2021 and total revenue of ₹ 14.57 lakhs total net loss after tax ₹ 36.70 lakhs for the year ended March 31, 2021 and net cash outflow of ₹ 6.07 lakhs for the year ended March 31, 2021 as considered in the Consolidated Ind As financial statements. In respect of said foreign subsidiary whose financial year is ending on December 31, 2020 has been audited by the other auditors and the 3 months financial information of the foreign subsidiary and financial information of the firm for the financial year ending March 31, 2021 are unaudited and have been furnished to us by the Management and our opinion on these consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these 3 months unaudited financial information of the foreign subsidiary and unaudited financial information of the firm are not material to the Group.

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary referred to in other matters section above, 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 of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books of accounts and unaudited financial information of the 3 months of the foreign subsidiary and unaudited financial information of the firm provided by the Management.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statements of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified in Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and on the report of the statutory auditors of the subsidiary and 3 months unaudited financial information of its foreign subsidiary and unaudited financial information of the firm for the financial

year ending March 31, 2021, as submitted by the Management of the Holding Company, none of the directors of the Group is disqualified as on March 31, 2021 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 and the operating effectiveness of such internal financial controls over the financial reporting with reference to these Consolidated Ind AS financial statements of the Holding company, refer to our separate Report in “**Annexure A**” of this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act as amended, in our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V to the Act.
- (h) 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 Consolidated Ind AS financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements;
 - (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2021.

For BRAN & ASSOCIATES
Chartered Accountants
ICAI Firm’s Registration No.014544N

CA Ravi Gulati
Partner
Membership No.090672
UDIN: 21090672AAAABT5248

Place : Faridabad
Date : 28th May 2021

Annexure A to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Action Construction Equipment Limited ("the Holding Company") as of March 31, 2021 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Holding 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 with reference to these consolidated Ind AS financial statements to and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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 knowledge and according to the explanations given to us, the Holding 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 March 31, 2021, 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 BRAN & ASSOCIATES
Chartered Accountants
ICAI Firm's Registration No.014544N

CA Ravi Gulati
Partner
Membership No.090672
UDIN: 21090672AAAABT5248

Place : Faridabad
Date : 28th May 2021

Consolidated Balance Sheet as at March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	41,611.94	39,892.01
Capital work in progress	2	1,254.87	1,935.13
Investment properties	3	1,198.86	1,222.43
Intangible assets	4	122.45	91.24
Financial assets			
i. Investments	5	638.93	2,146.60
ii. Other financial assets	6	660.13	144.96
Other non-current assets	7	972.66	1,298.67
Non-current tax assets (Net)		14.19	14.30
Total Non-Current Assets		46,474.03	46,745.34
Current Assets			
Inventories	8	26,604.76	27,068.56
Financial assets			
i. Investments	5	2,504.74	647.40
ii. Trade receivables	9	22,467.76	14,732.70
iii. Cash and cash equivalents	10	3,288.70	339.00
iv. Bank balances other than (iii) above	11	362.67	587.95
v. Other current financial assets	6	230.20	230.47
Other current assets	7	3,572.74	4,795.18
Current tax Assets (Net)		22.93	213.33
Total Current Assets		59,054.50	48,614.59
Total Assets		1,05,528.53	95,359.93
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,269.66	2,269.66
Other equity	13	50,057.64	41,994.21
Equity attributable to the owners of Action Construction Equipment Limited		52,327.30	44,263.87
Non-Controlling Interests		26.36	30.21
Total Equity		52,353.66	44,294.08
Liabilities			
Non-Current Liabilities			
Financial liabilities			
i. Borrowings	14	2,013.40	2,904.17
ii. Other financial liabilities	18	13.46	42.04
Provisions	15	185.35	347.58
Deferred tax liabilities (Net)	16	1,605.94	1,418.46
Total Non-Current Liabilities		3,818.15	4,712.25
Current Liabilities			
Financial liabilities			
i. Borrowings	14	3,093.07	4,466.86
ii. Trade payables	17		
(a) Total outstanding dues of micro and small enterprises		3,851.68	4,492.88
(b) Total outstanding dues of creditors other than micro and small enterprises		29,198.41	27,557.07
iii. Other financial liabilities	18	9,090.32	7,274.38
Other current liabilities	19	3,797.46	2,322.44
Provisions	15	141.84	134.62
Current tax liabilities (Net)		183.94	105.35
Total Current Liabilities		49,356.72	46,353.60
Total Equity and Liabilities		1,05,528.53	95,359.93

The accompanying Notes (1 to 38) are an integral part of Financial Statements

In terms of our report of even date

For M/s BRAN & Associates

Chartered Accountants

Firm Registration No.: 014544N

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 28, 2021

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Sd/-
Anil Kumar
Company Secretary

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Avinash Parkash Gandhi
Independent Director
DIN: 00161107

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	20	1,22,715.39	1,15,622.96
Other income	21	1,530.68	414.89
Total income		1,24,246.07	1,16,037.85
Expenses			
Cost of materials consumed	22	87,716.22	80,964.01
Purchase of stock-in-trade		606.07	1,635.08
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(2,721.25)	(3,149.64)
Employee benefits expenses	24	7,216.59	8,569.33
Finance costs	25	1,223.28	1,465.99
Depreciation and amortisation expenses	26	1,394.48	1,301.35
Other expenses	27	17,999.54	18,448.79
Total expenses		1,13,434.93	109,234.91
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		10,811.14	6,802.94
Share of net profit of associates accounted for using equity method		–	–
Profit before exceptional items and tax		10,811.14	6,802.94
Exceptional items		–	–
Profit before tax		10,811.14	6,802.94
Tax expense:	28		
Current tax		2,669.98	1,693.25
Deferred tax		161.93	(137.36)
Profit after tax		7,979.23	5,247.05
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment defined benefit obligation		101.52	(17.19)
Income tax relating to these items		(25.55)	3.28
Other Comprehensive income for the year (net of tax)		75.97	(13.91)
Total comprehensive income for the year		8,055.20	5,233.14
Profit attributable to:			
Owners		7,983.08	5,248.84
Non-Controlling Interest		(3.85)	(1.79)
Other Comprehensive income attributable to:			
Owners		75.97	(13.91)
Non-Controlling Interest		–	–
Total Comprehensive income attributable to:			
Owners		8,059.05	5,234.93
Non-Controlling Interest		(3.85)	(1.79)
Earnings per equity share (Face Value of ₹ 2/- each)	34		
Basic (in ₹)		7.03	4.57
Diluted (in ₹)		7.03	4.57

The accompanying Notes (1 to 38) are an integral part of Financial Statements

In terms of our report of even date

For M/s BRAN & Associates

Chartered Accountants

Firm Registration No.: 014544N

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 28, 2021

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Sd/-
Anil Kumar
Company Secretary

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Avinash Parkash Gandhi
Independent Director
DIN: 00161107

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

Balance as at April 1, 2019	2,346.46
Increase/(Decrease) during the year	(76.80)
Balance as at March 31, 2020	2,269.66
Increase/(Decrease) during the year	–
Balance as at March 31, 2021	2,269.66

B) Other equity

Particulars	General Reserve	Capital Redemption Reserve	Securities Premium	Retained earnings	Total
Balance as at April 1, 2019	9,925.00	2,417.55	8,532.73	20,533.04	41,408.32
Profit for the year	–	–	–	5,248.84	5,248.84
Other comprehensive income	–	–	–	(13.91)	(13.91)
Dividend	–	–	–	(1,144.97)	(1,144.97)
Tax on Dividend	–	–	–	(235.35)	(235.35)
Utilised on buyback of Equity Shares	–	–	(3,257.22)	–	(3,257.22)
Transferred on buyback of Equity Shares	–	76.80	–	(76.80)	–
Transferred on redemption of Preference Shares	–	604.39	–	(604.39)	–
Translation of foreign currency investments	–	–	–	(11.50)	(11.50)
Balance as at March 31, 2020	9,925.00	3,098.74	5,275.51	23,694.96	41,994.21
Profit for the year	–	–	–	7,983.08	7,983.08
Other comprehensive income	–	–	–	75.97	75.97
Translation of foreign currency investments	–	–	–	4.38	4.38
Balance as at March 31, 2021	9,925.00	3,098.74	5,275.51	31,758.39	50,057.64

In terms of our report of even date
For M/s BRAN & Associates
Chartered Accountants
Firm Registration No.: 014544N

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 28, 2021

Sd/-
Rajan Luthra
Chief Financial Officer

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Chairman & Managing Director
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Company Secretary

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Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Avinash Parkash Gandhi
Independent Director
DIN: 00161107

Consolidated Statement of Cash Flow for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	10,811.14	6,802.94
Adjustments for		
Depreciation and amortisation expenses	1,394.48	1,301.35
Gain on disposal of property, plant and equipment	(538.64)	(105.80)
Loss on disposal of property, plant and equipment	17.35	50.34
Gain on modification of lease	(2.58)	–
Unrealised foreign exchange fluctuation	(28.70)	90.08
Interest income	(62.00)	(67.94)
(Gain)/ loss on Investments carried at fair value through profit or loss (net)	(462.94)	35.37
Rental income classified as investing cash flows	(43.75)	(93.05)
Finance costs	1,218.35	1,457.07
Finance charges of lease liabilities	4.93	8.92
Bad Debts Written off	494.26	200.33
Provision for doubtful receivable & advances (net)	716.87	165.09
Operating profit before working capital changes	13,518.77	9,844.70
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(8,305.23)	(614.55)
(Increase)/Decrease in inventories	463.80	(5,779.79)
(Increase)/Decrease in other financial assets	(49.43)	(6.14)
(Increase)/Decrease in other current assets	622.44	(53.27)
Increase/(Decrease) in trade payables	992.25	3,815.48
Increase/(Decrease) in provisions	(53.49)	51.74
Increase/(Decrease) in other financial liabilities	2,347.95	(866.38)
Increase/(Decrease) in other current liabilities	1,475.02	46.12
Cash generated from operating activities	11,012.08	6,437.91
Income taxes paid	(2,400.88)	(1,640.28)
Net cash inflow/(outflow) from operating activities	8,611.20	4,797.63
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,320.21)	(8,655.17)
Purchase of Intangible assets	(63.00)	(70.34)
Capital advances and Capital work in progress	1,006.27	4,448.00
Sale /(Purchase) of Investments	(349.67)	1,715.14
Proceeds from disposal of property, plant, equipment and Investment Property	1,775.55	450.29
Fixed deposits having maturity more than 3 months	(240.19)	26.22
Interest income	62.00	67.94
Gain/ loss on Investments carried at fair value through profit or loss (net)	462.94	(35.37)
Rental income classified as investing cash flows	43.75	93.05
Net cash inflow/(outflow) from investing activities	(1,622.56)	(1,960.24)

Consolidated Statement of Cash Flow for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from financing activities		
Net proceeds from non-current borrowings	(1,401.92)	(928.48)
Net proceeds from current borrowings	(1,373.79)	4,406.39
Payment of lease liabilities	(39.95)	(36.48)
Redemption of Preference Shares	–	(604.39)
Interest paid	(1,218.35)	(1,457.07)
Finance charges of lease liabilities	(4.93)	(8.92)
Dividend and Tax thereon	–	(1,380.32)
Buy-back of Equity Shares	–	(3,334.02)
Net cash inflow/(outflow) from financing activities	(4,038.94)	(3,343.29)
Net increase/(decrease) in cash and cash equivalents	2,949.70	(505.90)
Cash and cash equivalents at the beginning of the year	339.00	844.90
Cash and cash equivalents at end of the year	3,288.70	339.00

Notes:

- (a) The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) - “Statement of Cash Flows”.
- (b) Cash and Cash Equivalents comprises of:

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in current accounts	132.38	66.17
Cash on hand	27.58	49.89
Deposits with original maturity less than 3 months	3,128.74	222.94
	3,288.70	339.00

In terms of our report of even date
For M/s BRAN & Associates
Chartered Accountants
Firm Registration No.: 014544N

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 28, 2021

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Sd/-
Anil Kumar
Company Secretary

For and on behalf of the Board of Directors

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Avinash Parkash Gandhi
Independent Director
DIN: 00161107

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

GROUP'S OVERVIEW

The consolidated financial statements comprise financial statements of Action Construction Equipment Limited ('the company') and its subsidiaries (collectively 'the Group') and includes share of profit of associates for the year ended March 31, 2021.

Action Construction Equipment Limited is a public limited company and domiciled in India, which was incorporated on January 13, 1995, and having its registered office at Dudhola link Road, Village Dudhola, Palwal - 121102, Haryana, India and is listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The company is engaged in the business of manufacturing and marketing of Hydraulic Mobile cranes, Mobile Tower cranes, Crawler cranes, Truck mounted cranes, Material Handling equipment like Forklifts, Road construction equipment like Backhoe loaders, Compactors, Motor graders and agriculture equipment like Tractors, Harvesters, Rotavators etc. The Company has manufacturing facilities at Haryana.

The Company concluded its Initial Public Offer (IPO) in September 2006 and its Equity Shares got listed at BSE Limited and National Stock Exchange of India Limited on September 26, 2006. The IPO comprised of 46,00,000 Equity Shares of face value of ₹ 10 each allotted at a premium of ₹ 120 per share and on March 24, 2008, the Company has sub-divided its Shares from face value of ₹ 10 each to ₹ 2 each.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on May 28, 2021.

1. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation and Measurement

Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The consolidated financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Historical Cost Convention

The consolidated financial statements have been prepared under the historical cost convention on the accrual basis of accounting except for the following –

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans - plan assets measured at fair value.

1.2. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- a) the asset/liability is expected to be realized/settled in the group's normal operating cycle;
- b) the asset is intended for sale or consumption;
- c) the asset/liability is held primarily for the purpose of trading;
- d) the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- f) in the case of a liability, the group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021 (All amounts in ₹ Lakhs, unless otherwise stated)

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets and inventories for processing and their realization in cash and cash equivalents.

1.3 Summary of significant accounting policies

a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and services tax (GST) and amounts collected on behalf of third parties.

The group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Recognising revenue from major business activities

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the group, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date when the outcome of the transaction can be estimated reliably.

Revenues from the sale of extended warranties and maintenance contracts embedded in the original sales contracts are recognized over the life of the contract and matched to related costs.

Income from export incentives/ government grants are recognised at fair value when there is reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Rental Income

Rental income is recognised on a straight-line basis over the term of the lease.

Interest Income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Dividend Income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

b) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee and are rounded to two decimal places of Lakhs, which is also the functional and presentation currency of the group.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Foreign currency monetary items are converted to functional currency using the closing rate on the reporting date. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

d) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the group. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives mentioned below:

Asset category	Estimated useful life
Factory Building	10-30 Years
Office Building	60 Years
Plant and Machinery	9-15 Years
Furniture & Fixtures	10 Years
Office Equipment	5-10 Years
Motor Vehicles	8 Years
Computers	3-5 Years
Electric Equipment & Fittings	10 Years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for certain items within these classes of assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

e) Investment properties

Recognition and initial measurement

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance cost are recognised in the statement of profit and loss when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Subsequent measurement (depreciation and useful lives)

Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The useful lives of investment properties are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to investment properties, or where investment properties has been sold, discarded, demolished or destroyed; depreciation on such investment properties is calculated on a pro rata basis with specific useful life from the month of such addition or, as the case may be, up to the month on which such investment properties have been sold, discarded, demolished or destroyed.

De-recognition

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of de-recognition.

f) Intangible assets

Recognition and initial measurement

Purchased intangible assets are stated at cost less accumulated amortisation and impairment, if any.

Computer Software and Technical Knowhow

All finite-lived intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Asset category	Estimated useful life
Computer Software	5 Years
Technical Know how	5 Years

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

g) Leases

Group as a lessee

The Group enters into an arrangement for lease of land, building, gas storage tank etc. Such arrangements are generally for a fixed period but may have extension or termination options. The group assesses, whether the contract is, or contains, a lease, at its inception.

A contract is, or contains, a lease if the contract conveys the right to –

- (a) control the use of an identified asset,
- (b) obtain substantially all the economic benefits from use of the identified asset, and
- (c) direct the use of the identified asset.

The group recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term.

The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

(i) Right-of-use assets

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, the lease payments are discounted using the incremental borrowing rate that the group would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The group recognises the amount of the re-measurement of lease liability as an adjustment to the Right-of-use assets. Where the carrying amount of the Right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the group recognises any remaining amount of the re-measurement in the statement of profit and loss. Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

(iii) Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term. "Lease liability" and "Right-of-Use" assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Leases for which the group is a lessor is classified as finance or operating lease. Lease contracts where all the risks and rewards are substantially transferred to the lessee, are classified as finance leases. All other leases are classified as operating leases.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

For leases under which the group is an intermediate lessor, the group accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

h) Financial instruments

Financial instruments are recognised when the group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the group determines that the fair value at initial recognition differs from the transaction price, the group accounts for that instrument at that date as follows:

- (i) at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (Level 1 input) or based on a valuation technique that uses only data from observable markets (Level 2 input). The group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- (ii) in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below:

h.1) Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

(i) Financial assets at amortised cost

A financial instrument is measured at amortised cost if both the following conditions are met;

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

(ii) Investments in equity instruments of subsidiaries and associates

Investments in equity instruments of subsidiaries and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

(iii) Financial assets at fair value

- **Investments in equity instruments other than above** - All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

- **Mutual funds** - All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the group has transferred its rights to receive cash flows from the asset.

h.2) Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

i) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the group is required to consider .

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the group determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the group measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

in credit risk since initial recognition. The group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

j) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

At each reporting date, the group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset if such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the group's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

k) Fair value measurement

The group measures certain financial instruments, such as, investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest (Refer Note 30 for fair value hierarchy).

l) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

m) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax Laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority

n) Investment in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses, if any where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of Profit and Loss.

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the group receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

q) Post-employment, long term and short term employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021 (All amounts in ₹ Lakhs, unless otherwise stated)

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The group operates the following post-employment scheme:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

r) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised and continuously assessed for recoverability. However, when an inflow of economic benefits is probable, related asset are disclosed.

s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t) Amounts rounding off

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division III) of the Companies Act, 2013, unless otherwise stated.

1.4. Key accounting estimates and judgements

The preparation of the group's Financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next Financial year are described below:

a) Income taxes

The group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for Income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

b) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand or the product or service output of the asset.

c) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 29, 'Employee benefits'.

d) Fair value measurement of financial instruments

When the Fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (a) Property, plant and equipment

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2020 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2019	Additions for the Year	Deletions / Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation for the year	Deletions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Land	16,663.78	445.05	–	17,108.83	–	–	–	–	16,663.78	17,108.83
Factory Building	6,292.62	366.88	35.64	6,623.86	2,317.73	187.41	3.82	2,501.32	3,974.89	4,122.54
Office Building	5,196.15	5,751.16	–	10,947.31	569.65	90.99	–	660.64	4,626.50	10,286.67
ROU- Office Building	–	113.09	–	113.09	–	41.57	–	41.57	–	71.52
Plant & Machinery	11,181.11	1,431.18	676.88	11,935.41	5,203.67	606.01	393.13	5,416.55	5,977.44	6,518.86
ROU- Plant & Mach.	–	8.48	–	8.48	–	0.64	–	0.64	–	7.84
Furnitures & Fixtures	1,080.29	105.59	1.52	1,184.36	620.90	77.71	0.08	698.53	459.39	485.83
Office Equipment	400.60	43.69	–	444.29	248.73	32.91	–	281.64	151.87	162.65
Motor Vehicles	1,545.10	461.82	141.11	1,865.81	826.00	154.96	71.91	909.05	719.10	956.76
Computer	444.28	19.36	3.39	460.25	373.45	29.88	0.09	403.24	70.83	57.01
Electric Equipment & Fittings	304.16	30.44	–	334.60	201.26	19.84	–	221.10	102.90	113.50
Total	43,108.09	8,776.74	858.54	51,026.29	10,361.39	1,241.92	469.03	11,134.28	32,746.70	39,892.01

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2021 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2020	Additions for the Year	Deletions / Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation for the year	Deletions	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
Land	17,108.83	15.95	–	17,124.78	–	–	–	–	17,108.83	17,124.78
Factory Building	6,623.86	1,235.49	–	7,859.35	2,501.32	201.52	–	2,702.84	4,122.54	5,156.51
Office Building	10,947.31	954.98	724.51	11,177.78	660.64	91.68	76.80	675.52	10,286.67	10,502.26
ROU- Office Building	113.09	13.26	69.55	56.80	41.57	36.56	49.37	28.76	71.52	28.04
Plant & Machinery	11,935.41	1,723.18	790.63	12,867.96	5,416.55	679.07	246.65	5,848.97	6,518.86	7,018.99
ROU- Plant & Mach.	8.48	–	–	8.48	0.64	2.54	–	3.18	7.84	5.30
Furnitures & Fixtures	1,184.36	111.23	–	1,295.59	698.53	78.46	–	776.99	485.83	518.60
Office Equipment	444.29	44.27	–	488.56	281.64	35.80	–	317.44	162.65	171.12
Motor Vehicles	1,865.81	92.54	153.29	1,805.06	909.05	168.29	102.20	975.14	956.76	829.92
Computer	460.25	21.63	–	481.88	403.24	23.58	–	426.82	57.01	55.06
Electric Equipment & Fittings	334.60	120.94	11.74	443.80	221.10	21.61	0.27	242.44	113.50	201.36
Total	51,026.29	4,333.47	1,749.72	53,610.04	11,134.28	1,339.11	475.29	11,998.10	39,892.01	41,611.94

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (b) Capital Work-in-progress

Particulars	As at April 1, 2019	Additions	Capitalisation	As at March 31, 2020	Additions	Capitalisation	As at March 31, 2021
Capital work-in-progress	827.69	7,454.70	6,347.26	1,935.13	1,533.98	2,214.24	1,254.87

(i) Property, plant and equipment Pledged as security (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Land	333.05	558.14
Factory Building	–	1,215.50
Office Building	6,546.75	6,326.05
Plant and Machinery	7,018.99	6,518.86
Motor Vehicles	141.33	171.25
	14,040.12	14,789.80

(ii) Capital commitments - Refer Note No. 33.

3. Investment properties

Particulars	As at April 1, 2019	Additions/Charge for the Year	Disposal	As at March 31, 2020	Additions/Charge for the Year	Disposal	As at March 31, 2021
Gross carrying value	1,772.45	–	9.30	1,763.15	–	–	1,763.15
Accumulated depreciation	521.12	23.58	3.98	540.72	23.57	–	564.29
Net carrying value	1,251.33			1,222.43			1,198.86

(i) Amounts recognised in profit or loss for investment properties

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income	43.75	93.05
Direct operating expenses that generated rental income	13.27	14.41
Direct operating expenses that did not generate rental income	–	–
Profit from leasing of investment properties before depreciation	30.48	78.64
Depreciation	23.57	23.58
Profit from investment properties	6.91	55.06

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. All the lease are cancellable at the option of lessee.

(iii) Fair value of Investment properties

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of Investment properties	2,024.79	2,024.79

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

4. Intangible assets

The changes in the carrying value of intangible assets for the year ended March 31, 2020 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2019	Additions for the year	Deletions / Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation for the year	Deletions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Computer Software	618.73	6.75	–	625.48	591.74	14.55	–	606.29	26.99	19.19
Technical Know how	220.34	63.59	–	283.93	190.58	21.30	–	211.88	29.76	72.05
Total	839.07	70.34	–	909.41	782.32	35.85	–	818.17	56.75	91.24

The changes in the carrying value of intangible assets for the year ended March 31, 2021 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2020	Additions for the year	Deletions / Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation for the year	Deletions	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
Computer Software	625.48	63.00	–	688.48	606.29	8.31	–	614.60	19.19	73.88
Technical Know how	283.93	–	–	283.93	211.88	23.48	–	235.36	72.05	48.57
Total	909.41	63.00	–	972.41	818.17	31.79	–	849.96	91.24	122.45

5. Investments

(i) Investments - Non Current

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Investments in associates - Unquoted investment (measured at cost)		
ACE Employees Group Gratuity Scheme Trust	0.40	0.25
(b) Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
Nil Units (P.Y- 2000000 Units) LD525G-SBI Debts Fund Series-C-7-(1190 Days)- Direct Growth	–	236.93
Nil Units (P.Y- 2000000 Units) LD528G-SBI Debts Fund Series-C-9-(1150 Days)- Direct Growth*	–	236.90
4239905.706 Units (P.Y- 4239905.706 Units) Nippon India Fixed Horizon Fund - XXXVIII - Series 02 - Direct Growth Plan (TQAG)	509.52	438.88
1000000 Units (P.Y- 1000000 Units) Nippon India Fixed Horizon Fund XXXIX- Series 2 - Direct Growth Plan (FGAG)	129.01	118.16

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Nil Units (P.Y- 2000000 Units) Axis Fixed Term Plan - Series 97 (1116 Days) Growth (WIGPG)	–	215.85
Nil Units (P.Y- 1023198.525 Units) LD543G SBI Debts Fund Series C-20 (1100 Days) Direct Growth*	–	119.36
Nil Units (P.Y- 5000000 Units) LD544G SBI Debts Fund Series - C-21 (1100 Days) - Direct Growth*	–	573.13
(c) Investment in Debentures - Un-quoted		
Debentures of Reddy Veeranna Investments Pvt. Ltd.	–	207.14
	638.93	2,146.60
Aggregate amount of quoted investment and market value thereof	638.53	1,939.21
Aggregate amount of unquoted investments	0.40	207.39
Aggregate amount of impairment in the value of investments	–	–

*Mutual funds pledged with State Bank of India

(ii) Investments - Current

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
2000000 Units (P.Y Nil Units) LD525G-SBI Debts Fund Series-C-7-(1190 Days)- Direct Growth	252.08	–
2000000 Units (P.Y Nil Units) LD528G-SBI Debts Fund Series-C-9-(1150 Days)- Direct Growth*	251.64	–
1023198.525 Units (P.Y Nil Units) LD543G SBI Debts Fund Series C-20 (1100 Days) Direct Growth*	127.57	–
5000000 Units (P.Y Nil Units) LD544G SBI Debts Fund Series - C-21 (1100 Days) - Direct Growth*	613.58	–
2000000 Units (P.Y- Nil Units) Axis Fixed Term Plan - Series 97 (1116 Days) Growth (WIGPG)*	235.25	–
112083.33 units (P.Y 112083.33 units) L465G SBI Dynamic Asset Allocation Fund - Regular Plan - Growth	17.20	12.97
1430265.90 Units (P.Y 1404616.11 Units) ICICI Prudential Balanced Advantage Fund - Growth	632.75	429.39
857026.02 units (P.Y 825789.03 units) Invesco India Dynamic Equity Fund - Growth	283.42	205.04

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
(b) Investment in Debentures - Un-quoted		
Debentures of Reddy Veeranna Investments Pvt. Ltd.	91.25	–
	2,504.74	647.40
Aggregate amount of quoted investment and market value thereof	2,413.49	647.40
Aggregate amount of unquoted investments	91.25	–
Aggregate amount of impairment in the value of investments	–	–

*Mutual funds pledged with State Bank of India

6. Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Non-current financial assets (Unsecured, Considered good)		
Security deposits	107.83	108.33
Employee Advances	58.84	12.79
Term deposit with Banks [#]	493.46	23.84
	660.13	144.96
(ii) Current financial assets (Unsecured, Considered good)		
Security deposits	173.67	151.53
Employee Advances	48.11	71.58
Interest receivable on fixed deposits	0.20	4.35
Accrued Interest on Investment in Debentures	8.22	3.01
	230.20	230.47

7. Other assets

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Other non-current assets		
Capital advances	972.66	1,298.67
	972.66	1,298.67
(ii) Other current assets		
Advances to Suppliers	2,702.35	3,011.10

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Balance with Government Authorities		
Sales Tax Receivable	95.94	96.79
Balance with Excise/ GST Authorities	504.53	1,145.95
Duty Drawback Receivable	33.25	75.00
Balance with Custom Authorities	80.48	246.85
Prepaid expenses	140.65	146.99
Others	15.54	72.50
	3,572.74	4,795.18

8. Inventories (at lower of cost or net realisable value)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Material and Components		
Raw Material and Components	10,645.29	13,674.62
Goods-in-transit	2,590.14	2,745.86
	13,235.43	16,420.48
Work-in-Progress	2,276.99	4,239.19
Finished Goods	11,092.34	6,408.89
	26,604.76	27,068.56

Note: Working capital facilities are secured by first pari passu charge on entire inventories (Refer Note No. 14)

9. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good	22,467.76	14,732.70
Doubtful	361.36	244.39
	22,829.12	14,977.09
Allowances for Expected Credit Loss	(361.36)	(244.39)
	22,467.76	14,732.70

Note:

(i) Receivables due from related parties (Refer Note No. 32) 3,630.55 421.27

(ii) Working capital facilities are secured by first pari passu charge on entire book debts (Refer Note No. 14)

(iii) Refer Note No 30 Financial Instrument for assessment of Expected Credit Loss

10. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in current accounts	132.38	66.17
Cash on hand	27.58	49.89
Deposits with original maturity less than 3 months	3,128.74	222.94
	3,288.70	339.00

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

11. Other Bank Balances

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits with maturity more than 3 months but less than 12 months [#]	355.08	578.37
Unclaimed dividend Accounts	7.59	9.58
	362.67	587.95

[#]Fixed deposits with banks, includes the following:

Particulars	As at March 31, 2021	As at March 31, 2020
Deposit pledged with the State Bank of India	266.00	225.24
Deposit pledged against the bank guarantees	485.14	211.03

12. Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
a) Authorised Capital:				
Equity shares of ₹ 2/- each	12,50,00,000	2,500.00	12,50,00,000	2,500.00
8% Cumulative Non-Participating Redeemable Preference Shares of ₹ 10/- each	3,02,50,000	3,025.00	3,02,50,000	3,025.00
Issued, Subscribed and fully paid up:				
Equity shares of ₹ 2/- each	11,34,83,196	2,269.66	11,34,83,196	2,269.66
b) Reconciliation of number of equity shares outstanding				
At the beginning of the year	11,34,83,196	2,269.66	11,73,23,000	2,346.46
Changes during the year	—	—	(38,39,804)	(76.80)
At the end of the year	11,34,83,196	2,269.66	11,34,83,196	2,269.66

c) During the financial year 2019-20 pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, the provisions of the SEBI (Buy Back of Securities) Regulations, 2018, Article 62 of the Articles of Association of the Company and pursuant to the resolutions passed by the Board of Directors of the Company at their meeting held on May 16, 2019, the Company has bought back 38,39,804 No. of Equity shares of ₹ 2 each in electronic form.

d) Rights, preferences and restrictions attached to equity shares

The equity shares of the company, having par value of ₹ 2/- per share rank pari passu in all respects including voting rights and entitlement to dividend.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Share Capital (contd.)

e) Shareholders holding more than 5% of the Equity Shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	%age	No. of Shares	%age
Mr. Vijay Agarwal / Mrs. Mona Agarwal	3,42,36,078	30.17%	4,17,38,092	36.78%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	3,06,57,579	27.02%	2,58,39,407	22.77%
Mr. Sorab Agarwal	76,23,650	6.72%	76,23,650	6.72%
Mrs. Surbhi Garg	69,30,156	6.11%	69,30,156	6.11%

13. Other Equity

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
General Reserve	(a)	9,925.00	9,925.00
Capital Redemption Reserve	(b)	3,098.74	3,098.74
Securities Premium Reserve	(c)	5,275.51	5,275.51
Retained Earnings	(d)	31,758.39	23,694.96
		50,057.64	41,994.21

Particulars	As at March 31, 2021	As at March 31, 2020
a) General reserve		
Balance at the beginning of the year	9,925.00	9,925.00
Transferred from retained earnings	–	–
Balance at the end of the year	9,925.00	9,925.00
b) Capital Redemption Reserve		
Balance at the beginning of the year	3,098.74	2,417.55
Transferred from retained earnings on Buyback of Equity Shares	–	76.80
Transferred from retained earnings on redemption of Preference Shares	–	604.39
Balance at the end of the year	3,098.74	3,098.74
c) Securities Premium Reserve		
Balance at the beginning of the year	5,275.51	8,532.73
Premium paid on buyback of equity shares	–	(3,257.22)
Balance at the end of the year	5,275.51	5,275.51

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Other Equity (contd.)

d) Retained earnings		
At the beginning of the year	23,706.16	20,530.33
Net profit for the year	7,983.08	5,248.84
Transferred to CRR on redemption of Preference Shares	–	(604.39)
Transferred to CRR on Buyback of Equity Shares	–	(76.80)
Payment of equity dividend and tax thereon	–	(1,380.32)
Translations of foreign currency loans/ Investments	4.38	(11.50)
	31,693.62	23,706.16
Other comprehensive income (net of tax)		
Re-measurements of defined employee benefit plans		
At the beginning of the year	(11.20)	2.71
Changes during the year	75.97	(13.91)
	64.77	(11.20)
Balance at the end of the year	31,758.39	23,694.96

Nature and purpose of other reserves

a) General reserve

It is the portion of the net profit transferred to general reserve before declaring dividend pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

b) Capital redemption reserve

It is created on redemption of preference shares and buyback of equity shares.

c) Securities premium reserve

Amount received on issue of shares in excess of the par value has been classified as Securities premium reserve.

14. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Non-current Borrowings		
Secured		
Term Loans from Banks in ₹	2,327.99	3,703.42
Term Loans from NBFC	1.00	27.49
	2,328.99	3,730.91
Current maturity of long term loans	(315.59)	(826.74)
	2,013.40	2,904.17
(ii) Current Borrowings		
Secured		
Cash Credit	87.17	1,666.50
Short term loans	2,750.10	2,265.10
Working Capital Demand Loan	–	535.26
Buyers Credit	255.80	–
	3,093.07	4,466.86

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Borrowings (contd.)

Notes:-

- a) There have been no breach of covenants mentioned in the loan agreements during the reporting period.
b) Detail of borrowings

Sl. No.	Nature of Loans	Repayment terms	Security offered	Rate of Interest	As at March 31, 2021	As at March 31, 2020
1.	Rupee Loan from ICICI Bank Ltd.	Repayable in 122 equated monthly installments, including interest	Exclusive charge on the assets financed out of this loan.	7.10%	2,322.05	2,562.98
2.	Rupee Loan from Kotak Mahindra Bank Ltd.	Repayable in 60 equated monthly installments, including interest	Exclusive charge by way of equitable mortgage over property situated at industrial unit at Plant IV Prithla Dhatir Road, Village Dudholla, Palwal and Subservient charge on all existing and future current assets of the company.	8.70%	–	1,121.06
3.	Vehicle loan from ICICI Bank, Kotak Mahindra Prime Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Vehicle financed out of this loan.	8.50%	6.94	46.87
4.	Short term loan from ICICI Bank	Repayable in 12 structured monthly installments starting from March 2021	Residual charge over all movable fixed assets	6.45%	2,750.10	–
5.	Working capital facilities from various banks	Repayable on demand	Secured by way of hypothecation of the Company's entire inventory and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present & future and Plant & Machinery on pari passu basis and First charge by the way of equitable mortgage of 1425 Sq. Yards Land situated at Lakkarpur and office No. 403, Pinnacle Tower Situated at Surajkund, Faridabad on pari passu basis.	7.85%	342.97	4,466.86

15. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Non-Current Provisions		
Provision for Leave entitlement	185.35	222.06
Provision for Gratuity	–	125.52
	185.35	347.58
(ii) Current Provisions		
Provision for warranty	109.38	101.30
Provision for Leave entitlement	32.46	33.32
	141.84	134.62

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Provisions (contd.)

Provision for warranty

The group gives warranties on certain products and undertake to repair or replace them, if they fails to perform satisfactorily during the free warranty period. Such provisions represents the amount of the expected cost of meeting the obligations of such rectification/ replacement. The timing of the outflow is expected to be within the period of one to two years. The provision is based on estimates made from historical warranty data associated with similar products and services.

Movement in Provisions

Particulars	Provision for Warranty
Provision at April 1, 2019	119.90
Additional provisions recognised	101.30
Amount utilised during the year	(119.90)
Provision at March 31, 2020	101.30
Additional provisions recognised	109.38
Amount utilised during the year	(101.30)
Provision at March 31, 2021	109.38

16. Deferred tax liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
Depreciation on Property, plant and equipment and intangible assets	1,879.29	1,545.82
	1,879.29	1,545.82
Deferred tax Assets		
Provision for employee benefits	32.54	67.55
Provision for doubtful debts	240.23	59.81
Excess of lease liability over ROU Assets	0.58	–
	273.35	127.36
Deferred tax liabilities (Net)	1,605.94	1,418.46

Movement in deferred tax liabilities (Net)

Particulars	Property, Plant and Equipment and intangible assets	Provision for employees benefit	Provision for doubtful debts	Excess of lease liability over ROU Assets
As at April 1, 2019	1,685.51	(101.06)	(25.35)	–
Charged/(Credited):				
-to profit and loss	(139.69)	36.79	(34.46)	–
-to other comprehensive income	–	(3.28)	–	–
As at March 31, 2020	1,545.82	(67.55)	(59.81)	–
Charged/(Credited):				
-to profit and loss	333.47	9.46	(180.42)	(0.58)
-to other comprehensive income	–	25.55	–	–
As at March 31, 2021	1,879.29	(32.54)	(240.23)	(0.58)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred tax liabilities (Net) (contd.)

The group has opted for reduced tax rate as per Section 115BAA of the Income Tax Act, 1961 introduced by Taxation Laws (Amendment Ordinance 2019). The group has recognised Provision for Income Tax for the year and Re-measured its Deferred Tax Liability based on the rate prescribed in the said section.

17. Trade payables (including acceptances)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues to Micro and Small Enterprises*	3,851.68	4,492.88
Dues to enterprises other than Micro and Small Enterprises	29,198.41	27,557.07
	33,050.09	32,049.95

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. The group has provided interest of Rs. 5.29 lakhs on the overdue outstanding principal amounts (Refer note no. 36).

18. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Non-current financial liabilities		
Lease Liability	35.64	85.08
Current maturities of lease liability	(22.18)	(43.04)
	13.46	42.04
(ii) Current financial liabilities		
Current maturities of long term debts	315.59	826.74
Current maturities of lease liability	22.18	43.04
Unclaimed Dividends	7.59	9.58
Security deposits	1,012.17	882.95
Employee benefits	658.53	666.14
Others Payables	7,074.26	4,845.93
	9,090.32	7,274.38

19. Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers	1,885.66	1,567.26
Statutory Liabilities	970.21	252.69
Deferred revenue	941.59	481.49
Other Current Liabilities	–	21.00
	3,797.46	2,322.44

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

20. Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Products	1,20,945.21	113,993.27
Sale of Services	120.06	124.62
Hiring Charges	1,399.17	1,251.79
Export Incentives	163.76	201.79
Other operating revenue	87.19	51.49
	1,22,715.39	1,15,622.96

21. Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	62.00	67.94
Rental income	43.75	93.05
Profit on Sale of property, plant and equipment	538.64	105.80
Gain on Investments carried at fair value through profit or loss (net)	462.94	–
Gain on foreign currency transactions (net)	123.17	–
Miscellaneous income	300.18	148.10
	1,530.68	414.89

22. Cost of materials consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock of Raw material	16,420.48	13,790.33
Add: Purchases (net of returns)	84,531.17	83,594.16
Less: Closing stock of Raw material	(13,235.43)	(16,420.48)
	87,716.22	80,964.01

23. Changes in inventories of finished goods, Stock-in-trade and work-in-progress

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock		
Work-in progress	4,239.19	2,793.44
Finished goods	6,408.89	4,705.00
	10,648.08	7,498.44
Closing Stock		
Work-in progress	2,276.99	4,239.19
Finished goods	11,092.34	6,408.89
	13,369.33	10,648.08
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	(2,721.25)	(3,149.64)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

24. Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	6,646.19	7,504.42
Contribution to provident and other funds	295.02	356.99
Staff welfare expenses	275.38	707.92
	7,216.59	8,569.33

25. Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Working Capital facilities	957.73	1,166.13
Interest on Term Loans	16.28	8.65
Interest on Other Loans	244.34	282.29
Finance Charges of lease liability	4.93	8.92
	1,223.28	1,465.99

26. Depreciation and amortisation expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	1,300.02	1,199.71
Amortisation of intangible assets	31.79	35.85
Depreciation of Investment Property	23.57	23.58
Depreciation on ROU Assets	39.10	42.21
	1,394.48	1,301.35

27. Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Manufacturing Expenses	4,974.47	5,057.59
Repairs & Maintenance - Building	148.36	214.33
Repairs & Maintenance - Plant & Machinery	311.93	409.65
Power & Fuel	462.53	516.83
Freight & Forwarding Charges	4,697.97	3,775.45
Selling Expenses	1,214.32	1,973.10
Commission on Sales	1,646.58	1,413.97
Rent	67.51	106.61
Rates & Taxes	68.47	93.68
Insurance	198.03	162.47
Travelling & Conveyance	666.35	1,572.34
Communication Expenses	276.26	252.91
Auditors Remuneration*	28.17	23.40
Vehicle Expenses	157.02	176.69
Bad Debts Written off	494.26	200.33
Provision for doubtful receivable and advances (net)	716.87	165.09
Loss on Investments carried at fair value through profit or loss (net)	–	35.37
Loss on foreign currency transactions (Net)	–	66.53
Corporate Social Responsibility (CSR) expense**	152.84	134.40
Miscellaneous Expenses	1,717.60	2,098.05
	17,999.54	18,448.79

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Other expenses (contd.)

*Auditor's Remuneration (excluding taxes) includes

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Audit Fees	19.62	16.00
Tax audit fees	3.00	3.00
Certification	1.00	1.20
Cost audit fees	0.75	1.00
Secretarial audit fees	0.60	0.60
GST audit fees	3.20	1.60
	28.17	23.40

**CSR Expenditure

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gross amount required to be spent by the company during the year	152.74	130.75
Amount spent during the year for promoting health care	152.84*	134.40

Note: *Out of above, ₹ 83.24 lakhs is unspent by ACE Emergency Response Service, a Trust (Implementing Agency) as this pertains to ongoing projects. Further, as confirmed by the implementing agency that the unspent amount of ₹ 83.24 lakhs will be spent latest by July 2021.

28. Income tax expense

(a) Income tax expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax on profit for the year	2,656.84	1,735.83
Adjustment of current tax of prior periods	13.14	(42.58)
	2,669.98	1,693.25
Deferred tax		
Decrease/(increase) in deferred tax assets	(171.54)	2.33
(Decrease)/increase in deferred tax liabilities	333.47	(139.69)
	161.93	(137.36)
	2,831.91	1,555.89

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income tax expense	10,811.14	6,802.94
Statutory Income Tax rate*	25.168%	25.168%
Income tax expense at the statutory tax rate	2,720.95	1,712.16
Tax effect of items not deductible/(taxable) in calculating taxable income:		
Income exempt from tax	(252.04)	(43.98)
Tax on expense not eligible for deduction	232.91	109.81
Adjustments for current tax of prior periods	13.14	(42.58)
Effect of Income which is taxed at special rates	–	(11.93)
Other items	116.95	(167.59)
Income tax expense	2,831.91	1,555.89

*Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 effective from April 01, 2019, domestic companies have a non-reversible option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. Based on the assessment, the group has decided to opt for the New tax rate i.e. 25.168%

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

29. Employee Benefits

(A) Gratuity

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied from the number of years of service.

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Amount recognised in the balance sheet is as under:		
Present value of defined benefit obligation	600.11	629.87
Fair value of plan assets with LIC	602.85	504.35
Net defined benefit obligation	(2.74)	125.52
(ii) Amount recognised in the statement of profit and loss is as under:		
Current Service cost	74.38	91.07
Net interest cost	4.90	3.48
Amount recognised in the statement of profit and loss	79.28	94.55
(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:		
Present value of defined benefit obligation as at the beginning of the year	629.87	543.82
Current service cost	74.38	91.07
Interest cost	41.01	39.50
Actuarial loss/(gain) recognised during the year	(98.67)	17.09
Benefits paid	(46.48)	(61.61)
Present value of defined benefit obligation as at the end of the year	600.11	629.87
(iv) Movement in the plan assets recognised in the balance sheet is as under:		
Fair Value of plan assets at beginning of the year	504.35	467.19
Expected return on plan assets	36.11	36.02
Employer's contribution	105.02	62.86
Benefits paid	(45.49)	(61.62)
Actuarial gain/(loss) on plan assets	2.86	(0.10)
Fair Value of plan assets at the end of the year	602.85	504.35
Actual return on plan assets	38.97	35.92
(v) Breakup of actuarial (gain)/loss:		
Actual (gain)/loss arising from change in financial assumption	(110.63)	21.58
Actual (gain)/loss arising from experience adjustment	9.11	(4.38)
Total actuarial (gain)/loss	(101.52)	17.20

(vi) Actuarial assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Attrition Rate	20.00% P.a.	20.00% P.a.
Imputed rate of Interest (D)	6.76% P.a.	6.76% P.a.
Imputed rate of Interest (IC)	6.76% P.a.	7.70% P.a.
Salary escalation	10.00% P.a.	10.00% P.a.
Return on plan asset	6.76% P.a.	7.70% P.a.
Remaining working life	21.65 Years	22.12 Years

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (Contd.)

Gratuity payable to the employees on death or resignation or on retirement or at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives 2012-14 Ultimate Mortality table .

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of obligation at the end of the year	600.11	629.87
Impact of the change in discount rate		
Impact due to increase of 1.00%	(15.13)	(22.79)
Impact due to decrease of 1.00%	16.18	24.80
Impact of the change in salary increase rate		
Impact due to increase of 1.00%	15.66	22.34
Impact due to decrease of 1.00%	(15.04)	(21.19)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior periods.

B) Compensated absences (unfunded)

The leave obligations cover the group's liability for sick and earned leaves. The group does not have an unconditional right to defer settlement for the obligation shown as current provision. However based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provisions has been recognised in the statement of profit and loss.

Particulars	As at March 31, 2021	As at March 31, 2020
Compensated absences (unfunded)		
Current	32.46	33.32
Non-Current	185.35	222.06
	217.81	255.38

C) Defined contribution plans

The group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

D) Other employee benefits

The group has taken an Insurance Policy for medical benefits in respect of its working employees. The Insurance Policy for on-roll employees is partially funded by the group.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

30 Financial Instruments

A) Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets measured at fair value		
Investments measured at fair value through profit and loss	3,052.02	2,586.61
Financial assets measured at amortised cost		
Trade receivables	22,467.76	14,732.70
Cash and cash equivalents	3,288.70	339.00
Other Bank balances	362.67	587.95
Other financial assets	890.33	375.43
	27,009.46	16,035.08
Financial liabilities measured at amortised cost		
Borrowings	5,422.06	8,197.77
Trade payables	33,050.09	32,049.95
Other financial liabilities	8,788.19	6,489.68
	47,260.34	46,737.40

B) Fair Value Hierarchy

The fair value of financial Instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted price in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1 : Quoted prices for identical instruments in an active market

Level 2 : Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs and

Level 3 : Inputs which are not based on observable market data (unobservable inputs).

Financial assets measured at Fair Value

Particulars	As at March 31, 2021	As at March 31, 2020
Investments measured at fair value through profit and loss		
Level 1	3,052.02	2,586.61
Level 2	—	—
Level 3	—	—
	3,052.02	2,586.61

Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statement as at the Balance Sheet date.

C) Financial Risk Management

The group's activities expose it to market risk, liquidity risk and credit risk. The group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

C.1) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The group considers reasonable and supportive forward-looking information.

Expected credit losses for financial assets other than trade receivables

Financial assets for which loss allowance is measure using 12 months expected credit loss.

Credit risks related to balances of banks and financial institutions, cash & cash equivalents and deposits with banks are managed by the group in accordance with the group's policy. Investments of surplus funds are made in bank deposits, debt mutual funds and other risk free securities having good credit ratings. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 is the carrying amounts.

Expected credit losses for trade receivables under simplified approach

Financial assets for which loss allowance is measured using lifetime expected credit loss as per simplified approach.

Credit risks related to receivables is managed by each business unit subject to the group's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on trade receivables by using lifetime expected credit losses as per simplified approach wherein the weighted average loss rates are analysed from the historical trend of defaults relating to each business segment. Such provision matrix has been considered to recognize lifetime expected credit losses on trade receivables (other than those where default criteria are met).

The group evaluates the concentration of risk with respect to trade receivables as low, since its customers are from various industries, jurisdictions and operate in independent markets. Trade receivables and other financial assets are written off when there is no reasonable expectation of recovery.

Movement in the expected credit loss allowance-Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	244.39	78.95
Add : Provided during the year	855.62	365.77
Less : Reversal of provisions	(244.39)	–
Less : Bad debts written off	(494.26)	(200.33)
Balance at the end of the year	361.36	244.39

C.2) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the group's short-term, medium-term and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserve, 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Less than 1 year	1-5 Years	More than 5 Years	Total
As at March 31, 2021				
Borrowings	3,408.66	1,478.25	535.15	5,422.06
Trade payables	33,050.09			33,050.09
Other financial liabilities	8,774.73	13.46		8,788.19
	45,233.48	1,491.71	535.15	47,260.34
As at March 31, 2020				
Borrowings	5,293.60	2,288.09	616.08	8,197.77
Trade payables	32,049.95			32,049.95
Other financial liabilities	6,447.64	42.04		6,489.68
	43,791.19	2,330.13	616.08	46,734.40

C.3) Market Risk

The group is not an active investor in the equity market. Further the treasury activities, focused on managing investments in debt instruments are centralized and administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The group's investments are predominantly held in fixed deposits and debt mutual funds. Mark to market movements in respect of the group's investments that are held at amortised cost are temporary and get recouped through fixed coupon accruals. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

The group also invests in mutual fund schemes of leading funds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of the underlying portfolio of the mutual fund scheme in which the group has invested, such price risk is not significant.

Foreign currency risk

The group undertakes transactions denominated in foreign currency (mainly US Dollar and Euro) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the group's exposure to foreign currency risk is limited and the group hence does not use any derivative instruments to manage its exposure.

Foreign currency risk exposure in USD:

The group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets	2,773.25	941.39
Financial Liabilities	1,666.32	2,730.96
Net exposure to foreign currency risk	1,106.93	(1,789.57)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Particulars	As at March 31, 2021	As at March 31, 2020
USD sensitivity		
INR/USD increase by 150 bps*	22.69	(35.61)
INR/USD decrease by 150 bps*	(22.69)	35.61

*Holding all other variables constant

Foreign currency risk exposure in EURO:

The group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets	74.48	3.92
Financial Liabilities	—	—
Net exposure to foreign currency risk	74.48	3.92

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at March 31, 2021	As at March 31, 2020
Euro sensitivity		
INR/Euro increase by 200 bps*	1.73	0.09
INR/Euro decrease by 200 bps*	(1.73)	(0.09)

*Holding all other variables constant

C.4) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of change in market interest is not material relating to the financial liabilities. The group's borrowing outstanding as at March 31, 2021 comprise of long term loans for properties, vehicles and short term working capital facilities from various banks.

C.5) Risk due to outbreak of COVID 19 pandemic

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The group's plants, warehouses and offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. The group has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date and observed that there is no significant impact on its consolidated financial statements.

31. Capital Management

The group's capital management objectives are:

- To ensure the group's ability to continue as going concern
- To provide an adequate return to shareholders

The group monitors capital on the basis of carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the group's various classes of debt. The group manages

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Capital Management (contd.)

the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, buy back of share, issue of new shares.

(a) Debt to equity ratio

Particulars	As at March 31, 2021	As at March 31, 2020
Net debt	1,778.28	7,280.40
Total equity	52,353.66	44,294.08
Net debt to equity ratio	3.40%	16.44%

(b) Dividends (excluding dividend tax)

Equity shares

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Final dividend for the preceding financial year of ₹ Nil (PY ₹ 0.50/-) per fully paid equity share	–	577.55
Interim dividend for the current financial year of ₹ Nil (PY ₹ 0.50/-) per fully paid equity share	–	567.42
	–	1,144.97

32. Related party transactions

The group's related party transactions and outstanding balance with its Key management and others are as described below:

A. Name of Related Parties

a) Key management personnel

Mr. Vijay Agarwal	Chairman & Managing Director
Mrs. Mona Agarwal	Whole - Time Director
Mr. Sorab Agarwal	Whole - Time Director
Mrs. Surbhi Garg	Whole - Time Director
Mr. Avinash Parkash Gandhi	Independent Director
Mr. Girish Narain Mehra (IAS Retd.)	Independent Director (Retired w.e.f. 25.09.2020)
Major General (Retd.) Dr. K. C. Agrawal	Independent Director (Retired w.e.f. 25.09.2020)
Mr. Subhash chander Verma	Independent Director (Retired w.e.f. 25.09.2020)
Dr. Divya Singal	Independent Woman Director (Appointed w.e.f. 01.04.2020)
Mr. Shriniwas Vashisht	Independent Director (Appointed w.e.f. 24.09.2020)
Dr. Jagan Nath Chamber	Independent Director (Appointed w.e.f. 06.11.2020)
Mr. Rajan Luthra	Chief Financial Officer
Mr. Anil Kumar	Company Secretary & Compliance Officer

b) Enterprises owned or significantly influenced by Key Management Personnel or their relatives

VMS Equipment Pvt Ltd.
Rotadrill India Private Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

Reachall India Pvt Ltd.
ACE Emergency Response Service Trust
ACE Employees Group Gratuity Scheme Trust

B. Transactions with related party

(i) Transactions with significantly influenced enterprises

Nature of Transaction	For the year	VMS Equipment Pvt Ltd.	Rotadrill India Pvt. Ltd.	Reachall India Pvt. Ltd.	ACE Emergency Response Trust	Total
Sale of Goods	2020-21	1,505.39	410.00	2,299.30	–	4,214.69
	2019-20	1,232.13	273.00	–	–	1,505.13
Purchase of Goods	2020-21	52.50	–	–	–	52.50
	2019-20	7.35	–	–	–	7.35
Rent Received	2020-21	4.44	1.20	1.80	1.14	8.58
	2019-20	4.44	0.20	0.20	1.10	5.94
Donation Paid	2020-21	–	–	–	142.84	142.84
	2019-20	–	–	–	182.40	182.40

Note : All transactions are done at Arm's Length Price

(ii) Outstanding balances arising from sales/purchase of goods and services

Name of Party	Nature of Outstanding	As at March 31, 2021	As at March 31, 2020
VMS Equipment Pvt Ltd.	Amount Receivable	581.78	98.65
Rotadrill India Pvt. Ltd.	Amount Receivable	484.53	322.38
Reachall India Pvt. Ltd.	Amount Receivable	2,564.24	0.24
		3,630.55	421.27

(iii) Transactions with Key management personnel

Name of Party/ Nature of Transaction	For the year	Short-term employee benefits	Dividend paid	Redemption of preference shares	Rent Paid	Service rendered	Sale of Im-movable Property	Purchase of Immoveable Property	Total
Mr. Vijay Agarwal	2020-21	306.16	–	–	34.35	–	–	530.53	871.04
	2019-20	306.00	415.66	–	56.40	–	–	–	778.06
Mrs. Mona Agarwal	2020-21	150.73	–	–	–	–	1,160.00	150.00	1,460.73
	2019-20	150.88	258.39	–	–	–	–	–	409.27
Mr. Sorab Agarwal	2020-21	58.86	–	–	–	–	–	–	58.86
	2019-20	58.79	76.24	–	–	–	–	–	135.03
Mrs. Surbhi Garg	2020-21	60.56	–	–	20.90	–	–	–	81.46
	2019-20	58.88	69.30	604.39	26.40	–	–	–	758.97
Mr. Girish Narain Mehra (IAS Retd.)	2020-21	–	–	–	–	0.75	–	–	0.75
	2019-20	–	–	–	–	1.50	–	–	1.50
Major General (Retd.) Dr. K. C. Agrawal	2020-21	–	–	–	–	0.45	–	–	0.45
	2019-20	–	–	–	–	1.05	–	–	1.05
Mr. Subhash Chander Verma	2020-21	–	–	–	–	0.90	–	–	0.90
	2019-20	–	–	–	–	2.10	–	–	2.10

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Dr. Amar Singhal	2020-21	–	–	–	–	–	–	–	–
	2019-20	–	–	–	–	2.25	–	–	2.25
Mr. Avinash Parkash Gandhi	2020-21	–	–	–	–	1.75	–	–	1.75
	2019-20	–	–	–	–	1.20	–	–	1.20
Dr. Divya Singal	2020-21	–	–	–	–	2.20	–	–	2.20
	2019-20	–	–	–	–	–	–	–	–
Mr. Shrinivas Vashisht	2020-21	–	–	–	–	1.30	–	–	1.30
	2019-20	–	–	–	–	–	–	–	–
Dr. Jagan Nath Chamber	2020-21	–	–	–	–	1.00	–	–	1.00
	2019-20	–	–	–	–	–	–	–	–
Mr. Rajan Luthra	2020-21	55.39	–	–	–	–	–	–	55.39
	2019-20	61.56	–	–	–	–	–	–	61.56
Mr. Anil Kumar	2020-21	6.78	–	–	–	–	–	–	6.78
	2019-20	6.64	–	–	–	–	–	–	6.64

33. Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Bank Guarantees	3,025.33	2,276.04
Letter of Credits	6,382.61	6,553.16
Claim against the group, not acknowledged as Debts	967.42	803.99
Sales Tax, Excise & Income Tax Matters, pending before Assessing/ Appellate Authorities, not acknowledged as liability	3,415.22	3,415.22
	13,790.58	13,048.41

Notes:

- The amount indicated as contingent liability or claim against the group, reflects only the basic value. Any interest, penalty or legal cost is not considered.
- It is not practically possible for the group to estimate the timings and amount of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(b) Capital commitments

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	729.10	900.77

(c) Non-cancellable operating leases

The group leases Immovable property under non-cancellable operating leases expiring in next five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum undiscounted lease payments in relation to non-cancellable operating leases are payable as follows:

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	54.39	27.43
Later than one year but not later than five years	29.00	25.61
Later than five years	–	–

34. Earnings per share (EPS)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to the owners of the company	7,983.08	5,248.84
Weighted average number of equity shares outstanding during the year	11,34,83,196	114,927,557
Basic earnings per share (in ₹)	7.03	4.57
Diluted earnings per share (in ₹)	7.03	4.57

35. Leases

Effective April 1, 2019, the group adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right-of-use (ROU) asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

The group applied the available practical expedients, wherein it :

- Applied a single discount rate to a portfolio of leases of similar assets in a similar economic environment with a similar end date.
- Applied the exemption not to recognize Right-of-Use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The carrying value of Right of Use assets recognised on the date of transition and the movements thereof during the year ended March 31, 2021 :

The changes in the carrying value of Right-of-Use assets for the year ended March 31, 2021 are as follows:

Particulars	Category of Right-of-Use assets		Total
	Office Building	Plant & Machinery	
Balance as at April 1, 2019	–	–	–
ROU assets recognised as on April 1, 2019 on adoption of Ind AS 116	85.95	-	85.95
Additions during the year	27.14	8.48	35.62
Depreciation for the year	(41.57)	(0.64)	(42.21)
Balance as at March 31, 2020	71.52	7.84	79.36
Additions during the year	13.26	–	13.26
Depreciation for the year	(36.56)	(2.54)	(39.10)
Modification of lease during the year	(20.18)	–	(20.18)
Balance as at March 31, 2021	28.04	5.30	33.34

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Leases (contd.)

The carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2021:

Particulars	Amount
Transition impact on account of adoption of Ind AS 116 "Leases"	85.95
Addition during the year	35.62
Finance Cost accrued during the year	8.92
Interest accrued but not due as on March 31, 2020	(0.06)
Payment of lease liabilities	(45.35)
Balance as at March 31, 2020	85.08
Addition during the year	13.26
Finance Cost accrued during the year	4.93
Modification of lease during the year	(22.75)
Interest accrued but not due as on March 31, 2021	(0.12)
Payment of lease liabilities	(44.76)
Balance as at March 31, 2021	35.64
Current maturities of Lease Liabilities (refer Note 18)	22.18
Non-Current Lease Liabilities (refer note 18)	13.46

Impact on the Statement of Profit and Loss for year ended March 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of Right-of-Use assets	39.10	42.21
Interest on Lease Liabilities	4.93	8.92
Total	44.03	51.13

Rental expense recorded for Short-term Leases was ₹ 67.51 lakhs for the year ended March 31, 2021 (₹ 106.61 lakhs for the year ended March 31, 2020) (Refer Note 27).

The effect of this adoption is insignificant on earnings per share.

The maturity analysis of undiscounted lease liabilities is disclosed in Note 33 (c).

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Impact of COVID-19

The group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the group has entered with lessors towards properties used are long term in nature and no changes in terms of those leases are expected due to the COVID-19

36. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the group has received intimation from the "Suppliers" regarding their status under the Act.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act). Principal amount due to micro and small enterprises Interest due on overdue principal amount out of the above	3,851.68 5.29	4,492.88 –
(ii) Interest paid by the group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the suppliers beyond the appointed day during the period.	–	–
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	–	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

37. Segment information

The group's operating segments are established on the basis of those components of the group which are evaluated regularly by the executive committee in deciding how to allocate resources and in assessing performances. The group has four (4) operating and reporting segments as given below:

- i) Cranes
- ii) Construction Equipment
- iii) Material Handling
- iv) Agri Equipment

(a) Segment Revenue and Results

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Segment revenue (Net)		
(i) Cranes	79,020.91	82,868.65
(ii) Construction Equipment	13,373.03	10,065.31
(iii) Material Handling	10,284.72	8,358.18
(iv) Agri Equipment	20,022.25	14,327.61
(v) Subsidiaries Business	14.48	3.21
Total Segment Revenue	1,22,715.39	1,15,622.96
Segments results		
(i) Cranes	8,724.00	9,294.81
(ii) Construction Equipment	678.50	1.65

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment information (contd.)

(iii) Material Handling	1,273.35	816.11
(iv) Agri Equipment	2,405.46	(411.45)
(v) Subsidiaries Business	(36.70)	(16.76)
	13,044.61	9,684.36
Finance costs	(1,223.28)	(1,465.99)
Other Unallocated Expenses	(1,010.19)	(1,415.43)
Total Segment results	10,811.14	6,802.94

(b) Segment Assets and Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Segment assets		
(i) Cranes	74,334.50	67,441.09
(ii) Construction Equipment	9,673.05	10,198.24
(iii) Material Handling	3,830.99	2,866.78
(iv) Agri Equipment	9,658.04	5,803.82
Total segment assets	97,496.58	86,309.93
Unallocated	8,031.95	9,050.00
Total assets as per the balance sheet	1,05,528.53	95,359.93
Segment liabilities		
(i) Cranes	31,503.33	29,431.97
(ii) Construction Equipment	4,611.58	5,384.90
(iii) Material Handling	2,665.55	1,510.51
(iv) Agri Equipment	6,949.05	4,816.20
Total segment liabilities	45,729.51	41,143.58
Unallocated	59,799.02	54,216.35
Total liabilities as per the balance sheet	1,05,528.53	95,359.93

Segment revenue, segment results, segment assets and segment liabilities includes the respective amount identifiable for each operating segment.

The group has substantial business in India and exports are not material. Hence in the context of Ind AS 108 segments identified above are the only reportable segments.

38. Previous year figures have been re-grouped/reclassified wherever necessary, to conform to current year's classification.

In terms of our report of even date
For M/s BRAN & Associates
Chartered Accountants
Firm Registration No.: 014544N

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 28, 2021

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Avinash Parkash Gandhi
Independent Director
DIN: 00161107

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per schedule III of the Companies Act, 2013:

For the financial year 2020-21 :

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss (P&L)		Other Comprehensive Income (OCI)		Total comprehensive Income (TCI)	
	As % age of consolidated net assets	Net Assets	As % age of consolidated P&L	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company Action Construction Equipment Limited	99.99	52,346.34	100.46	8,015.93	100.00	75.97	100.46	8,091.90
Direct Subsidiary SC Forma SA	0.01	7.60	(0.46)	(36.31)	–	–	(0.46)	(36.31)
Associates Namo Metals (Partnership Firm)	(0.00)	(0.28)	(0.00)	(0.39)	–	–	(0.00)	(0.39)
Total	100.00	52,353.66	100.00	7,979.23	100.00	75.97	100.00	8,055.20

For the financial Year 2019-20 :

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss (P&L)		Other Comprehensive Income (OCI)		Total comprehensive Income (TCI)	
	As %age of consolidated net assets	Net Assets	As %age of consolidated P&L	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company Action Construction Equipment Limited	99.91	44,254.44	100.32	5,263.81	100.00	(13.91)	100.32	5,249.90
Direct Subsidiary SC Forma SA	0.09	39.52	(0.32)	(16.73)	–	–	(0.32)	(16.73)
Associates Namo Metals (Partnership Firm)	0.00	0.12	(0.00)	(0.03)	–	–	(0.00)	(0.03)
Total	100.00	44,294.08	100.00	5,247.05	100.00	(13.91)	100.00	5,233.14

Form AOC-I forming part of the consolidated financial statements

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts (₹ in Lakhs)

S. No.	Details	Particulars
1.	Name of the subsidiary	SC Forma SA, Romania
2.	The date since when subsidiary was acquired	01.02.2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.01.2020 to 31.12.2020
4.	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	RON, ₹ 18.3444
5.	Share capital	197.30
6.	Reserves & surplus (Inclusive of Revaluation Reserve)	(6.37)
7.	Total Assets	414.42
8.	Total Liabilities	223.50
9.	Investments	NIL
10.	Turnover	0.15
11.	Profit before taxation	22.87
12.	Provision for taxation	NIL
13.	Profit after taxation	22.87
14.	Proposed Dividend	NIL
15.	% age of shareholding	89.50

Notes :

- There are no subsidiaries which are yet to commence operations.

Part "B": Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures Name of Associates/Joint Ventures - Nil.

In terms of our report of even date
For M/s BRAN & Associates
Chartered Accountants
Firm Registration No.: 014544N

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 28, 2021

Sd/-
Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Avinash Parkash Gandhi
Independent Director
DIN: 00161107



ACTION CONSTRUCTION EQUIPMENT LIMITED

Regd. Office: Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana

Email:cs@ace-cranes.com, Phone:01275-280111, Fax:01275-280133,

CIN:L74899HR1995PLC053860, Website:www.ace-cranes.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Seventh (27th) Annual General Meeting (AGM) of the Members of Action Construction Equipment Limited ("Company") will be held on Friday, September 03, 2021 at 12.00 Noon (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following businesses. The deemed venue of AGM shall be the registered office of the Company.

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- (a) The audited standalone financial statements of the Company for the financial year ended March 31, 2021 and reports of Board of Directors and Auditors' thereon; and
- (b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and report of Auditors' thereon.

2. To declare a final dividend of ₹ 0.50 i.e. (25%) per equity share for the Financial Year ended March 31, 2021.
3. To appoint a Director in place of Mrs. Mona Agarwal (DIN: 00057653) who retires from office by rotation, and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

4. To ratify the remuneration of the cost auditors for the financial year ending March 31, 2022 and in this regard, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus applicable taxes inclusive of all out of pocket expenses, approved by the Board of Directors, to be paid to M/s Vandana Bansal & Associates, Cost Accountants (Firm Registration No: 100203), appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors be

and is hereby authorized to perform and execute and to do all such acts, deeds, things, and matters as may be deemed necessary, proper or expedient and for the matters connected herewith or incidental hereto."

5. Appointment of Dr. Jagan Nath Chamber (DIN:08841478) as an Independent Non-Executive Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and pursuant to the Regulation 16(1)(b) and other applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Jagan Nath Chamber (DIN:08841478) who has been appointed as an Additional Director of the Company by the Board of Directors w.e.f. November 06, 2020 pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the said Act proposing his candidature for the office of Director, be and is hereby appointed an Independent Non-Executive Director of the Company to hold office for a first term of five consecutive years effective from November 06, 2020 and whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute and to do all such acts, deeds, things, and matters as may be deemed necessary, proper or expedient and for the matters connected herewith or incidental hereto."

"RESOLVED FURTHER THAT Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Rajan Luthra, Chief Financial Officer and Mr. Anil Kumar, Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

6. Re-classification of Authorised Share Capital of the Company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for reclassification of the Authorised Share Capital of the Company from ₹ 55,25,00,000 (Rupees Fifty Five Crore Twenty Five Lakhs only) divided into 12,50,00,000 (Twelve Crore Fifty Lakhs) Equity Shares of ₹ 2 (Rupees Two) each and 3,02,50,000 (Three Crore Two Lakhs Fifty Thousand) 8% Redeemable cumulative Preference Shares of ₹ 10 (Rupees Ten) each to ₹ 55,25,00,000 (Rupees Fifty Five Crore Twenty Five Lakhs only) divided into 27,62,50,000 (Twenty Seven Crore Sixty Two Lakhs Fifty Thousand) Equity Shares of ₹ 2 (Rupees Two) each and consequently the existing Clause V of the Memorandum of Association of the Company, relating to the Share Capital be and is hereby altered by deleting the same and substituting in its place and stead, the following new Clause V:

‘V’ The Authorised Share Capital of the Company is ₹ 55,25,00,000 (Rupees Fifty Five Crore Twenty Five Lakhs only) divided into 27,62,50,000 (Twenty Seven Crore Sixty Two Lakhs Fifty Thousand) Equity Shares of ₹ 2 (Rupees Two) each.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute and to do all such acts, deeds, things, and matters as may be deemed necessary, proper or expedient and for the matters connected herewith or incidental hereto”.

“RESOLVED FURTHER THAT Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Rajan Luthra, Chief Financial Officer and Mr. Anil Kumar, Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

7. Approval of Action Construction Equipment Limited Employees Stock Option Scheme - 2021 and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof), Regulation 6(1) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee

Benefits) Regulations, 2014 (**“SEBI (SBEB) Regulations”**), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI (LODR) Regulations”**), relevant provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines/ Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/ imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), the consent of the Members of the Company be and is hereby accorded for the approval of **Action Construction Equipment Limited Employees Stock Option Scheme-2021 (“Scheme”)** and the Board of Directors of the Company (hereinafter referred to as the **“Board of Directors”** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised to create, grant, offer, issue and allot under the Scheme, in one or more tranches, such number of Employee Stock Options (**“Options”**) not exceeding of 5 % of the paid-up capital of the Company as on March 31, 2021 comprising into 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Options (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of:

- (a) a Permanent Employee of the Company who has been working in India or outside India; or
- (b) a Director of the Company, whether a Whole Time Director or not but excluding an Independent Director and Non-Executive Directors;

but does not include-

- (a) an Employee or Director who is a Promoter or a person belonging to the Promoter Group; or
- (b) a Director who either himself or through his relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company.

and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time (**“Eligible Employees”**), exercisable into 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Equity Shares of face value ₹ 2/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as

may be applicable from time to time) on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the Scheme.”

“RESOLVED FURTHER THAT the Scheme shall be administered by the Nomination and Remuneration Committee of the Company who shall have all necessary powers as defined in the Scheme and is hereby designated as Compensation Committee in pursuance of the SEBI (SBEB) Regulations for the purpose of administration and superintendence of the Scheme.”

“RESOLVED FURTHER THAT the Scheme shall be implemented through trust route wherein an irrevocable Trust, as set up by the Company by the name **Action Construction Equipment Limited Employees Welfare Trust (“Trust”)** shall acquire the shares of the Company either by way of direct allotment from the Company and/or Secondary acquisition from the market and will follow cash mechanism.”

“RESOLVED FURTHER THAT out of the overall pool of into 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Equity Shares, the Trust may acquire such quantity of Shares either by way of secondary acquisition and/or by direct allotment as decided by the Board of Directors, from time to time.”

“RESOLVED FURTHER THAT the new Equity Shares, if any, to be issued and allotted by the Company under the Scheme shall rank pari passu in all respects with the then existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT the Company shall confirm to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.”

“RESOLVED FURTHER THAT the Board of Directors, subject to compliance with the SEBI (SBEB) Regulations and other applicable laws, rules and regulations, be and are hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the

effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors are authorized to do for the purpose of giving effect to this resolution.”

8. To approve acquisition of Equity Shares by way of secondary acquisition under Action Construction Equipment Limited Employees Stock Option Scheme-2021 and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 6(3) (a) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**“SEBI (SBEB) Regulations”**), applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof), the applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI (LODR) Regulations”**), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **“Board of Directors”** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) for secondary acquisition of upto 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Equity Shares (**“Shares”**) of the Company by **Action Construction Equipment Limited Employees Welfare Trust (“Trust”)**, in one or more tranches, and at such price or prices and on such terms and conditions, as may be determined by the Board of Directors, for the purpose of implementation of the **Action Construction Equipment Limited Employees Stock Option Scheme-2021 (“Scheme”)** and in due compliance with the provisions of the SEBI (SBEB) Regulations.”

“RESOLVED FURTHER THAT the total number of Shares under secondary acquisition held by the Trust in pursuance to the Scheme or any other share based Employee benefit plan implemented in the past, shall at no time, exceed 5 (five) percent of the Paid-up Equity Capital of the Company

in due compliance with the provisions of the SEBI (SBEB) Regulations.”

“RESOLVED FURTHER THAT the secondary acquisition by the Trust in any financial year shall not exceed 2 (two) percent of the paid-up Equity capital as at the end of the respective previous financial year in due compliance with the provisions of the SEBI (SBEB) Regulations.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as bonus issue, rights issue, stock splits or consolidations or other re-organisation, if any, where additional Equity Shares are required to be issued by the Company to the shareholders, then the maximum number of Equity Shares to be acquired by the Trust from the secondary market in any financial year as well as the maximum number of Equity Shares acquired from the secondary market and held by the Trust at any point of time, as aforesaid, shall be increased in the same proportion as the number of such additional Equity Shares issued bears to the number of Equity Shares outstanding immediately prior to such issue.”

“RESOLVED FURTHER THAT the Trust shall not deal in derivatives and shall undertake transactions as permitted by SEBI (SBEB) Regulations.”

“RESOLVED FURTHER THAT the Trustees of the Trust shall not vote in respect of the Shares held by such Trust.”

“RESOLVED FURTHER THAT for the purposes of disclosures to the stock exchange(s), the shareholding of the Trust shall be shown as non-promoter and non-public shareholding.”

“RESOLVED FURTHER THAT the Trustees of the Trust shall ensure compliance of the provisions of the SEBI (SBEB) Regulations, Companies Act, 2013 and all other applicable laws at all times in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary and incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution.”

9. **Provision of money by the Company for purchase of its own shares by the trust / trustees for the benefit of employees under Action Construction Equipment Limited Employees Stock Option Scheme-2021 and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 67(3), 62(1)(b) of the Companies Act, 2013, Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**“SEBI (SBEB) Regulations”**), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI (LODR) Regulations”**), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **“Board of Directors”** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to **Action Construction Equipment Limited Employees Welfare Trust (“Trust”)**, in one or more tranches not exceeding 5% (Five percent) of the aggregate of the Paid-Up share capital and Free Reserves for the purpose of subscription and/or purchase of Equity Shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of Equity Shares (**“Shares”**) as may be prescribed under **Action Construction Equipment Limited Employees Stock Option Scheme-2021 (“Scheme”)** or any other share based Employee benefit plan which may be introduced by the Company from time to time (**“Employee Benefit Scheme(s)”**) with a view to purchase such Shares in line with contemplated objectives of the Scheme or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI (SBEB) Regulations, Companies Act, 2013 and any other applicable laws and regulations.”

“RESOLVED FURTHER THAT the above limit of 5% shall be taken on consolidated basis for all Employee Benefit Scheme(s) as may be undertaken by the Company from time to time.”

“RESOLVED FURTHER THAT any loan provided by the Company shall be interest free and shall be repayable by the Trust in quarterly intervals subject to availability of the funds received pursuant to exercise of stock options under the Scheme and in accordance with the relevant provisions of the applicable laws & regulations.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to comply with the legal provisions and do all ancillary and consequential matters and to take such steps and to do such acts, deeds, matters and things as they may deem proper and give/send such notices, directions as may be necessary to give effect to the above resolution.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution.”

- 10. To approve raising of funds in one or more tranches, by issuance of securities by way of private offerings, qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable law for an amount up to ₹ 175.00 Crore and in this regard, to consider, and if thought fit, to pass the following resolution as a Special Resolution.**

“RESOLVED THAT pursuant to Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof (“Companies Act”) and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the BSE Limited and National Stock Exchange of India Limited (the “Stock Exchanges”) and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary / Equity Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended, the listing agreements entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed; and

any other provisions of applicable laws (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India (“Gol”), Ministry of Corporate Affairs (“MCA”), Reserve Bank of India (“RBI”), Securities and Exchange Board of India (“SEBI”), Stock Exchanges, and such other statutory / regulatory authorities), and subject to all approvals, permissions, consents, and / or sanctions as may be necessary or required from SEBI, the Stock Exchanges, RBI, MCA, Gol, or any other concerned statutory / regulatory authorities, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and / or sanctions by any of the aforesaid authorities, which will be considered by the Board of Directors of the Company (“Board”, which term shall include any committee which the Board may have constituted or may hereinafter constitute from time to time to exercise its powers, including the powers conferred by this resolution), approval of the members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised to offer, issue, and allot (including with provisions for reservations on firm and / or competitive basis, or such part of the issue and for such categories of persons as may be permitted) any instrument or security, including equity shares of the face value of ₹ 2/- each (Rupees Two Only) (“Equity Shares”), fully / partly convertible debentures, global depository receipts, American depository receipts, foreign currency convertible bonds, non-convertible debentures, warrants (collectively, the “Securities”), or any combination of Securities, to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non-resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the SEBI ICDR Regulations (“QIBs”) / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in one or more tranches, with or without a green shoe option, to raise funds for an aggregate consideration of up to ₹ 175.00 Crore only (Rupees One Hundred Seventy Five Crore Only), through a public issue, rights issue, preferential allotment, or a private placement (including one or more qualified institutions placements (“QIPs”) in accordance with the applicable provisions of the Companies Act and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, to be subscribed to in Indian and

/ or any foreign currency by all eligible investors, through the issuance of an offer document(s) / letter(s) / circular(s) / placement document(s), as permitted under applicable laws and regulations, at such price(s) (including at a discount or premium to market price or prices permitted under applicable law), in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine to whom the offer, issue and allotment of Securities shall be made to the exclusion of others (including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company); making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investors and / or in respect of different Securities; number of securities to be issued; face value; number of Equity Shares to be issued and allotted on conversion / redemption / extinguishment of debt(s); rights attached to the warrants; period of conversion; fixing of record date(s); and / or book closure date(s) subject to the applicable laws considering the prevailing market conditions and / or other relevant factors, and wherever necessary, in consultation with the book running lead managers and / or other advisors appointed.”

“RESOLVED FURTHER THAT the ‘relevant date’ for the purpose of pricing the Securities shall be date of the meeting in which the Board decides to open the issue of the Securities, subsequent to receipt of approval from the members of the Company, in terms of applicable laws; in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs by way of a QIPs, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board.”

“RESOLVED FURTHER THAT in case of an issue and allotment of Securities by way of a QIPs in terms of the SEBI ICDR Regulations:

- (i) The allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution by the members of the Company;
- (ii) The Equity Shares to be offered, issued, and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank *pari passu* in all respects with the existing Equity Shares;
- (iii) No partly paid-up Equity Shares or other Securities shall be issued / allotted;
- (iv) The issuance of the Securities by way of the QIPs shall be made at such price that is not less than the price determined in accordance with the pricing formula provided under Regulation 176(1) of the SEBI

ICDR Regulations (“QIP Floor Price”), and the price determined for the QIPs shall be subject to appropriate adjustments as per the provisions of the SEBI ICDR Regulations, as may be applicable. However, the Board, at its absolute discretion, may offer a discount of not more than 5% or such other percentage as may be permitted under applicable law on the QIP Floor Price;

- (v) No single allottee shall be allotted more than 50% of the issue size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations; and
- (vi) The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this special resolution.

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per prevailing practices and regulations in the capital markets and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed to.”

“RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, *inter alia*, subject to the following terms and conditions:

- a) In the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced *pro tanto*;
- b) In the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;
- c) In the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares and the price as aforesaid shall be suitably adjusted; and
- d) In the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or reclassification of the Securities into other securities and/ or involvement in such other event or circumstances which in the opinion of concerned

stock exchange requires such adjustments, necessary adjustments will be made

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to do such acts, deeds, and things, in its absolute discretion, as it deems necessary or desirable in connection with offering, issuing, and allotting the Securities, and to give effect to these resolutions, including, without limitation, the following:

- (a) Offer, issue and allot all / any of the Securities, subject to such terms and conditions, as the Board may deem fit and proper in its absolute discretion;
- (b) Determining the terms and conditions of the issuance, including among other things, (a) terms for issuance of additional Securities and for disposal of Securities which are not subscribed to by issuing them to banks / financial institutions / mutual funds or otherwise, (b) terms as are provided in domestic offerings of this nature, and (c) terms and conditions in connection with payment of interest, dividend, voting rights, premium and redemption or early redemption, conversion into Equity Shares, pricing, variation of the price or period of conversion, and / or finalizing the objects of the issuance and the monitoring of the same;
- (c) Approve, finalise, and execute any preliminary as well as final offer document(s) (including, among other things, any draft offer document, offering circular, registration statement, prospectus, preliminary placement document, placement document, private placement offer letter, letter of offer, and / or other letter or circular), and to approve and finalise any bid cum application form(s), confirmation of allocation notes abridged letter(s) of offer, notices, including any advertisements and any other documents or any term sheets or any other ancillary documents in this regard;
- (d) Decide the form, terms and timing of the issue(s), including the opening and closing of the issue / offering(s), Securities to be issued and allotted, class of investors to whom Securities are to be offered, issued and allotted, number of Equity Shares to be issued and allotted in each tranche;
- (e) Issue and allot such number of Equity Shares, as may be required to be issued and allotted, upon conversion of any Securities, or as may be necessary in accordance with the terms of the issuance all such Equity Shares ranking pari passu with the existing Equity Shares in all respects;
- (f) Approve, finalise, execute, and amend agreements and documents, including, any number of powers of attorney, lock-up letters, agreements in connection with the creation of any security, and agreements

in connection with the appointment of any intermediaries and / or advisors, (including for underwriting, marketing, listing, trading, appointment of lead manager(s) / merchant banker(s), legal counsel, depository(ies), banker(s), advisor(s), registrar(s), trustee(s), and other intermediaries as required), and to pay any fees, commission, costs, charges and other expenses in connection therewith;

- (g) Provide such declarations, affidavits, certificates, consents and / or authorities as required from time to time;
- (h) Seek any consents and approvals, including, among others, the consent(s) from the Company’s lenders, customers, vendors, parties with whom the Company has entered into agreements, and from concerned statutory and regulatory authorities;
- (i) File requisite documents with the SEBI, Stock Exchanges, the GoI, the RBI, and any other statutory and / or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;
- (j) Seeking the listing of the Securities on any stock exchange(s), submitting the listing application(s) to such stock exchange(s) and taking all actions that may be necessary in connection with obtaining such listing approvals (both in-principle and final listing and trading approvals);
- (k) Open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board;
- (l) Approving the issue price and finalize allocation and the basis of allotment(s) of the Securities on the basis of the bids / applications and oversubscription thereof as received, where applicable;
- (m) Acceptance and appropriation of the proceeds of the issue of the Securities;
- (n) Affix the common seal of the Company, as required, on any agreement(s), undertaking(s), deed(s) or other document(s), in the presence of any one or more of the Directors of the Company or any one or more of the officers of the Company as may be authorised by the Board in accordance with the Memorandum of Association and Articles of Association of the Company;
- (o) Further authorise and empower any committee and / or director(s) and / or officer(s) of the Company, to execute and deliver, for and on behalf of the Company, any and all other documents or instruments and doing or causing to be done any and all acts or things as the committee / director(s) / officer(s) may deem

necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing, or in connection with the issuance of Securities, and any documents or instruments so executed and delivered or acts and things done or caused to be done by the committee / director(s) / officer(s) shall be conclusive evidence of the authority of the committee / director(s) / officer(s) and the Company in doing so;

- (p) to settle any issues, questions, difficulties or doubts that may arise; and
- (q) Do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or settle any issues, questions, difficulties or doubts that may arise in regard to or in connection with any matter(s) referred to or contemplated in any of this resolution and the members of the Company shall be deemed to have given their approval thereto expressly by the authority

of this resolution and all actions taken by the Board in connection with any matter(s) referred to or contemplated in this resolution are hereby approved, ratified and confirmed in all respects.

**By Order of the Board of Director
For Action Construction Equipment Limited**

**Place: Faridabad
Date: July 31, 2021
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102,
Haryana, India
CIN : L74899HR1995PLC053860
Email : cs@ace-cranes.com**

**Sd/-
Anil Kumar
Company Secretary
M. No. ACS: 37791**

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively "MCA Circulars"), and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, (collectively "SEBI Circulars") permitted Companies to conduct Annual General Meeting (AGM) through Video Conferencing (VC)/ or Other Audio Visual Means (OAVM), subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 27th AGM of the Company is being convened and conducted through VC/OAVM. The deemed venue of the AGM shall be the registered office of the Company.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with **National Securities Depository Limited (NSDL)** for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
3. As per the provisions under the MCA Circulars, Members attending the 27th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, ("Act") which sets out details relating to Special Business at the Meeting, is **annexed** hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to cs@ace-cranes.com.
5. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 27th AGM is being held through VC/OAVM as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 27th AGM and hence **the Proxy Form and Attendance Slip are not annexed to this Notice.**
6. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the RTA/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.ace-cranes.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evoting.nsdl.com.
7. The Institutional/Corporate members intending to attend the e-AGM through authorised representatives are requested to send to Company/Scrutinizer a certified true copy of the Board Resolution (PDF/ JPG format) authorising their representative to attend the e-AGM through VC/OAVM and vote on their behalf by an email through its registered email address to cs@vasishtassociates.com.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The details of the Directors seeking appointment/re-appointment at the 27th AGM are provided in **Annexure-I** of this Notice. The Company has received the requisite consents/declarations for the appointment/re-appointment under the Companies Act, 2013 and the rules made thereunder.
10. In order to enable the Company to comply with MCA/SEBI circulars and to participate in the green initiative taken by Ministry of Corporate Affairs, the Company is sending this notice with Annual Report and would send all the future Notices and Communications to the e-mail addresses of the shareholders, whose e-mail are registered with the Company/RTA or with the Depository. **The Shareholders whose e-mail Id's are not registered with the Company, are requested to register the same so that they would be able to receive the information in quick time and also it would be useful to the environment.**
11. The Register of Members and the Share Transfer books of the Company will remain closed from **Friday, August 27, 2021 to Friday, September 03, 2021 (both days inclusive)** for the purpose of Annual General Meeting and for determining the entitlement of the shareholders to the dividend for FY 2020-21. **Cut-off date** for e-voting will be **Friday, August 27, 2021.**
12. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed **Friday, August 27, 2021 as cut-off date for determining**

the Members who shall be entitled to vote through remote e-voting or e-voting at the AGM. A member who is not a member as on the cut-off date shall treat this notice for information purpose only.

13. Members holding shares in electronic mode:

- (a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
- (b) are advised to contact their respective DPs for registering the nomination.
- (c) are requested to register/update their e-mail address with their respective DPs for receiving all communications from the Company electronically.

14. Members holding shares in physical mode:

- (a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company/(RTA), if not registered with the Company as mandated by SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.
- (b) are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website at www.ace.cranes.com in investor relation section.
- (c) are requested to register/update their e-mail address with the Company/RTA for receiving all communications from the Company electronically.

15. Non-Resident Indian members are requested to inform RTA/ respective DPs, immediately of:

- (a) Change in their residential status on return to India for permanent settlement.
- (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

16. The Board in their meeting held on May 28, 2021 has recommended dividend of ₹ 0.50 i.e. (25%) per equity share for the financial year ended March 31, 2021. The payment of dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company and is proposed to be paid within 30 days from date of ensuing Annual General Meeting.

17. The dividend after deduction of tax at source, if declared at the AGM, would be paid/ dispatched to those persons or their mandates:

- (a) Whose names appear as beneficial owners as at the end of the business hours on **August 26, 2021** in the list of beneficial owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic mode; and

- (b) Whose names appear as members in the Register of Members of the Company/ RTA after giving effect to valid share transmission/ transposition in physical form lodged with the Company on or before **August 26, 2021.**

18. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details of investors furnished by the Depositories/ available with the RTA for payment of dividend through National Electronic Clearing Services ("NECS") to the investors, wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from members holding shares in electronic mode for deletion/ change in such bank account details. Further, instruction if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participant about such change, with complete details of bank account. In case the shares are held in physical form, please send NECS form, so as to reach on or before the date of Book Closure fixed for payment of dividend to RTA. Dividend warrants/demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service.

19. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the RTA by sending email to the SKYLINE's email address at admin@skylinerta.com. For details, Members may refer to the "Communication on TDS on Dividend Distribution" appended to this notice as **Annexure - II.**

20. Member(s) of the Company who are holding shares in physical form and have multiple accounts in identical name(s) or are holding more than one share certificate in the same name under different Ledger Folio(s) are requested to apply for consolidation of such folio(s).

21. Members wishing to claim dividend that remain unclaimed are requested to correspond with the Registrar and shares transfer agent (RTA) or the Company Secretary of the Company. Members are requested to note that as per section 124 of the Companies Act, 2013 and applicable rules, dividends that are not claimed within seven years

from the date of transfer to the Company's unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) and shares on which dividend remains unclaimed for seven consecutive years will also be transferred to the IEPF.

22. The Company has transferred the unpaid or unclaimed dividends upto FY 2012-13 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts on the website of the Company at www.ace-cranes.com in the Investors Relation section.

Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has already transferred all shares in respect of which dividend (declared up to FY 2012-13) has not been paid or claimed by the members for 7 (seven) consecutive years or more, to IEPF Authority.

23. As the 27th AGM is being held through VC/OAVM, the **route map** is not annexed to this Notice.
24. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the notice and Annual Report will be available for inspection electronically by the members of the Company during the AGM. All other documents referred to in the Notice and Annual Report will also be available for electronic inspection without payment of any fee by the members from the date of circulation of this notice upto the date of AGM i.e. **September 03, 2021**. Members seeking to inspect such documents can send an email to cs@ace-cranes.com.
25. Voting through electronic means
- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 27th AGM by electronic means and the business may be transacted through e-voting Services ("**Remote e-Voting**").

The members who have cast their votes by Remote e-Voting prior to the AGM may also participate in the AGM through VC/ OAVM via link provided in their login ids but shall not be entitled to cast their vote again.

The instructions for members for remote e-voting and joining Annual General Meeting are as under:-

The remote e-voting period begins on **Monday, August 30, 2021 at 09:00 A.M. and ends on Thursday, September 02, 2021 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the **cut-off date** i.e. **August 27, 2021** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, i.e. **August 27, 2021**.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





Step 1: Access to NSDL e-Voting system

- (a) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of share-holders	Login Method
Individual Share-holders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com.Sezlect “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting .</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p>

	<p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
Individual Shareholders holding securities in demat mode with CDSL.	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

(b) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
(b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
(c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details of shareholders other than individual shareholders are given below:
 - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - (c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the

email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- (ii) If your email ID is not registered, please follow steps mentioned below in process **for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - (a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - (b) Physical User Reset Password?”(If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?

- (a) After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- (b) Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Annual General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
- (c) Now you are ready for e-Voting as the Voting page opens.
- (d) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

- (e) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (f) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (g) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- (a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@vasishtassociates.com with a copy marked to evoting@nsdl.co.in.
- (b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- (a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@ace-cranes.com.
- (b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@ace-cranes.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to

the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

- (c) Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- (d) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- (a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (b) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- (c) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting

- or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- (b) Members are encouraged to join the Meeting through Laptops for better experience.
 - (c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - (d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - (e) Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at cs@ace-cranes.com. The same will be replied by the company suitably.
26. Facility of joining the AGM through VC/OAVM shall be available for 1000 members on first come first serve basis. However, participation of members holding 2% or more shares, Promoters and Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
 27. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. **August 27, 2021** may obtain the login ID and password by sending an email to cs@ace-cranes.com or admin@skylinerta.com or evoting@nsdl.co.in by mentioning their Folio No./DP ID and Client ID No.
 28. M/s Vasisht & Associates, Company Secretaries has been appointed as Scrutinizer to scrutinize the Remote e-Voting and e-voting at the AGM in a fair and transparent manner.
 29. The Scrutinizer shall, after the conclusion of e-voting at the AGM, unblock the votes cast through Remote e-Voting and e-voting at AGM shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing, who shall declare the result of the voting forthwith.
 30. The results declared alongwith the Scrutinizer's Report shall be placed on Company's website www.ace-cranes.com and on the website of NSDL at <https://www.evoting.nsdl.com> after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
 31. Members joining the meeting through VC/OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC/OAVM but shall not be entitled to cast their vote again.
 32. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / Folio Number, PAN, Mobile Number at cs@ace-cranes.com on or before September 01, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
 33. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Skyline Financial Services Private Limite, D-153A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi - 110 020 . Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's Annual Report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily send their email address at cs@ace-cranes.com.
 34. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are

urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.

35. In case of any queries regarding the Annual Report or other matters if any, the Members may write to cs@ace-cranes.com to receive an email response.
36. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
37. Members seeking any information on the accounts are requested to write to the Company at least Ten days in advance so as to enable the Management to keep the information ready, in reply to the same at the Annual General Meeting.
38. In term of section 152 of the Act, Mrs. Mona Agarwal, retire

by rotation at the Meeting and being eligible, offer herself for re- appointment.

39. The Requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is omitted by Companies (Amendment) Act, 2017 vide notification dated May 7, 2018 issued by the Ministry of Corporate affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditor, who was appointed in the Annual General Meeting, held on September 29, 2017.

**By Order of the Board of Director
For Action Construction Equipment Limited**

**Place: Faridabad
Date: July 31, 2021
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102,
Haryana, India
CIN : L74899HR1995PLC053860
Email : cs@ace-cranes.com**

**Sd/-
Anil Kumar
Company Secretary
M. No. ACS: 37791**

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 4

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the rules made thereunder, the Company is required to have the audit of its cost records conducted by a cost accountant in practice and the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

The Board on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s Vandana Bansal & Associates, Cost Accountants, (Firm registration No: 100203), to conduct the audit of the cost records of the Company in respect of the applicable products for the financial year ending March 31, 2022 at an annual remuneration of ₹ 1,00,000 (Rupees One Lakh Only) plus applicable taxes inclusive of all out of pocket expenses subject to the deduction of applicable taxes.

M/s Vandana Bansal & Associates have furnished a certificate regarding their eligibility and consent for re-appointment as Cost Auditors of the Company. They have experience in the field of cost audit.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the Directors / Key Managerial Personnel of the Company / their relatives is/are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 4 of the notice for approval by the members.

ITEM NO. 5:

The Board of Directors on the recommendation of the Nomination and Remuneration Committee have appointed Dr. Jagan Nath Chamber (DIN:08841478) as additional Director of the Company with effect from November 06, 2020. In accordance with Section 161(1) of the Companies Act, 2013, Dr. Jagan Nath Chamber holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company.

Section 149 of the Companies Act, 2013 ('the Act') and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director can hold office for a term up to five consecutive years on the Board.

In accordance with the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 ("Act") and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the Board of Directors in its meeting held on November 06, 2020, have appointed Dr. Jagan Nath Chamber (DIN:08841478) as Independent Non-Executive Director of the Company, subject to approval of the shareholders of the Company to hold office for a first term of five consecutive years effective from November 06, 2020 and whose office shall not be liable to retire by rotation."

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has informed that he is not disqualified under Section 164(2) of the Act. He has also given his consent to act as Director of the Company, if so appointed by the members.

The Company has received requisite notice in writing from a member proposing the appointment of Dr. Jagan Nath Chamber as a candidate for the office of Director of the Company.

Brief Profile of Dr. Jagan Nath Chamber:

Dr. Jagan Nath Chamber aged 67 was born at Ludhiana. He did his MA English Literature from Government College Ludhiana and LLB from Delhi University. He was an IAS officer and got UP cadre.

He served as District Magistrate at few places like Mau, Moradabad and served the state government in different capacities like IG Registration and Stamps Commissioner, Commissioner Sales Tax, Transport Commissioner, IG Prisons, Secretary and Principle Secretary of the Departments of Industries, Home and Prisons, Sports and Youth, Agriculture and Horticulture, Food and Civil Supplies, etc. in the State of Uttar Pradesh and also as member Board of Revenue.

Also served in Government of India in the capacity of Joint Secretary, Additional Secretary and Secretary. He Retired from Government of India as Secretary. During the service he did his MBA from Europe and PhD from Kumaon University and have undergone various training courses in the country and abroad including Alumni of Harvard University USA.

Dr. Jagan Nath Chamber does not hold by himself or for any other person on a beneficial basis, any shares in the Company i.e. Action Construction Equipment Limited.

In the opinion of the Board, Dr. Jagan Nath Chamber fulfills the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Non-Executive Director of the Company and is independent of the management.

The Board of Directors is of the opinion that Dr. Jagan Nath Chamber is a person of integrity; possess relevant expertise and vast experience. Accordingly, it is felt that his background, experience and association as Independent Directors would be beneficial and in the best interest of the Company.

The brief resume of his Directorships, nature of their expertise in functional areas, disclosure of relationships between Directors, Directorships & Memberships of Committees of the Board and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as **Annexure-I**.

Based on the disclosures received from Dr. Jagan Nath Chamber, it is confirmed that he is neither related to any existing Director of the Company nor debarred from accessing the capital markets and/ or restrained from holding any position/ office of director in a Company pursuant to any order of the Securities and Exchange Board of India or any other such authority.

In terms of Section 149 and other applicable provisions of the Act and Rules made thereunder, the approval of members is sought by way of an Special Resolution for the appointment of Dr. Jagan Nath Chamber as Independent Non-Executive Director of the Company to hold office for a first term of five consecutive years effective from November 06, 2020 and whose office shall not be liable to retire by rotation.”

A copy of the draft letter for the appointment of Dr. Jagan Nath Chamber as an Independent Director setting out the terms and conditions will be available for inspection electronically.

Save and except Dr. Jagan Nath Chamber, being an appointee Director and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution as set out at Item No. 5 of the Notice for approval of the members.

ITEM NO. 6:

The present authorised capital of the Company is ₹ 55,25,00,000 (Rupees Fifty Five Crore Twenty Five Lakhs Only) divided into 12,50,00,000 (Twelve Crore Fifty Lakhs) Equity Shares of ₹ 2 (Rupees Two) each and 3,02,50,000 (Three Crore Two Lakhs Fifty Thousand), 8% Redeemable cumulative Preference Shares of ₹ 10 (Rupees Ten) each.

The Company has redeemed all its 3,02,19,380, 8% Cumulative Non-Participating Redeemable Preference Shares (NCPS) of ₹10/- each aggregating to ₹30,21,93,800/- which were issued pursuant to the scheme of amalgamation between Action Construction

Equipment Limited and ACE TC Rental Private Limited, as per the terms on which preference shares were issued.

In order to raise capital through further issuance of equity shares at any time in future and to strengthen capital structure of the Company, it is therefore deemed appropriate to re-classify the unused Preference Share Capital comprised in the existing Authorised Share Capital of the Company into Equity Share Capital and for that purpose, the Memorandum of Association of the Company is proposed to be altered in the manner specified in resolution at item no. 6 of the notice. .

The provisions of Companies Act, 2013 (“Companies Act”) require the Company to seek an approval of its members for re-classification of its Authorised Share Capital and consequent modification of the Capital Clause of Memorandum of Association. Accordingly, as per sections 13, 14 and 61 read with other applicable provisions of the Companies Act and the rules framed thereunder, the consent of shareholders is required for carrying out necessary amendments/ replacements/alterations in the existing Memorandum of Association.

None of the other Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval of the members.

ITEM NO. 7 & 8 :

Equity based remuneration includes alignment of personal goals of the Employees with Organisational objectives by participating in the ownership of the Company. The Board of Directors of your Company understands the need to enhance the employee engagement, to reward the employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the key employees and to create a sense of ownership and participation amongst them, the Board of Directors has in its meeting held on **July 31, 2021**, approved Action Construction Equipment Limited Employees Stock Option Scheme-2021 (“Scheme”) to or for the benefit of such Employee as defined in the Scheme.

In terms of Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI (SBEB) Regulations”) and Section 62 and other applicable provisions of the Companies Act, 2013, issue of Equity Shares to Employees of the Company under an Employee Stock Options Scheme requires an approval of the existing Members by way of Special Resolution. The Special Resolution set out at Item No. 7 is seeking your approval for the formulation and implementation of the Scheme and issuance of Equity Shares thereunder.

Further, as per Regulation 6(3)(a) of SEBI (SBEB) Regulations, approval of the shareholders by way of separate Special Resolution is also required for secondary acquisition of Shares by the Trust for proper implementation of the Scheme. The Special Resolution set out at Item No. 8 is seeking your approval for the said purpose.

The salient features and other details of the Scheme as required pursuant to Regulation 6(2) of SEBI (SBEB) Regulations are as under:

1. Brief Description of the Scheme:

The Scheme shall be called as Action Construction Equipment Limited Employees Stock Option Scheme-2021.

The Purpose of the Scheme includes the following:

- (a) To motivate the Employees to contribute to the growth and profitability of the Company;
- (b) To retain the key Employees and reduce the attrition rate of the Company;
- (c) To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company;
- (d) To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come; and
- (e) To provide additional deferred rewards to Employees.

2. The total number of Stock Options to be granted under the Scheme:

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 5% of the Paid Up Capital of the Company as on March 31, 2021, comprising into, 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Options which shall be convertible into equal number of Equity Shares.

If any Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further grant under the Scheme unless otherwise determined by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee).

Further, the maximum number of Options that can be granted and the Equity Shares arise upon exercise of these Options shall stand adjusted in case of corporate action (as defined in the Scheme).

3. Identification of classes of Employees entitled to participate in the Scheme:

- a) A permanent Employee of the Company who has been working in India or outside India; or
- b) A Director of the Company, whether a Whole Time Director or not but excluding an Independent Director and Non-Executive Director;

But does not include:

- a) an Employee or Director who is a Promoter or a person belonging to the Promoter Group; or
- b) A Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company.

4. Requirement of Vesting and period of Vesting:

Vesting period shall commence from the grant date subject to minimum of 1 (One) year from the grant date and a maximum of 4 (Four) years from the grant date, at the discretion of and in the manner prescribed by the Board of Directors.

Vesting of Options can vary from Grantee (an Eligible Employee to whom Options have been granted under the Scheme) to Grantee as per the discretion of the Board of Directors whose decision shall be final and binding.

The vesting would be subject to the continued employment of the Grantee and may further be linked with the eligibility criteria, as determined by the Board of Directors and mentioned in the grant letter.

5. Maximum period within which the Options shall be vested:

Maximum period within which the Options shall be vested is 4 (Four) years from the grant date.

6. Exercise Price or Pricing Formula:

The exercise price of the Shares will be decided by the Board of Directors and will either be:

- In case the Shares acquired by the Trust is from secondary acquisition then the exercise price will be decided on the basis of the average purchase price of the Shares of the Trust or the market price.
- In case the Shares acquired by the Trust is from direct allotment then the exercise price will be based upon market price.

For the above purpose Market price means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Nomination and Remuneration Committee on which the grant is made.

Explanation – As the Equity Shares of the Company are listed on more than one stock exchange, the closing price on the stock exchange having higher trading volume shall be considered as the market price.

The Board of Directors has a power to provide suitable discount upto a maximum of 35% on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.

7. Exercise period and process of Exercise:

After vesting, Options can be exercised within 3 (Three) months from the date of respective vesting, either wholly or in part, through cash mechanism after submitting the exercise application along with payment of the exercise price, applicable taxes and other charges, if any.

The mode and manner of the exercise shall be communicated individually.

8. Appraisal process for determining the eligibility of the Employees to the scheme:

The Board of Directors may on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant / vesting of Options under the Scheme and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee / Grantee in the Company.
- Performance of Employee / Grantee: Employee's / Grantee's performance during the financial year in the Company on the basis of decided parameters.
- Performance of Company: Performance of the Company as per the standards set by the Board of Directors.
- Any other criteria as decided by the Nomination and Remuneration Committee in consultation with Board of Directors from time to time.

9. The Maximum number of Options to be granted per Employee and in aggregate:

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 5% of the Paid Up Capital of the Company as on March 31, 2021, comprising into, 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Options which shall be convertible into equal number of Equity Shares.

The maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant. The Board of Directors may decide to grant such number of Options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

10. The Maximum quantum of benefits to be provided per Employee under the scheme:

The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Stock Exchanges as on the date of Exercise of Options and the Exercise Price paid by the Employee.

11. Whether the Scheme(s) is to be implemented and administered directly by the Company or through a Trust:

The Scheme shall be implemented through trust route wherein an irrevocable Trust by the name Action Construction Equipment Limited Employees Welfare Trust, set-up by the Company in compliance with SEBI (SBEB) Regulations, shall acquire the Equity Shares either by way of secondary acquisition from the market and/or Direct allotment from the Company.

The Scheme shall be administered by the Nomination and Remuneration Committee which shall delegate some or all of its power to the Trust or any other Committee or Persons for proper administration of the Scheme.

12. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both:

The Scheme involves both secondary acquisitions of equity shares by the Trust / Direct allotment to the Trust by the Company.

13. The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

The amount of interest free loan to be provided for implementation of the Scheme by the Company to the Trust Shall not exceed 5% of the paid-up equity capital and free reserves as provided in Companies Act, 2013. The loan shall be repayable by the Trust in quarterly intervals subject to availability of the funds received pursuant to exercise of stock options under the Scheme and in accordance with the relevant provisions of the applicable laws & regulations. The utilization of such loan shall be for the objects of the Trust as mentioned in the trust deed. The Trust shall repay the loan to the Company by utilising the proceeds realised from exercise of Options by the Grantees and the accruals of the Trust at the time of duration or termination of the Scheme.

14. The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Scheme:

The total number of Shares under secondary acquisition held by the Trust in pursuance to the Scheme or any other share based Employee benefit plan implemented in the past, shall at no time, exceed 5 (Five) percent of the Paid-up Equity Capital of the Company as at the end of the financial

year immediately prior to the year in which the Shareholder approval is obtained for such secondary acquisition in due compliance with the provisions of the SEBI (SBEB) Regulations.

Further, the secondary acquisition in a financial year by the Trust shall not exceed 2 (Two) percent of the Paid up Equity Capital as at the end of the previous financial year.

15. Disclosure and accounting policies:

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB) Regulations or as may be prescribed by regulatory authorities from time to time.

16. The method which the Company shall use to value its Options:

The Company shall comply with the requirements of IND-AS 102 and shall use Fair value method.

17. Statement with regard to Disclosure in Director’s Report:

As the company is adopting fair value method, presently there is no requirement for disclosure in director’s report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors’ report and the impact of this difference on profits and on earnings per share (“EPS”) of the Company shall also be disclosed in the Directors’ report.

In terms of Section 62 of the Companies Act, 2013 and Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the approval of the Shareholders is sought by way of Special Resolution for the approval of the Action Construction Equipment Limited Employees Stock Option Scheme-2021 and issuance of new Shares and / or transfer of existing Shares under this Scheme.

Therefore, your Directors recommend the resolutions as set out at item no. 7 and 8 for your approval as Special Resolutions.

None of the Directors, Key Managerial Personnel of the Company, and any relatives of such Director, Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the options may be granted under the Scheme.

Action Construction Equipment Limited Employees Stock Option Scheme-2021 and other documents referred to in the aforesaid resolutions are available for inspection electronically in the Investors Section of the website of the Company.

ITEM NO. 9

In order to execute Action Construction Equipment Limited Employees Stock Option Scheme-2021 through Trust Route, the Company needs to make provisioning of funds to the Trust so as to enable it to purchase the Shares of the Company. Accordingly, Item No. 9 which is proposed for approval of the Shareholders is set out in this Notice.

The disclosures as per Rule 16 of the Chapter IV of the Companies Act, 2013, are as under:

1.	The class of Employees for whose benefit the Scheme is being implemented and money is being provided for purchase of or subscription to Shares.	The class of Employees for whose benefit the Scheme is being implemented and money is being provided for purchase of or subscription to Shares is as follow: a) A permanent Employee of the Company who has been working in India or outside India; or b) A Director of the Company, whether a Whole Time Director or not but excluding an Independent Director and Non-Executive Director; But does not include: a) An Employee or Director who is a Promoter or a person belonging to the Promoter Group; or b) A Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company.
2.	The particulars of the Trustee or Employees in whose favor such Shares are to be registered.	Name of the Trust: Action Construction Equipment Limited Employees Welfare Trust Name of the Trustees: 1) Mr. Rajesh Kumar Mehta 2) Mr. Sanjay Gupta
3.	Particulars of Trust	Name of the Trust: Action Construction Equipment Limited Employees Welfare Trust Address of the Trust: Dudhola Link Road, Dudhola, Palwal-121102.
4.	Name, Address, Occupation and Nationality of Trustees.	1. Name: Mr. Rajesh Kumar Mehta Address: H.No. 297, Sector-7A, Ballabgarh Faridabad-121006, Haryana Occupation: Service Nationality: Indian 2. Name: Mr. Sanjay Gupta Address: B2/701, Pranayam Apartment Ballabgarh, Sector 82-85, Kheri Kalan, Faridabad-121006, Haryana Occupation: Service Nationality: Indian
5.	Relationship of Trustees with Promoters, Directors or Key Managerial Personnel, if any.	None

6.	Any interest of Key Managerial Personnel, Directors or Promoters in such Scheme or Trust and effect thereof.	The Key Managerial personnel and Directors are interested in the Action Construction Equipment Limited Employees Stock Option Scheme – 2021 only to the extent, to the Options that may be granted to them, if any, under the Scheme.
7.	The detailed particulars of benefits which will accrue to the Employees from the implementation of the Scheme	<p>(a) To motivate the Employees to contribute to the growth and profitability of the Company.</p> <p>(b) To retain the key Employees and reduce the attrition rate of the Company.</p> <p>(c) To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company.</p> <p>(d) To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come, and</p> <p>(e) To provide additional deferred rewards to Employees.</p> <p>Further, The Employees will be entitled to exercise the options granted to them at the exercise price during the exercise period pursuant to Action Construction Equipment Limited Employees Stock Option Scheme –2021.</p>
8.	The details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the scheme would be exercised.	<p>The Trust would be considered as the registered Shareholder of the Company till the date of transfer of Shares to the Employees.</p> <p>However, the Trustees will not have any right to vote on the Equity Shares held by the Trust.</p> <p>Once the shares are transferred to the Employees upon their Exercise, then the Employees will be treated as the Shareholder of the Company and shall exercise the right to vote in respect of such shares.</p>

In terms of the Companies Act, 2013, read with Rule 16 of Chapter IV of the Companies Act, 2013, the approval of the Shareholders is sought by way of Special Resolution for the approval for the provisioning of money to the Trust to fulfil the requirements of Action Construction Equipment Limited Employees Stock Option Scheme-2021.

Therefore, your Directors recommend the Resolutions as set out at item no. 9 for your approval by way of Special Resolution.

None of the Directors, Key Managerial Personnel of the Company, and any relatives of such Director, Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in these resolutions except to the extent of Equity Shares held by them in the Company or the Options that may be granted under the said Scheme.

ITEM NO. 10

The Company anticipates growth opportunities in its existing operations and continues to evaluate various avenues for organic expansion and achieving inorganic growth. Towards this, the Company continues to require capital for achieving such growth and expansion. Accordingly, subject to compliance with applicable law, the Company proposes to raise capital for the purposes of pre-payment and / or repayment of loans, funding the long term growth of its existing businesses; and general corporate purposes including organic or inorganic growth, making strategic acquisitions; financing other long term capital, working capital and / or any other as may be permissible under applicable law(s) and approved by the Board of Directors of the Company.

In line with the above, the Company proposes to raise funds through the issuance of any instrument or security, including Equity Shares, fully / partly convertible debentures, global depository receipts, American depository receipts, foreign currency convertible bonds, non-convertible debentures, warrants (collectively, the “Securities”), or any combination of Securities, for an aggregate consideration of up to ₹ 175 Crore only (Rupees One Hundred Seventy Five Crore only) to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non-resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), and the Qualified Institutional Buyers, the “QIBs”) / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in one or more tranches, without or without a green shoe option, through a public issue, preferential allotment, private placement, or a rights issue (including one or more Qualified Institutions Placements (“QIPs”) in accordance with the applicable provisions of the Companies Act, 2013 (“Companies Act”) and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be

considered appropriate, in terms of Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the BSE Limited and National Stock Exchange of India Limited (the "Stock Exchanges") and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended; the listing agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed ("Stock Exchanges", and such equity shares, the "Equity Shares"); and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India ("SEBI"), Stock Exchanges, and such other statutory / regulatory authorities). Accordingly, the Board of Directors of the Company ("Board", which term shall include any committee which the Board may have constituted or may constitute to exercise its powers, including the powers conferred by this resolution), at its meeting held on **July 31, 2021**, subject to the approval of the members of the Company, approved the raising of funds at such price and on such terms and conditions as may be deemed appropriate by the Board at its sole and absolute discretion, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager(s) and / or other advisor(s) appointed in relation to issuance of Securities, in accordance with applicable laws, and subject to regulatory approvals (as necessary).

The resolution proposed is an enabling resolution and the exact price, proportion, and timing of the issue of the Securities in one or more tranches and the remaining detailed terms and conditions for the issuance of Securities will be decided by the Board, in accordance with the SEBI ICDR Regulations, in consultation with book running lead manager(s) and / or other advisor(s) appointed in relation to the issuance of Securities and such other authorities and agencies as may be required to be consulted by the Company. Further, the Company is yet to identify the investor(s) and decide the quantum of Equity Shares to be issued to them. Hence, the details of the proposed allottee(s),

percentage of their post-issue shareholding and the shareholding pattern of the Company are not provided. Accordingly, the Board may, in its discretion, adopt one or more of the mechanisms for raising of funds to meet its objectives as stated in the paragraphs above without the need for fresh approval from the members of the Company. The proposal, therefore, seeks to confer upon the Board the absolute discretion and adequate flexibility to determine the terms of the issuance.

The 'relevant date' for the purpose of pricing the Securities shall be date of the meeting in which the Board decides to open the issue of the Securities, subsequent to receipt of approval from the members of the Company, in terms of applicable law; in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs by way of a QIPs, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board.

In the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the Special Resolution by the members of the Company. Further, the Equity Shares offered, issued, and allotted by the Company pursuant to any such QIP in terms of the resolution would be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank, in all respects, *pari passu* with the existing Equity Shares of the Company.

The pricing of the Securities shall be determined in accordance with the relevant provisions of the SEBI ICDR Regulations, the Companies Act, and any other applicable law. The resolution enables the Board, in accordance with applicable law, to offer a discount of not more than 5% or such percentage as may be permitted under applicable law on the price determined in accordance with the SEBI ICDR Regulations.

The Securities allotted as above would be listed on the Stock Exchanges. As and when the Board takes a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

The approval of the members is being sought to enable the Board to decide on the issuance of Securities, to the extent and in the manner stated in the Special Resolution, as set out in item no. 10 of this notice, without the need for any fresh approval from the members of the Company in this regard.

The allotment of Equity Shares would be subject to the applicable regulatory approvals, if any. The issuance and allotment of Equity Shares to foreign/non-resident investors would be subject to the applicable foreign investment cap, under applicable law.

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

The proposed issuance of Securities is in the interest of the Company and the Board recommends the resolution set out at item no. 10 of the notice for the approval of the members as a special resolution.

This Notice does not constitute an offer or invitation or solicitation of an offer of securities to the public within or outside India. Nothing in this Notice constitutes an offer of securities for sale or solicitation in any jurisdiction in which such offer or solicitation is not authorized or where it is unlawful to do so.

This Notice is not an offer of securities for sale in the United States. Any securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any United States state securities laws, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable United States state securities laws. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

ANNEXURE-I

NAME OF DIRECTOR	DR. JAGAN NATH CHAMBER
DIN	08841478
Date of Birth (Age)	15.05.1954 (67)
Date of first appointment on Board	06.11.2020
Qualification	M.A., LLB, (Retired IAS)
Relationship with Directors/KMP	None
Experience/Expertise in specific functional area	<p>Dr. Jagan Nath Chamber aged 66 was born at Ludhiana. He did his MA English Literature from Government College Ludhiana and LLB from Delhi University. He was an IAS officer and got UP cadre.</p> <p>He served as District Magistrate at few places like Mau, Moradabad and served the state government in different capacities like IG Registration and Stamps Commissioner, Commissioner Sales Tax, Transport Commissioner, IG Prisons, Secretary and Principle Secretary of the Departments of Industries, Home and Prisons, Sports and Youth, Agriculture and Horticulture, Food and Civil Supplies, etc. in the State of Uttar Pradesh and also as member Board of Revenue.</p> <p>Also served in Government of India in the capacity of Joint Secretary, Additional Secretary and Secretary. He Retired from Government of India as Secretary. During the service he did his MBA from Europe and PhD from Kumao University and have undergone various training courses in the country and abroad including Alumni of Harvard University USA</p>
Terms and Conditions of appointment/ re-appointment	Not liable to retire by rotation, more particulars given in sample letter of appointment of independent Directors uploaded on website of the Company at www.ace-cranes.com
Details of Remuneration last drawn	Details given in Director's Report FY 2020-21.
Membership of the Committees of Board of Directors of Company	Audit Committee, Member CSR Committee, Member
Directorship in other Companies	1. Jai Jinendra Promoters Private Limited.
Membership of the Board committee of other companies in which he is a Director	None
No. of Board meeting attended during the year (FY 2020-21)	Details given in Corporate Governance Report FY 2020-21.
No. of shares held in the Company (As on March 31, 2021)	NIL

ANNEXURE II

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

Please take note of the below Tax Deduction at Source (TDS) provisions and information/document requirements for each shareholder:

Section 1: For all Members – Details that should be completed and/ or updated, as applicable:-

All Members are requested to ensure that the below details are completed and/ or updated, as applicable, in their respective Demat Account(s) maintained with the Depository Participant(s); or in case of shares held in physical form, with the Registrar & Transfer Agent (“RTA”) of the Company. Please note that these details as available on Book Closure Date in the Register of Members/ Register of Beneficial Ownership will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions.

- I. Valid Permanent Account Number (PAN).
- II. Residential status as per the Act i.e. Resident or Non-Resident for F.Y. 2021-22
- III. Category of the Member:
 - (a) Mutual Fund
 - (b) Insurance Company
 - (c) Alternate Investment Fund (AIF) Category I and II
 - (d) AIF Category III
 - (e) Government (Central/ State Government)
 - (f) Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII): Foreign Company
 - (g) FPI/ FII: Others (being Individual, Firm, Trust, AJP, etc.)
 - (h) Individual
 - (i) Hindu Undivided Family (HUF)
 - (j) Firm
 - (k) Limited Liability Partnership (LLP)
 - (l) Association of Persons (AOP), Body of individuals (BOI) or Artificial Judicial Person (AJP)
 - (m) Trust
 - (n) Domestic company
 - (o) Foreign company
- IV. Email Address.
- V. Address.

Section 2: TDS provisions and documents required, as applicable for relevant category of Members.

1. For Resident Members:

- (a) **Mutual Funds:** No TDS is required to be deducted as per section 196(iv) of the Income Tax Act, 1961 (“the IT Act”) subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

- (b) **Insurance Companies:** No TDS is required to be deducted as per section 194 of the IT Act subject to specified conditions. Self-attested copy of valid IRDA registration certificate needs to be submitted.

- (c) **Category I and II Alternative Investment Fund:** No TDS is required to be deducted as per section 197A (1F) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

- (d) **Recognised Provident Funds:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees’ Provident Funds Act, 1952 needs to be submitted.

- (e) **Approved Superannuation Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.

- (f) **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.

- (g) **National Pension Scheme:** No TDS is required to be deducted as per Sec 197A (1E) of the IT Act.

- (h) **Government (Central/ State):** No TDS is required to be deducted as per Sec 196(i) of the IT Act.

- (i) **Business Trust:** No TDS is required to be deducted as per Sec 194 of the IT Act. Self-attested copy of valid SEBI registration certificate needs to be submitted.

- (j) **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

(k) Other resident Members:

- i. TDS is required to be deducted at the rate of 7.5% u/s 194 of the IT Act.
- ii. No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholder does not exceed ₹ 5,000.

No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum

amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income). (Format of Form 15G and Form 15H are available on website of Income Tax i.e. <https://www.incometaxindia.gov.in/forms/incometax%20rules/10312000000007845.pdf> & <https://www.incometaxindia.gov.in/forms/income-tax%20rules/10312000000007846.pdf> respectively).

Please note that Declaration under Form No. 15G of 15H Shall not be valid if it does not contain the PAN of the declarant. In such cases TDS shall be deducted at the rate of 20% u/s 206AA(2) of the IT Act.

- iii. TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the shareholder is not available.
- iv. TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

2. For Non-resident Members:

- (a) **FPI and FII:** TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess).

Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents:-

- a. Self-attested copy of PAN;
- b. Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;
- c. Self-declaration in Form 10F (Format of Form 10F is available on income tax website at <https://www.incometaxindia.gov.in/Forms/IncomeTax%20Rules/10312000000007197.pdf>); and
- d. Self-declaration on letter head of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per **Appendix 1** to this Communication).

In case the dividend is payable to 'Specified Fund' referred to in [Clause (c) of Explanation to Section 10(4D)], TDS rate would be 10% (plus applicable surcharge and cess). The reduced rate of TDS would be subject to the availability of requisite documents demonstrating that the person is covered under the aforesaid category of 'Specified Fund'.

- (b) **Any entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax

authorities) in support of the entity being entitled to exemption from TDS needs to be submitted.

(c) Other non-resident Members:

- i. TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess).
- ii. Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents:-
 - a. Self-attested copy of PAN;
 - b. Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;
 - c. Self-declaration in Form 10F (Format of Form 10F is available on income tax website at <https://www.incometaxindia.gov.in/Forms/IncomeTax%20Rules/10312000000007197.pdf>); and
 - d. Self-declaration on letter head of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per **Appendix 1** to this Communication).
- iii. TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided.

Details and/ or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach admin@skylinerta.com by August 26, 2021. Please note that no communication in this regard, shall be accepted post August 26, 2021.

Section 3: Other general information for the Members:-

- I. For all self-attested documents, Members must mention on the document "**certified true copy of the original**". For all documents being sent/ accepted by email, the Member undertakes to send the original document(s) on the request by the Company.
- II. In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Book Closure Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.
- III. Section 206AB has been introduced by the Finance Act, 2021, whereby TDS will be higher of the following:

- a) Twice the rate specified in the relevant provision of the Income-Tax Act; or
- b) Twice the rate or rates in force; or
- c) the rate of five percent;

In case a person has not filed his/her Return of Income for each of the two preceding financial years and the aggregate of tax deducted at source in his/her case is ₹ 50,000 or more in each of these two financial years. These provisions will be effective from July 01, 2021.

- IV. Application of TDS rate is subject to necessary due diligence and verification by the Company, of the shareholder details as available in register of Members on the Book Closure Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/ documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.
- V. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/ to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and cooperation in any appellate proceedings.

Note:

Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

Appendix - 1
FORMAT FOR DECLARATION FOR
CLAIMING BENEFITS UNDER DTAA

Action Construction Equipment Limited
Dudhola Link Road, Dudhola, Distt. Palwal-121102

Subject : Declaration for eligibility to claim benefit under Double Taxation Agreement between Government of India and Government of (mention country of tax residency) ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable.

With reference to above, I/We wish to declare as below:

- 1. I/ We, (Full name of the shareholder), having permanent account number (PAN) under the Indian Income tax Act, (mention PAN), and holding (mention number of shares held) number of shares of the Company under Demat Account number/ folio number..... as on the Book Closure Date as specified in the notice of

27th Annual General Meeting, am / are a tax resident of (country name) in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under section 6 of the Indian Income-tax Act, 1961 ("the IT Act"). A copy of the valid tax residency certificate for..... (period), which is valid as on the Book Closure Date, is attached herewith.

- 2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
- 3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
- 4. I/We do not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/ payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
- 5. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
- 6. I/ We do not have a Business Connection in India according to the provision of section 9(1)(i) of the Act and the amounts paid/ payable to us, in any case, are not attributable to business operations, if any, carried out in India.

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I/ We will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information/ documents that may be necessary and co-operate in any proceedings before any income tax/ appellate authority.

For.....
Mention the name of the payee
Authorised Signatory
Name of the person signing
Designation of the person signing
Date:
Place:

Corporate Profile

BOARD OF DIRECTORS

- **Mr. Vijay Agarwal**
Chairman and Managing Director
- **Mrs. Mona Agarwal**
Whole - Time Director
- **Mr. Sorab Agarwal**
Whole - Time Director
- **Mrs. Surbhi Garg**
Whole - Time Director
- **Mr. Avinash Parkash Gandhi**
Independent Director
- **Dr. Divya Singal**
Independent Woman Director
- **Mr. Shrinivas Vashisht**
Independent Director
- **Dr. Jagan Nath Chamber**
Independent Director

Chief Financial Officer (CFO)

Mr. Rajan Luthra

Company Secretary & Compliance Officer

Mr. Anil Kumar

Statutory Auditors

M/s BRAN & ASSOCIATES

Chartered Accountants

Registrar and Share Transfer Agent

Skyline Financial Services Private Limited
D-153/A, 1st Floor, Phase I, Okhla Industrial Area,
New Delhi-110020

Phone: +91-011-2681-2682-83 (Board)

Email: admin@skylinerta.com

Bankers

- ICICI Bank Ltd.
- Axis Bank Ltd.
- State Bank of India
- Indusind Bank
- Citibank N.A.
- HDFC Bank Ltd.

Stock Exchanges

- BSE Limited
- National Stock Exchange of India Limited

Subsidiary Company

SC FORMA SA, Romania

Registered & Corporate Office

Dudhola Link Road,
Village Dudhola, Palwal-121102,
Haryana, India

Marketing Office

4th Floor, Pinnacle Tower, Surajkund,
Faridabad-121009
Haryana

www.ace-cranes.com

UNIT LOCATIONS

- Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh, Distt. Faridabad, Haryana-121004
- Dudhola Link Road, Village Dudhola, Distt. Palwal, Haryana-121102
- 45th Mile Stone, Mathura Road, Prithla, Distt. Palwal, Haryana-121102

RESEARCH & DEVELOPMENT CENTERS

- Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh, Distt. Faridabad, Haryana-121004
- Dudhola Link Road, Village Dudhola, Distt. Palwal, Haryana-121102

ACE

Action Construction Equipment Limited

(CIN : L74899HR1995PLC053860)

Reg. & Corp. Office : Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana, India

Ph.: 01275-280111, Fax: 01275-280133

E-mail: cs@ace-cranes.com, Website: www.ace-cranes.com

