

Action Construction Equipment Ltd.

Corporate & Regd. Office

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



Date: August 22, 2022

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 2021-22 and notice convening 28th Annual General Meeting ("AGM") of the Company.

Dear Sir/Madam,

This is to inform you that the 28th Annual General Meeting (AGM) of the Company will be held on Tuesday, September 20, 2022 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 2021-22, 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 2021-22 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





28th ANNUAL REPORT 2021-2022



LIFTING INDIA'S GROWTH 





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Chairman's Speech



Dear Members,

Last financial year the world, all economies and businesses continued to face the ripple effects of the slowly waning Covid-19 pandemic. The variants of Covid-19 pandemic got weaker and all countries carefully resumed life to pre-Covid days. But the disruption caused by the pandemic did not wane as fast as the effects of the pandemic. Thankfully, due to the political stability and prudent initiatives taken by our government, India continues to be the most promising and resilient economy in the world amid these challenges.

Despite a testing FY 2021-22, your Company outperformed across all financial parameters by achieving its highest ever revenue and profit. At a consolidated level comparing with FY21, our Total Income grew by 32% to INR 1,630 Crores, EBITDA grew by 24% to INR 167 Crores and Profit after Tax grew by 32% to INR 105 Crores. During the year the Company was able to showcase volume and value growth, maintain margins and improve its balance sheet position further. Our balance sheet was strengthened further by the faith instilled by our investors, when the Company was able to raise around INR 135 crores through the Qualified Institutional Placement route.

In the past financial year the government emphasis on both the infrastructural development as well as efforts to create a manufacturing hub for the world gained further momentum. Infrastructure development is critical for the Indian economy, if we are to achieve the PM's dream of a \$5 Trillion economy. The sector is responsible for propelling India's overall development and hence enjoys intense focus from the Government for initiating policies that would ensure the time-bound creation of world-class infrastructure in the country. In FY22, various government initiatives were undertaken such as the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana. Also a INR 100 lakh Crore master plan was made for multi-modal connectivity with the goal of developing infrastructure to lower

logistic costs. All these developments auger very well for your Company in the coming years.

Apart from the Infrastructure sector, the construction and real estate sector also saw a good revival in the past financial year and the outlook for this sector is bright for the Agriculture segment, the Ministry of Agriculture enhanced the budget in Fiscal Budget 2022. To boost farmer incomes and agricultural economy, the Indian government released funds in June 2021 for farm mechanisation, with the goal to double farm income. The manufacturing sector continued to emerge as one of the high growth sectors in India. Prime Minister of India, Mr. Narendra Modi, launched the 'Make in India' and 'Atmanirbhar Bharat' programs to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Initiatives such as these coupled with increasing investments from foreign investors have created growth opportunities like never before.

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, 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, and many more. We are dedicated to provide our customers with the latest technology and new products through our R&D & Engineers. Our efficient sales and product support aim to satisfy our customers across all our products.

We continue to be very confident about the company's medium-to long-term prospects and believe that the foundation is firmly in place. The company has made significant strides in recent years to strengthen the operations, product mix, procedures, and controls that make up the foundation of its business. I have a strong conviction that the Company is about to enter a multi-year growth cycle given the anticipated economic expansion of India in the upcoming years.

In conclusion, I would like to sincerely thank all our stakeholders for their continued trust and support and we will continue to grow our business by offering innovative products and solutions and exploring new avenues for future growth.

With best wishes,

**Sincerely,
Vijay Agarwal
Chairman and Managing Director**

MANAGEMENT DISCUSSION AND ANALYSIS

❖ INDUSTRY STRUCTURE AND DEVELOPMENTS

● GLOBAL ECONOMY OVERVIEW

Compounding the damage from the COVID-19 pandemic, the Russian invasion of Ukraine has magnified the slowdown in the global economy, which is entering what could become a protracted period of feeble growth and elevated inflation, according to the World Bank's latest Global Economic Prospects report. This raises the risk of stagflation, with potentially harmful consequences for middle- and low-income economies alike.

Global growth is expected to slump from 5.7 percent in 2021 to 2.9 percent in 2022- significantly lower than 4.1 percent that was anticipated in January. It is expected to hover around that pace over 2023-24, as the war in Ukraine disrupts activity, investment, and trade in the near term, pent-up demand fades, and fiscal and monetary policy accommodation is withdrawn. As a result of the damage from the pandemic and the war, the level of per capita income in developing economies this year will be nearly 5 percent below its pre-pandemic trend.

“The war in Ukraine, lockdowns in China, supply-chain disruptions, and the risk of stagflation are hampering growth. For many countries, the recession will be hard to avoid,” said World Bank President David Malpass.

Among emerging market and developing economies, growth is also projected to fall from 6.6 percent in 2021 to 3.4 percent in 2022-well below the annual average of 4.8 percent over 2011-2019.

Sources: <https://www.worldbank.org/en/news/press-release/2022/06/07/stagflation-risk-rises-amid-sharp-slowdown-in-growth-energy-markets>.

● INDIAN ECONOMY OVERVIEW

Just when uncertainties associated with the COVID-19 pandemic were declining, the Russia-Ukraine crisis escalated. Consequently, India's growth outlook appears to have clouded. Crude oil prices are lingering above US\$100 per barrel, and wheat and cereal prices have gone up several times-all of which are critical imports from the two warring nations. India also partly meets its fertilizer needs from the region. For India, which has been battling inflation for a while now, this situation is making matters worse. Higher fuel and fertilizer prices will reduce government revenues and increase subsidy costs. Furthermore, capital outflows and rising import bills will weigh on the current account balance and currency valuation.



Despite the external shocks, India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. Growth will be strong from October 2022 onwards. Growth-enhancing policies and schemes, increased infrastructure spending, rising exports, rapid digitization, and spill-over effects of geopolitical developments will likely aid in growth.

With economic momentum resuming, and the long-term advantages of supply-side reforms in the works, the Indian economy is poised to grow at a considerable pace. According to IMF's World Economic Outlook (October 2021 edition), India's nominal GDP, measured in nominal USD market exchange rate is estimated at USD 3,515 Bn in 2023 (FY24), accounting for 3.3% of global GDP and making it the sixth largest economy in the world. When measured in purchasing power parity (PPP) terms, India is estimated to be the third largest economy at PPP USD 12,387 Bn in 2023.

FY23 is expected to be the first normal year after the onslaught of COVID-19 which virtually eliminated a meaningful increase in economic output during the two-year period up to FY21. India's per capita nominal GDP is estimated to grow by 16% in FY22 to INR 16,95,743 (USD 2,282.34) after suffering a contraction of 2.4% in FY21.

Sources: <https://www2.deloitte.com/in/en/pages/about-deloitte/articles/the-tough-get-going.html>.

<https://www.indiabudget.gov.in/economicssurvey/doc/echapter.pdf>.

❖ CONSTRUCTION EQUIPMENTS INDUSTRY

Increasing public & private infrastructure, FDI reforms for the construction sector, highway projects and a growing

economy has led to the global surge in the construction equipment market in India. Earthmoving equipment accounts for close to 50 % of India’s construction equipment market. Backhoe loaders, which comprise tractors, front shovel/bucket backhoes, and small backhoes, account for 60 % of the earthmoving equipment. The government in India has recently invested in the infrastructure sector. Considerable investment in the development of infrastructure in India is supposed to upsurge the demand for different kinds of construction equipment.

India is expected to become the world’s third largest construction market by 2022. India will require investment worth ₹ 50 trillion (US\$ 777.73 billion) across infrastructure by 2022 for a sustainable development in the country.

India Construction Equipment Market is expected to reach US\$ 4940 Mn. by 2026, at a CAGR of 5.2% during the forecast period.

- **Robust demand:** India is expected to become the world’s third-largest construction market by 2022.
- **Increasing Investments:** Huge investments in infrastructure (e.g., Reliance Digital Fibre Infrastructure Trust Investment of US\$ 1 billion) have provided momentum to overall PE/VC investments in India. Prime Minister Mr. Narendra Modi announced a ₹ 100 lakh crore master plan for multi-modal connectivity in October 2021, with the goal of developing infrastructure to lower logistic costs and improve the economy.
- **Policy support:** In March 2021, the Parliament passed a bill to set up the National Bank for Financing Infrastructure and Development (NabFID) to fund infrastructure projects in India.
- **Attractive opportunities:** In November 2021, India, the US, Israel and the UAE established a new quadrilateral economic forum to focus on infrastructure development projects in the region and strengthen bilateral cooperation. The initiative ‘Infrastructure for Resilient Island States’ (launched in November 2021) will give India a huge opportunity to contribute to the betterment of other vulnerable countries in the world.

India Crane Market Size by Volume to Reach 15,665 Units by 2027. The India crane market is expected to grow at a CAGR by volume of over 5.56% during the period 2021–2027. The India crane market size by revenue is expected to reach USD 1.3 billion by 2027. Indian government has planned to invest in various projects such as “National Infrastructure Pipeline (NIP)”, renewable energy, and transport development projects.



The economic package of USD 1.4 trillion is allocated for the redevelopment and skill development programs in 2021-2022. The Government’s stronger emission control policy, shift to prefabricated construction and rise in capital expenditure in the infrastructure industry are likely to drive the Indian crane market during the forecast period. By switching to intelligent systems driven by IoT and data analysis for service, networking and sustainability, the crane market is transitioning to a more innovative industry providing significant growth opportunities for OEMs in the market.

India Crane Market – Segmentation

- The market for mobile cranes is mostly driven by high-end urban and infrastructural development projects. Mobile cranes are a desirable addition to many projects because of their capacity to maneuver job sites and hoist high loads. In addition, there is a lot of continuing building work in many small and big towns around India, which helps to support the market. Purchases by rental companies also contributed to the market expansion.
- The construction segment accounted for over 55% of the overall Indian crane market in 2020. The civil engineering sector in India is continually developing. The market is being boosted by the Smart India initiative.
- The less than 20 tons category of cranes is largely used for landscaping, excavating, demolishing, disaster management, and material handling in cities and farms. Therefore, construction projects will drive up the demand for these cranes. The less than 20 tons crane-lifting capacity market in India is expected to reach USD 548.8 million by 2027.

• **MATERIAL HANDLING**

The severe growth in sectors such as retail, e-commerce, manufacturing, warehousing and logistics has boosted the development in the demand for forklifts in MHE. Forklifts have a major role in trades to handle tools movement from one place to another. From a category outlook, the whole range of forklifts can be segmented by 3 classes i.e. Light duty, Medium duty, and Heavy duty. Light-duty forklifts are leading sales volumes in India as there have been numerous SME firms operating in the nation. However, a trend of medium-duty forklifts is expected to be seen during the forecast period.

New developing product types of electric forklifts are attaining thrust in the country. Electric forklifts are now offered with many extraordinary attachments for precise applications with a lesser cost of ownership. Consumers have started choosing electric forklifts over diesel forklifts.

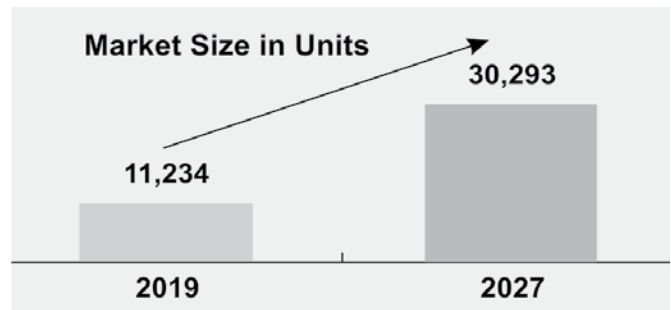
The rising pull of the forklift market has drawn the attention from a lot of Multinational Corporation. Most of these firms are watching to enter the Indian market over partnerships, M&A, strategic alliances etc. An expansion is sure to happen in the segment & that will be a win-win for the application industry sector as the application industry will get to understand inventions in new product launches.

Also, demand for forklifts from the rental segment has been rising at a fast pace. The development of the rental segment has been more hostile than it had been the last few years back. Earlier, the rental segment was restricted with small rental firms which were domestic. Their fleet was applied to create a provisional plan to meet maximum loads & stop-gap preparations to meet the delivery program until the acquired equipment could be organized. But now, the situation is changing owing to OEMs offering whole solutions to the industry, with rental services.

Forklifts of Medium capacity are the key selling sector & donate to almost 85 % of the entire necessities. Though

this sector will endure to be the key development driver, a substantial growth in heavy-duty forklifts sector is expected, owing to a rise in import/export actions & exponential development in ICDs.

The Indian forklift Market is expected to grow from 11234 units in 2019 to 30293 units in 2027 at a CAGR of 13.2 % during the forecast period.



Sources: <https://www.maximizemarketresearch.com/market-report/india-forklift-market/29716/>

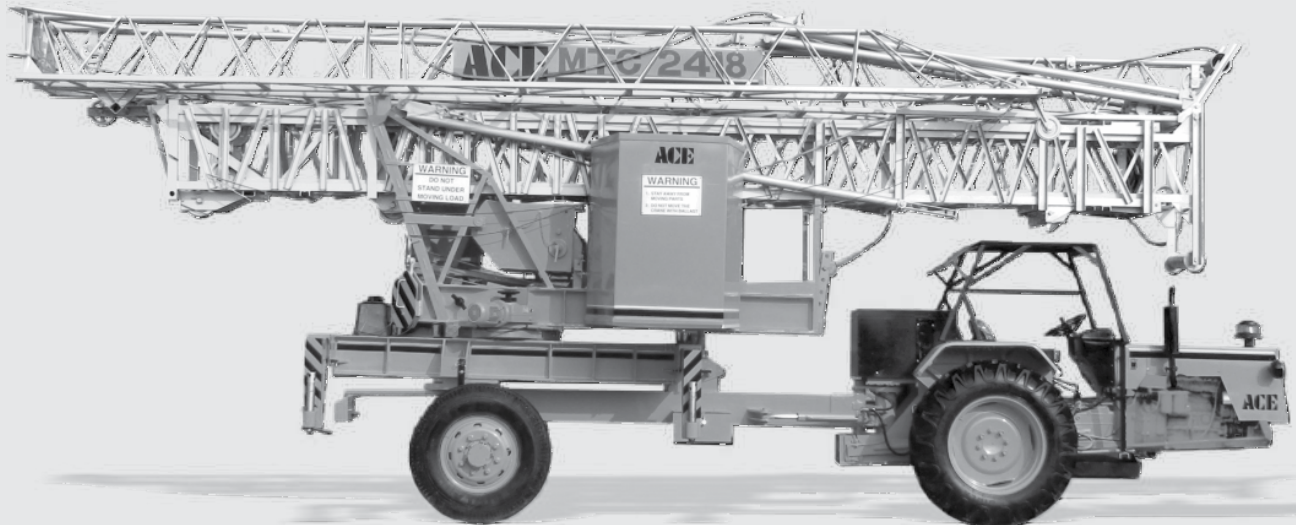
❖ **AGRICULTURE EQUIPMENT**

Over the last few years, there has been considerable progress in agriculture mechanization. A significant proportion of farmers in the country have already started moving from using animate sources to mechanical equipment to power their farming activities. Mechanical equipment for various farm operations like tillage, sowing, irrigation, plant protection and threshing, etc., are generally being used by the farming community. As a result of increasing farm mechanization trends, the agricultural equipment market has witnessed strong growth in the past few years. This market is currently being driven by a number of factors such as easy availability of credit, government incentives, increasing agricultural productivity, emergence of contract farming, increasing rural incomes, etc.

Indian Agricultural Equipment Market Drivers:

- **Labour Shortage** : Labour shortage has been a major reason that has driven farmers towards farm mechanization. For instance, the National Rural Employment Guarantee Agency (NREGA) has had in many places a ripple effect-labour shortage leading to farm mechanization. As a result, the demand for farm machines in these states has witnessed a significant increase.
- **Ease of Financing** : In recent years, a number of banks and microfinance institutions have been set all across rural India. This has provided farmers an easy availability of credit to purchase farm machinery.
- **Government Incentives** : Incentives in the form of subsidies, low import duties on agricultural machinery and easy financing schemes by the Indian government have also been a major driver of the farm equipment market in India.





- **Rising incomes** : As a result of strong economic growth and agricultural productivity, the income levels of rural households have been continuously increasing over the last few years. Rising incomes have enabled farmers to significantly increase their spending on agriculture mechanization.
- **Large Untapped Market** : Despite strong growth in recent years, the penetration of tractors and a number of related equipment still remains relatively low. This is expected to leave a lot of room for future growth.
- **Emergence of Contract Farming** : The emergence of contract farming is also expected to give a strong boost to the agricultural equipment market in India. We expect contract farming to enable farmers to get the benefit of technology, training and financing with the contractor's support. This is expected to facilitate the adoption of mechanized farming practices.

The Indian agricultural equipment market reached a value of INR 926 Billion in 2021. Looking forward, IMARC Group expects the market to reach INR 1,689 Billion by 2027, exhibiting a CAGR of 10.6% during 2022-2027.

Sources: <https://www.imarcgroup.com/farm-agricultural-equipments-industry-india>.

❖ OUTLOOK

• INFRASTRUCTURE

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development.

The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The Government has suggested an investment of ₹ 5,00,000 crore (US\$ 750 billion) for railways infrastructure from 2018-30.

India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region.

Some of the recent Government initiatives are as follows:

1. The initiative 'Infrastructure for Resilient Island States' (launched in November 2021) will give India a huge opportunity to contribute to the betterment of other vulnerable countries in the world.
2. As a part of the Gati Shakti National Master Plan, the government is planning to launch geospatial digital platform to facilitate planning and monitoring of projects



ranging from telecom networks, gas pipelines to roads and railways.

3. In March 2021, the government announced a long-term US\$ 82 billion plan to invest in the country's seaports. 574 projects have been identified, under the Sagarmala project, for implementation through 2035.
4. The government announced ₹18,998 crore (US\$ 2.61 billion) for metro projects.

Sources: <https://www.ibef.org/industry/infrastructuresector-india>.

• 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 the road network to commute. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns and villages in the country.

Under the Union Budget 2022-23, the Government of India has allocated ₹ 199,107.71 crore (US\$ 26.04 billion) to the Ministry of Road Transport and Highways. The Government of India has allocated ₹ 111 lakh crore (US\$ 1.4 trillion) under the National Infrastructure Pipeline for FY 2019-25. The roads sector is likely to account for 18% capital expenditure over FY 2019-25.

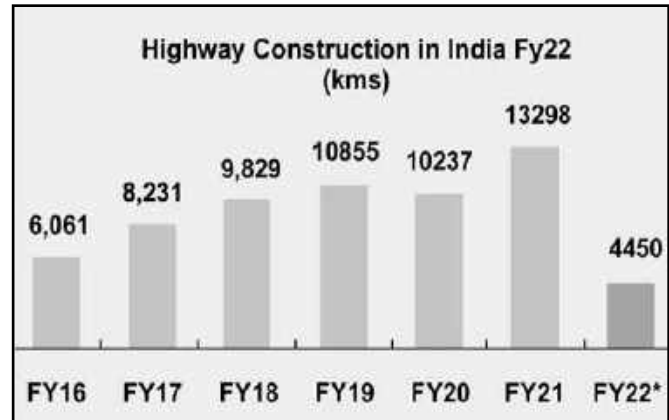
The Union Minister of State for Road, Transport and Highways has stated that the Government aims to boost corporate investment in roads and shipping sector, along with introducing business-friendly strategies, which will balance profitability with effective project execution. According to the data released by the Department for Promotion of Industry and Internal Trade Policy (DPIIT), the construction development sector attracted Foreign Direct Investment (FDI) inflows worth US\$ 26.1 billion between April 2000-June 2021. In FY22 (until November 2021), the private sector invested ₹ 15,164 crore (US\$ 1.98 billion) in roads.

Some of the recent Government initiatives are as follows:

- NHAI plans to construct 25,000 kilometres of national highways in 2022-23 at a pace of 50 km per day.
- In the Union Budget 2022-23, the government has planned for an increase in allocation for the central road fund by 19%, the total fund was ₹ 2,95,150 crores (US\$ 38.86 million).
- The Indian government launched Gati Shakti-National Master Plan, which will help lead a holistic and integrated development of infrastructure generating immense employment opportunities in the country.
- The government also aims to construct 23 new national highways by 2025.

The Government, through a series of initiatives, is working on policies to attract significant investor interest. A total of

200,000 km of national highways is expected to be completed by 2022. In the next five years, National Highway Authority of India (NHAI) will be able to generate ₹ 1 lakh crore (US\$ 14.30 billion) annually from toll and other sources.



Sources: <https://www.ibef.org/industry/roads-india>

• 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 complemented 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.

In India, the real estate sector is the second-highest employment generator, after the agriculture sector. Real estate sector in India is expected to reach US\$ 1 trillion by 2030. By 2025, it will contribute 13% to the country's GDP. Rapid urbanisation bodes well for the sector. The number of Indians living in urban areas is expected to reach 525 million by 2025 and 600 million by 2036.

Government of India along with the governments of respective states has taken several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies. Government of India's 'Housing for All' initiative is expected to bring US\$ 1.3 trillion investment in the housing sector by 2025.

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. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space.



Sources: <https://www.ibef.org/industry/real-estate-india>.
https://www.ibef.org/download/1650542014_Real-Estate-Feb2022-min.pdf.

• **LOGISTICS AND WAREHOUSING**

Logistics and warehousing play a crucial role to bridge the gap between customers and manufacturers. The ease and efficiency of a logistic chain have a huge impact on the time a product reaches the customer.

Global property consultancy Knight Frank India in their India Warehousing Market Report 2021 estimated that the annual warehousing transactions for the top eight Indian cities (primary markets) will grow at a compound annual growth rate (CAGR) of 19% to 76.2 mn sq ft (7.08 mn sq m) by the financial year (FY) 2026 from 31.7 mn sq ft (2.95 mn sq m) in FY 2021.

Elucidating this growth, a recent report by Savills India also reveals that the leasing of industrial and warehousing spaces across 8 major cities went up by 35 percent during 2021, wherein the fresh supply rose 64 percent. With such a remarkable expansion, the sector has established itself as one of the most resilient asset classes that continues to bring significant capital.

Buoyed by the e-commerce sector and the growth of the Indian industry, warehousing in India has undergone a metamorphosis. With technological advancements, consolidation, government support, newer business models, and investment coming into the space post the pandemic, the sector may well be set for a dream run for the next five years.

Sources: <https://www.businesstoday.in/opinion/columns/story/grade-a-warehouses-a-preferred-choice-in-indias-logistics-and-warehousing-sector-331434-2022-04-27>.

<https://www.itln.in/logistics/indias-warehousing-sector-checks-into-the-fast-lane-1345478>.

<https://www.marketresearch.com/Netscribes-India-Pvt-Ltd-v3676/Warehousing-India-31153216/>.

❖ **OPPORTUNITIES**

While COVID has had an unprecedented effect on all industries across the segment, even during the second wave, construction activities continued unabated, especially in rural India. Thus, all indicators are pointing towards a strong recovery, where construction equipment will play a critical role in the development of infrastructure across the country. In 2021, we have shown consistent resilience and in 2022 while we will continue to provide products aligned with the market demand; our focus will remain to contribute towards the sustainability. Some of the exciting opportunities that could be addressed include:

- **New Markets:** ACE being oldest and most reputed player in the market with significant market share and brand value has an opportunity to enter into a newly developing market by adoption of new technology criteria and government free trade agreements.
- **Stable Free Cash Flow:** Stable free cash flow gives opportunities to empower contiguous product segments. With extra cash in the bank, the Company can empower new technologies as well as in new product segments.
- **New Trends in Consumer Behaviour:** New trends in consumer behavior can open up a new market for ACE. It gives a great opportunity for the organization to build new revenue streams and modify them into new product categories too.
- **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.
- **Financial support & Scheme:** Increased availability of financial support due to government-led incentives and initiatives, Introduction of Production Linked Incentive (PLI) scheme to boost the development of infrastructure and in-flow of private and public investments in the country along with increased in-flow of Foreign Direct Investments are the favorable factors for demand of Construction Equipment.
- **Electric & Hybrid (Smart vehicles):** 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.

- **Increasing customer base in lower segments:** As customers have to migrate from un-organized operators in the Capital Goods industry to licensed players. It will provide ACE an opportunity to penetrate entry level market with a no-frill offering.
- **Infrastructure Investment:** Government's continued focus on infrastructure development such as roads, railways, ports, and housing are expected to create significant demand for Construction Equipment.
- Higher focus by government on the education sector leading to construction of new schools, universities and institutions, emphasis on improved healthcare leading to construction of hospitals and renewable energy projects leading to investments in large project under the renewable energy sector will raise the demand for Construction Equipment.
- Huge incentives by the government to improve the agriculture and allied sectors in the country and constant focus by the government to increase demand by bolstering the purchase power of people will increase demand for agri machinery.

❖ THREATS

- **Economic slowdown:** Slowdown in the Indian economy due to adverse macro-economic and global developments may negatively impact growth in the short-term. Disruptions in supply chain and demand due to the pandemic-related challenges have emerged as a significant business threat.
- **Commodity inflation:** Sharp increase in commodity prices may lead to increase in cost of finished goods and dent the margins and profitability of the industry. Prices of fuel, steel etc. have been on a rise, which may deter economic growth and development. Increasing input costs and higher commodity prices remain key risks to inflation and may impact consumer sentiments.
- **Uncertainties:** Our financial performance depends significantly on the stability of other sectors such as real estate, infrastructure development, residential construction etc. and as well as general economic conditions. Adverse conditions in or uncertainty about these markets, or the economy could adversely impact our customers' confidence or financial condition, causing them not to purchase Construction Equipment.
- **Competition:** Even though at present the ACE is still leader in product innovation in the Construction & Agri. Machinery segment but it may face stiff challenges from international and local competitors.
- Supply chain disruption and sourcing challenges may likely affect production and margins.
- Strict regulations and environmental concerns may hindering the growth.

❖ 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 Health and Safety:** Covid-19 has caused unprecedented challenges. The Company prioritized health and safety of all staff (Plants, Offices, Sales, Workmen) ensuring full vaccination.

Mitigation: All Covid-19 guidelines and SOPs specified by the HR are being followed at all plants and office locations and safety activities are being monitored on a continuous basis, focus is now on further improving and monitoring safety performance at all work places.

- **Commodity Prices:** A surge in post-pandemic global demand, outbreak of Russia-Ukraine war; coupled with severe supply side constraints resulted in a sharp rise in commodity prices. This impacted the cost of various inputs used by the industry, including castings, forgings, steel sheets and precious metals. Has significant impact on material cost and margins.

Mitigation: Continue to work on mitigating the inflationary impact through 'Commodity Risk Management', cost re-engineering and value engineering activities and Leverage whenever there is a fall in prices of commodities and achieve material cost reduction.

- **Supply Chain:** Managing disruption in supply chain due to failure of critical supplier on account of financial stress caused by the pandemic.

Mitigation: Cost optimisation projects to bring down fixed costs and optimise variable costs, development of alternate suppliers and enhanced focus on localization and robust process to conduct financial due diligence of all suppliers before they are onboarded.

- **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.

- **Financial Risk:** Foreign exchange rate fluctuation and changes in interest rate may likely to impact profitability.

Mitigation: Prudent hedging strategies and appropriate mix of financing to mitigate the risks.

- **Competitive Intensity:** Keeping in mind the high growth potential of the Indian Construction Equipment market, all OEMs, homegrown as well as MNCs, have presence across all segments. Today, multinational OEMs are deeply entrenched in the Indian market with local development centres, a strong local supplier base and good channel penetration.

Mitigation: The Company has a strong in house R&D division which is continuously adopting all the products to meet the latest technological needs. With the aim to remain competitive in the market and sustain its leadership position, our Company continues to invest in new product development, technology upgradations and increasing channel reach, while focussing on delivering customer centric products, services and brand building.

- **Regulatory Risk:** The business may be impacted due to non-compliance or delay in compliance with regulatory approvals or altered legislations may also have an adverse impact on the Company.

Mitigation: Continuous monitoring of the evolving regulations, impact assessment, implementation of statutory compliance, internal audit and external legal review. Liaisoning with regulatory bodies and industry associations to bring systematic changes for the benefit of industries.

- **Talent Management (Succession Planning & Employee Retention):** Failure to create and implement a succession plan for key positions and failure to retain high performers could impact business operations and growth.

Mitigation: Developing talent pool through learning and career development programmes, Identification of critical positions with mapping of successors and their readiness, Monitoring of retention for key/critical roles and high performers, analyse root cause for attrition with action plans.

- **Monsoon:** A normal monsoon is important for both agriculture as well as the rural economy at large. The tractor business in particular, runs the risk of a drop in demand, in case of a significant variation in the monsoon. In addition, an untimely monsoon and uneven spread has the potential of adversely impacting the business.

Mitigation: Going into FY23, the Indian Meteorological Department (IMD) in its first long range forecast for the monsoon season predicted SW Monsoon (June to September) to be normal at 99% of the LPA (Long Period Average).

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

Mitigation: We have IT center and Enterprise Resource Planning (ERP) – integrating all business divisions, Data Loss Prevention strategy implemented across all IT assets and Regular awareness programmes to sensitise users on phishing attacks.

❖ 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 ₹ 1630.34 crores as against ₹ 1227.01 crores in the previous year-an increase of 32.87%.
- Earnings before Interest, Depreciation, Amortization, Exceptional Items & Tax for the current year is ₹ 167.35 crores against ₹ 134.65 crores in the previous year-an increase of 24.29%.
- Profit before Tax (PBT) and Profit after Tax (PAT) for the current year are ₹ 138.34 crores and ₹ 105.91 crores respectively against ₹ 108.48 crores and ₹ 80.16 crores in the previous year - an increase of 27.53% and 32.12% respectively.
- Earnings per share is Rs.9.10 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 increased by 39.71% to ₹ 1104.02 crores in the year ended March 31, 2022 as against ₹ 790.21 crores in the year ended March 31, 2021. EBIT increased by 48.48% to ₹ 129.53 crores in the year ended March 31, 2022 as against ₹ 87.24 crores in year ended March 31, 2021.
- Construction Equipment division revenues increased by 31.79% to ₹ 176.24 crores in the year ended March 31, 2022 as against ₹ 133.73 crores in the year ended March 31, 2021. EBIT increased by 38.14% to ₹ 9.38 crores in the year ended March 31, 2022 as against ₹ 6.79 crores in the year ended March 31, 2021.
- Material Handling revenues increased by 47.85% to ₹ 152.06 crores in the year ended March 31, 2022 as against ₹ 102.85 crores in the year ended March 31, 2021. EBIT increased by 42.97% to ₹ 18.20 crores in the year ended March 31, 2022 as against ₹ 12.73 crores in the year ended March 31, 2021.
- Agri Equipment revenues decreased by 1.09% to ₹ 198.03 crores in the year ended March 31, 2022 as against ₹ 200.22 crores in the year ended March 31, 2021. EBIT decreased by 47.69% to ₹ 12.58 crores in the year ended March 31, 2022 as against ₹ 24.05 crores in year ended March 31, 2021.

❖ 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, 2022 are 1184.

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 FY2021-22 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. N. | Particulars | FY 2022 | FY 2021 | % Change |
|-------|---------------------------------|---------|---------|----------|
| 1. | Debtors Turnover (Times) | 9.19 | 7.69 | 19.52% |
| 2. | Inventory Turnover (Times) | 3.92 | 3.19 | 22.65% |
| 3. | Interest Coverage Ratio (Times) | 11.08 | 9.87 | 12.3% |
| 4. | Current Ratio (Times) | 1.41 | 1.20 | 17.08% |
| 5. | Debt Equity Ratio (Times) | 0.01 | 0.10 | 90.28% |
| 6. | Operating Profit Margin (%) | 7.56% | 7.59% | 0.4% |
| 7. | Net Profit Margin (%) | 6.50% | 6.53% | -0.56% |
| 8. | Return on Net worth (%) | 16.57% | 16.60% | -0.17% |

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

**Reason of Change:**

- Debtor turnover has improved due to timely payments by the NBFC/banks/financial institution & corporates.
- 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 improved 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 28th Annual Report on the business and operation of the Company together with Audited Statement of Accounts for the financial year ended March 31, 2022.

FINANCIAL RESULTS

The Company's financial performance for the year ended March, 2022 is summarized below:

(₹ in Crores)

| PARTICULARS | Standalone | | Consolidated | |
|--|----------------|----------------|----------------|----------------|
| | FY 2021-22 | FY 2020-21 | FY 2021-22 | FY 2020-21 |
| Revenue from operations | 1630.34 | 1227.01 | 1629.58 | 1227.15 |
| Other Income | 15.02 | 15.31 | 15.02 | 15.31 |
| Total Income | 1645.36 | 1242.32 | 1644.60 | 1242.46 |
| Earnings Before Depreciation, Finance costs, Exceptional Items and Tax | 167.35 | 134.65 | 166.46 | 134.28 |
| Less: Depreciation and amortization expenses | 15.28 | 13.94 | 15.41 | 13.94 |
| Less: Finance Costs | 13.73 | 12.23 | 13.75 | 12.23 |
| Profit before exceptional items and Tax | 138.34 | 108.48 | 137.30 | 108.11 |
| Less: Exceptional items | - | - | - | - |
| Profit Before Tax | 138.34 | 108.48 | 137.30 | 108.11 |
| Less: Tax expense (Net) | 32.43 | 28.32 | 32.30 | 28.32 |
| Profit After Tax | 105.91 | 80.16 | 105.00 | 79.79 |
| Other Comprehensive income for the year (net of tax) | -0.35 | 0.76 | -0.35 | 0.76 |
| Total Comprehensive income for the year | 105.56 | 80.92 | 104.65 | 80.55 |

FINANCIAL PERFORMANCE OVERVIEW (STANDALONE BASIS)

The brief highlights of the Company's performance (standalone) during the financial year 2021-22:

- Total revenue from operations increased to ₹ 1630.34 crores as against ₹ 1227.01 crores in the previous year - an increase of 32.87%.
- Earnings before Interest, Depreciation, Amortization, Exceptional Items & Tax for the current year is ₹ 167.35 crores against ₹ 134.65 crores in the previous year - an increase of 24.29%.
- Profit before Tax (PBT) and Profit after Tax (PAT) for the current year are ₹ 138.34 crores and ₹ 105.91 crores respectively against ₹ 108.48 crores and ₹ 80.16 crores in the previous year - an increase of 27.53% and 32.12% respectively.
- Earnings per share is Rs.9.10 for the year under review.

STATE OF COMPANY'S AFFAIRS

FY 2021-22 turned out to be another challenging year for the Indian economy, marked by heightened uncertainty and volatility due to the COVID pandemic. The year began with the second wave of the pandemic having a devastating socio-economic impact in the country followed by a sharp drop in its intensity, which aided smart recovery in economic activity that reached pre-pandemic levels towards the end of the second quarter. Even as economic prospects started looking up, the country was hit hard by the third wave with new cases rising exponentially across major cities and halting the recovery momentum. Just as the third wave had abated in India, geopolitical tensions in Europe sparked off a fresh round of uncertainty in the operating environment.

While the pandemic has still not ended, the world has started reopening and recovering, and ACE has also kept pace with it and delivered steady financial performance. Against the

backdrop of a weak market amid rising raw material costs and subdued rural demand, we managed to grow our standalone revenues from operations by 32.87% y-o-y to ₹ 1630.34 crores, our highest ever. Margins, however, remained under pressure due to elevated raw material prices and commodity inflation. This year the inflationary pressure has been unprecedented, the material cost since FY2021 till date has escalated to high levels and we have managed to pass on a large chunk of this through price increases, but we are still carrying forward some of the unabsorbed inflation which is putting pressures on our margins.

While the inflationary environment continues to pose a challenge, however, we maintain a positive outlook on demand growth and gradual recovery of margins.

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, 2022.

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 23, 2022, has recommended payment of ₹ 0.60 i.e. (30%) per equity share of the face value of ₹ 2 (Rupee Two Only) each as final dividend for the financial year ended March 31, 2022. 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 & QUALIFIED INSTITUTIONAL PLACEMENTS (QIP)

The paid up Equity Share Capital of the Company as at March 31, 2022 stood at ₹ 23.82 crores. During the year under review, pursuant to the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"), and pursuant to the resolutions



of the Board of Directors of the Company dated July 31, 2021 authorizing Qualified Institutions Placement Committee (“QIP Committee”), the special resolution dated September 3, 2021, passed by the shareholders of the Company and Section 42 and Section 62 of the Companies Act, 2013, as amended and in-principle approvals granted by BSE Limited and the National Stock Exchange of India Limited (“Stock Exchanges”), the Company has issued and allotted 56,00,000 Equity Shares of face value of ₹ 2 each through Qualified Institutional Placements (QIP) to eligible qualified institutional buyers at the issue price of ₹ 242 per Equity Shares (including a premium of ₹ 240 per Equity Shares) against the Floor Price of ₹ 254.55 per Equity Shares, aggregating to ₹ 135.52 Crore.

Pursuant to the allotment of above-mentioned Equity Shares, the paid-up equity share capital of the Company stands increased from ₹ 22.70 crore, comprising of 11,34,83,196 Equity Shares to ₹ 23.82 crore, comprising of 11,90,83,196 Equity Shares.

BSE Limited and National Stock Exchange of India Limited has granted listing approval for 56,00,000 Equity Shares of ₹ 2/- each bearing dist. Nos. 117323001 to 122923000 issued to QIBs through Qualified Institutional Placement on September 24, 2021.

BSE Limited and National Stock Exchange of India Limited has granted trading approval for 56,00,000 Equity Shares of ₹ 2/- each bearing dist. Nos. 117323001 to 122923000 allotted to QIBs through Qualified Institutional Placement w.e.f. September 28, 2021.

No promoter(s) of the Company has been allotted any shares under aforesaid QIP.

None of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

During the year under review, the Company has not issued any:

- (a) Shares with differential rights;
- (b) Sweat equity shares;
- (c) Bonus shares;
- (d) Debenture, bond and any other securities.

During the year, the company has not done any buy back of equity shares.

DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEME

During the year under review, the Nomination and Remuneration Committee of the Board and the Board of Directors approved the ‘Action Construction Equipment Limited Employee Stock Option Scheme 2021’ (“Scheme”). The Scheme was approved by the members of the Company at the 27th Annual General Meeting held on September 03, 2021.

The Company during the year has not taken any action for implementing the scheme. Therefore once the scheme will be implemented, required disclosed/details will be provided.

RE-CLASSIFICATION OF AUTHORISED SHARE CAPITAL

Pursuant to the provisions of Sections 13, 61 and other applicable provisions, of the Companies Act, 2013 and the Articles of Association of the Company and approval of the members in their 27th AGM held on September 03, 2021, the authorized share capital of the Company has been reclassified 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.

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 2022-23 has already been paid to both the Stock Exchanges.

CREDIT RATING

ICRA Limited on April 05, 2022 has upgraded the long term rating to [ICRA]AA (pronounced ICRA Double A) from [ICRA]AA- (pronounced ICRA Double A Minus) and re-affirmed the short-term rating at [ICRA]A1+ (pronounced ICRA A One Plus). The outlook on the long-term Rating has been revised to Stable from Positive. Further, rating action details are given herein below:

| Instrument/ Facilities | Rating (March 31, 2022) | Revised Rating (April 05, 2022) |
|--|--|--|
| (Long Term Facilities) Long Term Rating | [ICRA]AA- (Positive) (pronounced ICRA double A minus) with a positive outlook | [ICRA]AA (Stable) (pronounced ICRA double A) with a stable outlook |
| (Short Term Facilities) Short Term Rating | [ICRA]A1+ (pronounced ICRA A one plus) | [ICRA]A1+ (pronounced ICRA A one plus) (reaf- firmed). |
| Commercial paper | [ICRA]A1+ (pronounced ICRA A one plus) | [ICRA]A1+ (pronounced ICRA A one plus) (reaffirmed) |

MATERIAL CHANGES AND COMMITMENTS, IF ANY

The foreign subsidiary Company i.e. SC Forma SA, Romania has sold entire land & building situated in Romania for consideration of ₹ 19.58 crore (1 RON = 16.7520 INR). Except this matter, no other 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

During the year under review, pursuant to the provisions of Section 186 read with Rules made there under, the Company has made investment(s) by way of purchase of equity shares from shareholders of M/s Crane Kraft India Private Limited and subscription of equity shares by way of right issue amounting in total ₹ 59,99,980/-.

Further, consequence to above investment(s), Crane Kraft India Private Limited has become the ‘subsidiary’ of the Company as per applicable provision of Companies Act, 2013 and rules made there under.

As on March 31, 2022, the Company has following subsidiaries Companies/Firms.

| S. No. | Name of the Company/Firm | Status | Country | Holding |
|--------|-----------------------------------|--------------------|---------|----------|
| 1 | SC Forma SA | Subsidiary Company | Romania | 89.52% |
| 2 | Crane Kraft India Private Limited | Subsidiary Company | India | 99.9999% |
| 3 | Namo Metals | Partnership Firm | India | 90.00% |

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 subsidiaries, 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 subsidiaries 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 subsidiaries.

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 subsidiaries, 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 subsidiaries may be accessed on the Company’s website at www.ace-cranes.com.

BOARD OF DIRECTORS

During the year under review, on the recommendation of Board, the members of the Company in their 27th Annual General Meeting (“AGM”) held on September 03, 2021 at 12:00 Noon IST through Video Conferencing (“VC”)/ Other Audio Video Means (“OAVM”) have approved the appointment of Dr. Jagan Nath Chamber (DIN:08841478) as an Independent Non-Executive Director of the Company for five years w.e.f. November 06, 2020.

In accordance with the provisions of Companies Act, 2013 (hereinafter referred as “the Act”) and Articles of Association of the Company, Mrs. Surbhi Garg (DIN: 01558782), Whole-Time Director of the Company will retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. Details related to her re-appointment as required to be disclosed under Companies Act/listing Regulations is given as **Annexure-I**, to the notice of 28th AGM.

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”).

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.

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 2021-22, four (4) Board Meetings were held. For details thereof kindly refer to the Corporate Governance Report forming part of this Annual Report.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate Meeting of the Independent Directors of the Company was also held on February 5, 2022, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

ANNUAL GENERAL MEETING

During the financial year 2021-22, 27th Annual General Meeting of the Company was held on September 03, 2021 at 12:00 noon through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”).

COMMITTEES OF THE BOARD

The Board has 7 (Seven) committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Committee of Board (COB) and Qualified Institutions Placement Committee. 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 and appointment 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:

- i) Have followed in the preparation of Annual Accounts for the financial year 2021-22, the applicable Accounting Standards and no material departures have been made for the same;
- ii) 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, 2022 and of the profit of the Company for the year ended on that date;
- iii) 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;
- iv) Had prepared the annual accounts on a going concern basis;
- v) 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
- vi) 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 (April 01, 2017 to March 31, 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.

Further, as per provisions of Section 139(1) of the Companies Act, 2013, at the forthcoming Annual General Meeting, M/s BRAN & Associates, Chartered Accountants are completing their 1st term of five consecutive year as Statutory Auditors.

The Board, considering the size of organization and upon the recommendation of the Audit Committee, has recommended to shareholders' approval for appointment of M/s B S R & Co., LLP, Chartered Accountants (Registration No. 101248W/W-100022) as statutory auditors (in place of M/s BRAN & Associates, Chartered Accountants, the auditors who will complete a tenure of 5 consecutive years at this 28th AGM) for a first term of 5 (five) consecutive years from the conclusion of this 28th Annual General Meeting until the conclusion of the 33rd Annual General Meeting of the Company to be held in the calendar year 2027 (FY 2022-23 to 2026-27).

Accordingly, an item for appointment of M/s BSR & Co., LLP as the statutory Auditors of the Company for a period of 5 (five) years is being placed at the ensuing 28th AGM for approval of the Members.

Information about the proposed appointment of M/s BSR & Co., LLP is given under the Notice of 28th AGM, which forms part of this Annual Report.

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, 2022.

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, 2022.

Cost audit report for financial year 2021-22 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 Auditor 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 updated CSR policy is available at the website of the Company at www.ace-cranes.com.

The Annual Report FY 2021-22 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 along with 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 Companies Act and SEBI Regulations and 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, 2022 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

The Company has constituted a Risk Management Committee in Compliance with the requirements of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of this Committee and its terms of reference are set out in the Corporate Governance Report, which forms part of this Annual Report.

The Company has also formulated the Risk Management Policy, to identify risks and minimize their adverse impact on business and strives to create transparency which in turn enhances the Company's competitive advantage.

According to the aforesaid business risk policy, the Company has identified the business risks associated with its operations and an action plan for its mitigation of the same is put in place. The business risks and its mitigation have been dealt with in the Management Discussion and Analysis Section 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 (ICSI) 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 2021-22, 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 under review, the Company has not accepted 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, 2022.

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 2021-22 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, 2022 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, 2021 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;
- Most Trusted Construction Equipment Manufacturer of the Year, Award at Business Leader Awards;
- Best Mobile Crane Brand 2021 by Construction Week;
- Innovative New Equipment Launched 2021 by Construction Week;
- Award for Managing Health at Work 2021 by CMO Asia;
- Market Leadership Award 2021 by CMO Asia;
- Outstanding Contribution in the Field of Logistics & Supply Chain Sector 2021 by CMO Asia;
- Best Company in Cranes & Tower Cranes 2021 by CIA World;
- Best Innovative Product of the Year 2021 by CIA World;
- Best Seller in Mobile Cranes 2021 by Equipment India;
- Innovation of the Year 2021 by Equipment India;
- India’s Top Challengers 2021 by Construction World;
- Transformative Trailblazing Leader – Mr Vijay Agarwal by Business Icons of India.

BUSINESS RESPONSIBILITY REPORT

Pursuant to the provision of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report (BRR) for the financial year 2021-22 is annexed as **Annexure-IX**.

DIVIDEND DISTRIBUTION POLICY

In compliance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors of the Company have 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.

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. The Disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, right issue, preferential issue etc. is not applicable to the Company.
3. 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 along with their status as at the end of the financial year is not applicable; and
4. 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.
5. Your Company does not fall under the category of large corporate, as defined under SEBI vide its circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018, as such no disclosure is required in this regard.

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.

Action Construction Equipment Limited

Sd/-

Vijay Agarwal

Chairman & Managing Director

DIN: 00057634

Place : New Delhi

Date : August 10, 2022

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 | Crane Kraft India Private Limited | Namo Metals |
| 2. | The date since when subsidiary was acquired | February 01, 2007 | December 17, 2021 | April 01, 2010 |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | January 01, 2021 to December 31, 2021 | NA | NA |
| 4. | Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | RON, ₹ 17.1244 | NA | NA |
| 5. | Share capital | 184.17 | 60.00 | 500.78 |
| 6. | Reserves & Surplus | (46.00) | -52.75 | - |
| 7. | Total Assets | 377.32 | 317.88 | 506.33 |
| 8. | Total Liabilities | 239.15 | 309.93 | 5.55 |
| 9. | Investments | NIL | NIL | NIL |
| 10. | Turnover | 0.01 | 247.37 | 24.00 |
| 11. | Profit before taxation | 40.06 | -71.00 | 19.72 |
| 12. | Provision for taxation | NIL | NIL | 5.19 |
| 13. | Profit after taxation | 40.06 | -52.75 | 14.53 |
| 14. | Proposed Dividend | NIL | NIL | NIL |
| 15. | % age of shareholding | 89.52 | 99.9999 | 90 |

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 : New Delhi
Date : August 10, 2022

Annexure-II of Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2021-22

[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, 2022 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, 2022 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 and Sweat Equity) Regulations, 2021;
 - (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 (Not Applicable to the Company during the Audit period);
 - (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018 (Not Applicable to the Company during the Audit period);
 - (j) The Securities and Exchange Board of India (Issue and listing of Non-Convertible Securities) Regulations 2021;
- 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.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor(s) and other designated professionals.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meeting and General Meeting;
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 period under review, as explained and represented by the management, following specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs:

1. The Qualified Institutions Placement Committee ("QIP Committee") has in its meeting held on September 24, 2021 has approved the allotment of 56,00,000 Equity Shares of face value of ₹ 2 each to eligible qualified institutional buyers at the issue price of ₹ 242 per Equity Shares (including a premium of ₹ 240 per Equity Shares) against the Floor Price of ₹ 254.55 per Equity Shares, aggregating to ₹ 1,35,52,00,000 pursuant to the issue in accordance with the SEBI ICDR Regulations.
2. Pursuant to the allotment of above-mentioned Equity Shares, the paid-up equity share capital of the Company stands increased from ₹ 22.70 crore, comprising of 11,34,83,196 Equity Shares to ₹ 23.82 crore, comprising of 11,90,83,196 Equity Shares.
3. BSE LTD and National Stock Exchange of India Limited has granted listing approval for 56,00,000 Equity Shares of ₹ 2/- each bearing dist. Nos. 117323001 to 122923000 issued to QIBs through Qualified Institutional Placement on September 24, 2021.
4. BSE LTD and National Stock Exchange of India Limited has granted trading approval for 56,00,000 Equity Shares of ₹ 2/- each bearing dist. Nos. 117323001 to 122923000 allotted to QIBs through Qualified Institutional Placement w.e.f. September 28, 2021.

**For VASISHT & ASSOCIATES;
Company Secretaries**

Sd/-

**CS SHOBHIT VASISHT
UDIN : F011517D000290268**

Peer Review No: 844/2020

FCS No: 11517

C P No: 21476

**Place: Faridabad
Date: May 9, 2022**

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 9, 2022

Sd/-
CS SHOBHIT VASISHT
UDIN : F011517D000290268
Peer Review No: 844/2020
FCS No: 11517
C P No: 21476

**Annexure-III of Board's Report
SECRETARIAL COMPLIANCE REPORT
FOR THE YEAR ENDED MARCH 31,2022**

(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
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) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2022 (“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 (Not Applicable to the Company during Audit Period);
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- 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 (Not Applicable to the Company during Audit Period);
- 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, I 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:-h

| 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 Procedures 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 Prac- ticing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended 31.03.2021 | 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 : F011517D000290279
Peer Review No: 844/2020
FCS No: 11517
C P No: 21476

Place: Faridabad
Date: May 9, 2022

Annexure-IV to Board's Report

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2022

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 Members | Designation / Nature of Directorship | No. of Meetings | |
|--------|------------------------|--------------------------------------|-----------------|----------|
| | | | Held | Attended |
| 1. | Dr. Divya Singal | Chairman/ Independent Director | 1 | 1 |
| 2. | Mrs. Mona Agarwal | Member/ Executive Director | 1 | 1 |
| 3. | Dr. Jagan Nath Chamber | Member/ Independent Director | 1 | 1 |

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): **₹ 8628.86 Lakhs.**
7. (a) Two percent of average net profit of the company as per section 135(5): **₹ 172.58 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): **₹ 172.58 Lakhs**
8. (a) CSR Amount spent or unspent for the Financial Year:

| Total amount spent for the Financial Year (₹ in Lakhs) | Amount unspent (₹ in Lakhs) | | | | |
|--|--|------------------|--|--------|------------------|
| | 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 |
| 186.59 | NIL | NA | - | NIL | NA |

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
|--------|---------------------|--|---------------------|--------------------------|------------------|--|---|--|--|--|--|
| S. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No) | Location of the project. | Project duration | Amount allocated for the project (₹ in Lakhs) FY 2021-22 | Amount spent in the current financial Year (₹ in Lakhs) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | | | | | | | Name | CSR RTN. No. |
| | | | | | | | | | | 1. | Health services including Ambulance and Pathology Laboratory |

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|--------------|------------------------------|--|-----------------------|---|---|--|--|-------------------------|
| S. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes / No) | Location of the project. (State and District) | Amount spent for the project (₹ in Lakhs) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | | | | Name | CSR Registration number |
| 1. | Health Services | Promoting health care | Yes | Haryana (Palwal/ Ballabgarh/ Faridabad) | 11.92 | Through Implementing Agency | Sarvodya foundation | CSR00005304 |
| 2. | Handling of Natural Calamity | Disaster Management including Relief. | Yes | Utrakhand | 5.00 | Through Implementing Agency | FIA Charitable Society | CSR00001589 |
| 3. | Health Services | Promoting health care | Yes | Haryana (Palwal/ Ballabgarh/ Faridabad) | 8.87 | Direct | - | - |
| Total | | | | | 25.79 | | | |

(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) : ₹ 186.59 Lakhs.

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

9. (a) Details of Unspent CSR amount for the preceding three financial years :

| S. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs) | Amount spent in the reporting Financial Year (₹ in Lakhs) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (₹ in Lakhs) |
|--------|---------------------------|--|---|--|---------------------|------------------|--|
| | | | | Name of the Fund | Amount (₹ in Lakhs) | Date of transfer | |
| 1. | 2020-21 | 83.24 | 83.24 | – | – | – | – |
| 2. | – | – | – | – | – | – | – |
| 3. | – | – | – | – | – | – | – |
| | Total | 83.24 | 83.24 | – | – | – | – |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :

| S. No. | Project ID. | Name of the Project | Financial Year in which the project was commenced. | Project duration | Total amount allocated for the project (₹ in Lakhs) | Amount spent on the project in the reporting Financial Year (₹ in Lakhs) | Cumulative amount spent at the end of reporting Financial Year (₹ in Lakhs) | Status of the project- Completed /Ongoing. |
|--------|----------------|--|--|------------------|--|--|--|--|
| 1. | FY31.03.2021_1 | Health Services including Ambulance and pathology laboratory | 2020-21 | 3 Years | FY 2020-21= ₹ 175.00 Lakh FY 2021-22= ₹ 175.00 Lakh | For FY 2020-21 ₹ 83.24 lakhs For FY 2021-22 ₹ 160.80 lakhs | During FY 2020-21 ₹ 59.60 lakhs During FY 2021-22 ₹ 83.24 + ₹160.80 lakhs Total ₹ 303.64 lakhs | Completed |
| | Total | – | – | – | 350.00 | 244.04 | 303.64 | |

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): **Not Applicable.**

Place : New Delhi
Date : August 10, 2022

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 and on behalf of the Board of Directors

Sd/-

Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Place : New Delhi

Date : August 10, 2022

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 (2021-22) | 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 | 306.24 | 71.06 | | |
| | | Mrs. Mona Agarwal | 150.77 | 34.98 | | |
| | | Mr. Sorab Agarwal | 58.90 | 13.66 | | |
| | | Mrs. Surbhi Garg | 52.78 | 12.24 | | |
| | | Mr. Avinash Parkash Gandhi | 2.45 | 0.57 | | |
| | | Dr. Divya Singal | 2.30 | 0.53 | | |
| | | Mr. Shrinivas Vashisht (Appointed w.e.f. 24.09.2020) | 2.30 | 0.53 | | |
| | | Dr. Jagan Nath Chamber (Appointed w.e.f. 06.11.2020) | 2.30 | 0.53 | | |
| 2. | The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year. | Name of Directors | Remuneration (2021-22) | Remuneration (2020-21) | % Change | |
| | | Mr. Vijay Agarwal | 306.24 | 306.16 | 0.03 | |
| | | Mrs. Mona Agarwal | 150.77 | 150.73 | 0.03 | |
| | | Mr. Sorab Agarwal | 58.90 | 58.86 | 0.07 | |
| | | Mrs. Surbhi Garg | 52.78 | 60.56 | -12.84 | |
| | | Mr. Avinash Parkash Gandhi | 2.45 | 1.75 | 40.00 | |
| | | Dr. Divya Singal | 2.30 | 2.20 | 4.55 | |
| | | Mr. Shrinivas Vashisht (Appointed w.e.f. 24.09.2020) | 2.30 | 1.30 | 76.92 | |
| | | Dr. Jagan Nath Chamber (Appointed w.e.f. 06.11.2020) | 2.30 | 1.00 | 130.00 | |
| | | Name of Key Managerial Personnel (KMP) | | | | |
| | | Mr. Rajan Luthra | 51.23 | 55.39 | -7.51 | |
| Mr. Anil Kumar | 8.09 | 6.78 | 19.32 | | | |
| 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. | 8.29 % |
| 4. | The Number of permanent employees on the rolls of the Company as on March 31, 2022. | 1184 |
| 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 6.50% whereas average percentile increase in the managerial remuneration in the last financial year is 7%. |
| 6. | Affirmation that the remuneration is as per the remuneration policy of the Company. | The Remuneration paid during the year ended March 31, 2022 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, 2022 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) | 306.24 | 150.77 |
| Nature of employment | Contractual | Contractual |
| Educational Qualification | BE Mechanical and MBA | Under Graduate |
| Experience (in years) | 51 | 28 |
| Date of commencement of Employment in ACE | January 13, 1995 | January 13, 1995 |
| Age (in Years) | 73 | 66 |
| Previous Employment | Bhartiya Cuttler Hammer Limited, Escorts Limited. | – |
| % of equity shares | 28.75 | 25.74 |

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.

Replacement of all lights with LED across all plants and office area to save energy.

Paint shop oven of the Company running through diesel has been replaced by PNG connections.

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

Energy consumption replaced at various location to switch off lights and fan during tea break and lunch hours.

Main focus on conservation efficient use is always on low cost automation and technology improvement and existing setup.

(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 issued additional order for installation of PV Solar Power Plant of 1000 KWP which will be completed by December 2022.

(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 2021-22:

| S. No. | Title & Scope of Completed & on-going R&D Project |
|--------|--|
| 1 | 60 hp, 75hp engine as per BS-IV with standyne FIE's- LPDMS |
| 2 | RGB (Reduction gear Box Transmission) for Crane |
| 3 | Highly sensitive Hydraulic lift with EHR/EHC(Electronic Hitch Control) 1200 to 2000Kg. |
| 4 | 60 hp, 75 hp tractor with BSIV engine |
| 5 | 4WD Tractor Model 75/90hp with AC/ Non AC cabin. |
| 6 | New 550 NG 4WD model with Carraro Front Axle |
| 7 | New Fender & floor to be designed with Constant Mesh for 50 /60hp tractor models |
| 8 | 26 HP 4WD small Tractor |
| 9 | 4WD Tractor Model ACE 7500 4wd MPT/ With attachments-For Defense 1. Balanced tipper trailer 2. Front End loader 3. Terracer Blade 4. Assault track Way |
| 10 | GPRS system implementation in Domestic / Export models. |
| 11 | DI-6565 tractor model with Constant mesh (8+2) transmission |
| 12 | 50hp, 4cyl engine (High torque) for Backhoe/ Crane / Tractor application |
| 13 | AWP 21M Aerial work platform |
| 14 | AWP 27M Aerial work platform |
| 15 | F350 4 wheel drive 35 ton pick & carry new gen crane |
| 16 | F150-HD 4 wheel drive 15 ton pick & carry new gen crane |
| 17 | BS IV Engine(above 50 HP) implementation in all models (10 models) |
| 18 | Development of 20XW with 72' boom length |
| 19 | F250 4 wheel drive 25 ton pick & carry new gen crane |
| 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 & Development of 20XW-N pick & carry crane |
| 25 | Design & Development of 25XW-N pick & carry crane |
| 26 | TX-150 2 wheel drive 15 ton pick & carry new gen crane |
| 27 | Design and development 3 Ton Telehandler for Defense application |
| 28 | Design and development 2 Ton Telehandler for Defense application |

| | |
|----|---|
| 29 | Mobile tower crane MTC2430 |
| 30 | Development of Crawler Crane 100 Ton Capacity |
| 31 | Development of Forklift 80D - BS-IV |
| 32 | Design & development of Forklift 50E (Battery Operated) |
| 33 | Design & development of Forklift 20E (Neo) |
| 34 | Development of Forklift 25E(72Volt) - VA/VE Project |
| 35 | Design & development of Forklift 15E (Neo) |
| 36 | Development of Crawler Crane 55 Ton Capacity |
| 37 | Design & development of Forklift 30E (Neo) |
| 38 | Design & development of Forklift 50D-BS-IV (Neo) |
| 39 | Design & development of Forklift 25E (Neo) |
| 40 | Development of Crawler Crane 160 Ton Capacity |
| 41 | Self propelled truck mounted crane 25 Ton Capacity with Mahindra Drive line |
| 42 | Development of Crawler Crane 80 Ton Capacity |
| 43 | Tower Crane 5540/5040/6040/Flat top with split type Mast |
| 44 | Mobile tower crane MTC2431 |
| 45 | Skid Steer Loader BS IV 74 HP |
| 46 | Design and development of TMC 032. |
| 47 | Heavy recovery attachment for 6x6 HMTV of AL. |
| 48 | AB 113, knuckle boom crane. |
| 49 | Design and development of 502L crane. |

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

- ACE has an entire range of cranes and other construction equipment for domestic and export market with enhanced styling, power and performance;
- Capability enhancement for engine, Transmission, Hydraulic technologies and design optimisation through the usage of predictive/virtual simulation software;
- Significant material cost reduction in cranes through design optimisation and purchase efficiency;
- 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 V |
| 7 | Development of 110hp Engine for export |
| 8 | Electric tractor 22/26hp. 2WD |
| 9 | 20hp 2WD small tractor |
| 10 | 25 hp engine for small tractor |
| 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 45XW Pick and Carry Crane |
| 15 | Furnace stocker Ram & rotating type attachment |
| 16 | Modification in BBC & BC attachments. |
| 17 | Development of TC 6544 with FSH60 m |
| 18 | Development of Forklift 60D - BS-IV |
| 19 | Development of Crawler Crane 25 Ton Capacity |
| 20 | Development of Crawler Crane 120 Ton Capacity |
| 21 | Tower Crane 20/25 Ton |
| 22 | Motor grader 10/ 12 Ton |
| 23 | Skid Steer Loader BS IV 74 HP |
| 24 | NG Tendom Roller BS IV 74 HP |
| 25 | NG Mini Roller |
| 26 | Initiation BS V engine development from for all models (BS V implementation date is Apr 2024) |
| 27 | Design and development of 40 XW rough terrain Crane |
| 28 | Design and development of 75 XW rough terrain crane |
| 29 | Design and development of AB 504 for L&T |

(iv) Expenditure on Research & Development:

(₹ in Lakhs)

| S. No | Particulars | FY 2021-22 | FY 2020-21 |
|--------------|--|----------------|----------------|
| 1. | Capital Expenditure | 0.20 | 7.29 |
| 2. | Revenue expenditure (Incl. Salary to R&D Staff and other related expenditures) | 1872.70 | 1208.56 |
| Total | | 1872.90 | 1215.85 |

(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 | (₹ in Lakhs) |
|--------|-------------------------|--------------|
| 1 | Foreign Exchange earned | 4425.78 |
| 2 | Foreign Exchange outgo | 18740.06 |

Annexure-VIII of Board's Report FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year Ended on March 31, 2022

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), +911275-280103, 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 10 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 | 67.72 |
| 2 | Material Handling | 291-Manufacture of general purpose machinery | 9.32 |
| 3 | Construction Equipment | 291-Manufacture of general purpose machinery | 10.81 |
| 4 | Agri Equipment | 292-Manufacture of special purpose machinery | 12.15 |
| 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 | 89.52 | 2(87)(ii) |
| 2 | Crane Kraft India Private Limited | U29309HR2021PTC096749 | Subsidiary | 99.9999 | 2(87)(ii) |
| 3 | Namo Metals | NA | Subsidiary | 90.00 | 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 (01-04-2021) | | | | NO. OF SHARES HELD AT THE END OF THE YEAR (31-03-2022) | | | | % 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 | 79497463 | 0 | 79497463 | 70.05 | 79497463 | 0 | 79497463 | 66.76 | -3.29 |
| (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) | 79497463 | 0 | 79497463 | 70.05 | 79497463 | 0 | 79497463 | 66.76 | -3.29 |
| (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) | 79497463 | 0 | 79497463 | 70.05 | 79497463 | 0 | 79497463 | 66.76 | -3.29 |
| (B) | PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) | INSTITUTIONS | | | | | | | | | |
| (a) | Mutual Funds /UTI | 2303565 | 0 | 2303565 | 2.03 | 3333635 | 0 | 3333635 | 2.80 | 0.77 |
| (b) | Financial Institutions /Banks | 156 | 0 | 156 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (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 | 818181 | 0 | 818181 | 0.69 | 0.69 |
| (f) | Foreign Institutional Investors | 3571658 | 0 | 3571658 | 3.15 | 5763667 | 0 | 5763667 | 4.84 | 1.69 |
| (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) | 5875379 | 0 | 5875379 | 5.18 | 9915483 | 0 | 9915483 | 8.33 | 3.15 |
| (2) | NON-INSTITUTIONS | | | | | | | | | |
| (a) | Bodies Corporate | 1600850 | 0 | 1600850 | 1.41 | 807701 | 0 | 807701 | 0.68 | -0.73 |
| (b) | Individuals | | | | | | | | | |
| (i) | Individuals holding nominal share capital upto ₹ 1 lakh | 15078350 | 32027 | 15110377 | 13.32 | 19010631 | 25521 | 19036152 | 15.98 | 2.66 |
| (ii) | Individuals holding nominal share capital in excess of ₹ 1 lakh | 8327233 | 0 | 8327233 | 7.34 | 6591103 | 0 | 6591103 | 5.53 | -1.81 |
| (c) | Others | | | | | | | | | |
| | HUF | 1112564 | 0 | 1112564 | 0.98 | 970839 | 0 | 970839 | 0.82 | -0.16 |
| | Clearing Members | 196025 | 0 | 196025 | 0.17 | 339103 | 0 | 339103 | 0.28 | 0.11 |
| | IEPF | 29111 | 0 | 29111 | 0.03 | 33040 | 0 | 33040 | 0.03 | 0.00 |
| | Non Residents Indians | 1329115 | 0 | 1329115 | 1.17 | 1638121 | 0 | 1638121 | 1.38 | 0.21 |
| | NBFC | 14644 | 0 | 14644 | 0.01 | 8319 | 0 | 8319 | 0.01 | 0.00 |
| | Trusts | 25645 | 0 | 25645 | 0.02 | 31933 | 0 | 31933 | 0.03 | 0.01 |
| | Firms | 364790 | 0 | 364790 | 0.32 | 213939 | 0 | 213939 | 0.18 | -0.14 |
| (d) | Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total B(2) | 28078327 | 32027 | 28110354 | 24.77 | 29644729 | 25521 | 29670250 | 24.91 | 0.15 |
| | Total B=B(1)+B(2) | 33953706 | 32027 | 33985733 | 29.95 | 39560212 | 25521 | 39585733 | 33.24 | 3.30 |
| | Total (A+B) | 113451169 | 32027 | 113483196 | 100.00 | 119057675 | 25521 | 119083196 | 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) | 113451169 | 32027 | 113483196 | 100.00 | 119057675 | 25521 | 119083196 | 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 01-04-2021) | | | Shareholding at the end of the year (As on 31-03-2022) | | | % 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 | 34236078 | 30.17 | 0 | 34236078 | 28.75 | 0 | -1.42 |
| 2 | Mrs. Mona Agarwal | 30657579 | 27.02 | 0 | 30657579 | 25.74 | 0 | -1.28 |
| 3 | Mr. Sorab Agarwal | 7623650 | 6.72 | 0 | 7623650 | 6.40 | 0 | -0.32 |
| 4 | Mrs. Surbhi Garg | 6930156 | 6.11 | 0 | 6930156 | 5.82 | 0 | -0.29 |
| 5 | Mrs. Anuradha Garg | 50000 | 0.04 | 0 | 50000 | 0.04 | 0 | 0.00 |

Note : The change in % shareholding of promoters is due to issue of 56,00,000 no. of equity shares to QIBs through QIP.

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 (01-04-21 to 31-03-22) | |
|--------|--------------------|---|----------------------------------|------------|---------------------------------------|--------|---|----------------------------------|
| | | No. of shares at the beginning of the year (01-04-2021) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1 | Mr. Vijay Agarwal | 34236078 | 30.17 | 01.04.2021 | 0 | | 34236078 | 30.17 |
| | | | | 31.03.2022 | 0 | | 34236078 | 28.75 |
| 2 | Mrs. Mona Agarwal | 30657579 | 27.02 | 01.04.2021 | 0 | | 30657579 | 27.02 |
| | | | | 31.03.2022 | 0 | | 30657579 | 25.74 |
| 3 | Mr. Sorab Agarwal | 7623650 | 6.72 | 01.04.2021 | 0 | | 7623650 | 6.72 |
| | | | | 31.03.2022 | 0 | | 7623650 | 6.40 |
| 4 | Mrs. Surbhi Garg | 6930156 | 6.11 | 01.04.2021 | 0 | | 6930156 | 6.11 |
| | | | | 31.03.2022 | 0 | | 6930156 | 5.82 |
| 5 | Mrs. Anuradha Garg | 50000 | 0.04 | 01.04.2021 | 0 | | 50000 | 0.04 |
| | | | | 31.03.2022 | 0 | | 50000 | 0.04 |

ATTACHMENT-F

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

(ii) Shareholding Pattern of top ten (10) 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 (01-04-21 to 31-03-22) | |
|--------|--|---|----------------------------------|-------------------|---------------------------------------|----------|---|----------------------------------|
| | | No. of shares at the beginning of the year (01-04-2021) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1 | Massachusetts Institute of Technology | 690799 | 0.61 | 01.04.2021 | 0 | 0 | 690799 | 0.61 |
| | | | | 01.10.2021 | 1652892 | Purchase | 2343691 | 1.97 |
| | | | | 18.02.2022 | 414108 | Purchase | 2757799 | 2.32 |
| | | | | 25.02.2022 | 737000 | Purchase | 3494799 | 2.93 |
| | | | | 04.03.2022 | 173000 | Purchase | 3667799 | 3.08 |
| | | | | 11.03.2022 | 298000 | Purchase | 3965799 | 3.33 |
| | | | | 31.03.2022 | 0 | 0 | 3965799 | 3.33 |
| 2 | Edelweiss Trusteeship Co Ltd Ac- Edelweiss MF AC- | 1618565 | 1.43 | 01.04.2021 | 0 | 0 | 1618565 | 1.43 |
| | | | | 25.02.2022 | (43011) | Sale | 1575554 | 1.32 |
| | | | | 31.03.2022 | 0 | 0 | 1575554 | 1.32 |
| 3 | Chander Bhatia | 1502000 | 1.32 | 01.04.2021 | 0 | 0 | 1502000 | 1.32 |
| | | | | 31.03.2022 | 0 | 0 | 1502000 | 1.26 |
| 4 | Sundaram Mutual Fund A/C Sundaram Long Term Micro Cap Tax Ad | 0 | 0.00 | 01.04.2021 | 0 | 0 | 0 | 0.00 |
| | | | | 01.10.2021 | 1239669 | Purchase | 1239669 | 1.04 |
| | | | | 19.11.2021 | (27963) | Sale | 1211706 | 1.02 |
| | | | | 03.12.2021 | (1976) | Sale | 1209730 | 1.02 |
| | | | | 21.01.2022 | (106130) | Sale | 1103600 | 0.93 |
| | | | | 31.03.2022 | (20617) | Sale | 1082983 | 0.91 |
| | | | | 31.03.2022 | 0 | 0 | 1082983 | 0.91 |
| 5 | Rajesh Seth | 841400 | 0.74 | 01.04.2021 | 0 | 0 | 841400 | 0.74 |
| | | | | 02.04.2021 | (52400) | Sale | 789000 | 0.66 |
| | | | | 18.06.2021 | (7000) | Sale | 782000 | 0.66 |
| | | | | 30.07.2021 | 54400 | Purchase | 836400 | 0.70 |
| | | | | 17.09.2021 | (3000) | Sale | 833400 | 0.70 |
| | | | | 03.12.2021 | 5000 | Purchase | 838400 | 0.70 |
| | | | | 31.12.2021 | (25450) | Sale | 812950 | 0.68 |
| | | | | 07.01.2022 | 2000 | Purchase | 814950 | 0.68 |
| | | | | 22.01.2022 | (789000) | Sale | 25950 | 0.02 |
| | | | | 28.01.2022 | 791000 | Purchase | 816950 | 0.69 |
| | | | | 11.02.2022 | 10000 | Purchase | 826950 | 0.69 |
| | | | | 18.02.2022 | 22000 | Purchase | 848950 | 0.71 |
| | | | | 31.03.2022 | 0 | 0 | 848950 | 0.71 |

| | | | | | | | | |
|----|---|---------|------|-------------------|----------|----------|---------------|-------------|
| 6 | 238 Plan Associates Llc | 52000 | 0.05 | 01.04.2021 | 0 | 0 | 52000 | 0.05 |
| | | | | 01.10.2021 | 413223 | Purchase | 465223 | 0.39 |
| | | | | 18.02.2022 | 103777 | Purchase | 569000 | 0.48 |
| | | | | 25.02.2022 | 181000 | Purchase | 750000 | 0.63 |
| | | | | 04.03.2022 | 43000 | Purchase | 793000 | 0.67 |
| | | | | 11.03.2022 | 29000 | Purchase | 822000 | 0.69 |
| | | | | 31.03.2022 | 0 | 0 | 822000 | 0.69 |
| 7 | Max Life Insurance Company Limited A/c - ULIF00225/06/04LIF | 0 | 0.00 | 01.04.2021 | 0 | 0 | 0 | 0.00 |
| | | | | 18.09.2021 | 1033057 | Purchase | 1033057 | 0.87 |
| | | | | 25.02.2022 | (214876) | Sale | 818181 | 0.69 |
| | | | | 31.03.2022 | 0 | 0 | 818181 | 0.69 |
| 8 | Dileep Madgavkar | 1075000 | 0.95 | 01.04.2021 | 0 | 0 | 1075000 | 0.95 |
| | | | | 31.12.2021 | (5000) | Sale | 1070000 | 0.90 |
| | | | | 14.01.2022 | (5000) | Sale | 1065000 | 0.89 |
| | | | | 04.02.2022 | (25000) | Sale | 1040000 | 0.87 |
| | | | | 18.02.2022 | (120000) | Sale | 920000 | 0.77 |
| | | | | 25.02.2022 | (20000) | Sale | 900000 | 0.76 |
| | | | | 11.03.2022 | (2507) | Sale | 897493 | 0.75 |
| | | | | 18.03.2022 | (73493) | Sale | 824000 | 0.69 |
| | | | | 25.03.2022 | (28452) | Sale | 795548 | 0.67 |
| | | | | 31.03.2022 | (20548) | Sale | 775000 | 0.65 |
| | | | | 31.03.2022 | 0 | 0 | 775000 | 0.65 |
| 9 | HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund | 0 | 0.00 | 01.04.2021 | 0 | 0 | 0 | 0.00 |
| | | | | 18.09.2021 | 346996 | Purchase | 346996 | 0.29 |
| | | | | 24.12.2021 | 40000 | Purchase | 386996 | 0.32 |
| | | | | 31.12.2021 | 14000 | Purchase | 400996 | 0.34 |
| | | | | 07.01.2022 | 44102 | Purchase | 445098 | 0.37 |
| | | | | 14.01.2022 | 72000 | Purchase | 517098 | 0.43 |
| | | | | 31.03.2022 | 0 | 0 | 517098 | 0.43 |
| 10 | Rita Duggal | 440300 | 0.39 | 01.04.2021 | 0 | | 440300 | 0.39 |
| | | | | 21.05.2021 | 6000 | Purchase | 446300 | 0.37 |
| | | | | 13.08.2021 | 7000 | Purchase | 453300 | 0.38 |
| | | | | 08.10.2021 | 22500 | Purchase | 475800 | 0.40 |

| | | | | | | | | |
|--|--|--|--|-------------------|----------|----------|---------------|-------------|
| | | | | 14.01.2022 | 4700 | Purchase | 480500 | 0.40 |
| | | | | 21.01.2022 | 15000 | Purchase | 495500 | 0.42 |
| | | | | 11.02.2022 | 15000 | Purchase | 510500 | 0.43 |
| | | | | 04.03.2022 | 5500 | Purchase | 516000 | 0.43 |
| | | | | 31.03.2022 | 0 | 0 | 516000 | 0.43 |

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 (01-04-21 to 31-03-22) | |
|--------|-------------------|---|----------------------------------|-------------------|--|--------|---|----------------------------------|
| | | No. of shares at the beginning of the year (01-04-2021) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1 | Mr. Vijay Agarwal | 34236078 | 30.17 | 01.04.2021 | 0 | | 34236078 | 30.17 |
| | | | | 31.03.2022 | 0 | | 34236078 | 28.75 |
| 2 | Mrs. Mona Agarwal | 30657579 | 27.02 | 01.04.2021 | 0 | | 30657579 | 27.02 |
| | | | | 31.03.2022 | 0 | | 30657579 | 25.74 |
| 3 | Mr. Sorab Agarwal | 7623650 | 6.72 | 01.04.2021 | 0 | | 7623650 | 6.72 |
| | | | | 31.03.2022 | 0 | | 7623650 | 6.40 |
| 4 | Mrs. Surbhi Garg | 6930156 | 6.11 | 01.04.2021 | 0 | | 6930156 | 6.11 |
| | | | | 31.03.2022 | 0 | | 6930156 | 5.82 |
| 5 | Dr. Divya Singal | 20500 | 0.02 | 01.04.2021 | 0 | | 20500 | 0.02 |
| | | | | 31.03.2022 | 0 | | 20500 | 0.02 |
| 6 | Mr. Rajan Luthra | 91 | 0.00 | 01.04.2021 | 0 | | 91 | 0.00 |
| | | | | 30.06.2021 | (91) | Sale | 0 | 0.00 |
| | | | | 31.03.2022 | 0 | | 0 | 0.00 |
| 7 | Mr. Anil Kumar | 0 | 0.00 | 01.04.2021 | 0 | | 0 | 0.00 |
| | | | | 31.03.2022 | 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, 2021) | | | | |
| i) Principal Amount | 5,422.06 | – | – | 5,422.06 |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | 11.56 | – | – | 11.56 |
| Total (i+ii+iii) | 5,433.62 | – | – | 5,433.62 |
| Change in Indebtedness during the financial year | | | | |

| | | | | |
|---|-------------------|---|---|-------------------|
| Additions | – | – | – | – |
| Reduction | 4,661.58 | – | – | 4,661.58 |
| Exchange Difference | – | – | – | – |
| Net Change | (4,661.58) | – | – | (4,661.58) |
| Indebtedness at the end of the financial year (March 31, 2022) | | | | |
| i) Principal Amount | 760.48 | – | – | 760.48 |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | – | – | – | – |
| Total (i+ii+iii) | 760.48 | – | – | 760.48 |

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. | 18.24 | 9.17 | 4.30 | 4.78 | 36.49 |
| (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 | | 306.24 | 150.77 | 58.90 | 52.78 | 568.69 |
| Ceiling as per the Act | | ₹ 1438.12 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. Avinash Parkash Gandhi | Dr. Divya Singal | Mr. Shrinwas Vashisht | Dr. Jagan Nath Chamber | |
| 1 | Independent Directors | | | | | |
| (a) | Fee for attending board / committee meetings | 2.45 | 2.30 | 2.30 | 2.30 | 9.35 |
| (b) | Commission | – | – | – | – | – |
| (c) | Others, please specify | – | – | – | – | – |
| Total (1) | | 2.45 | 2.30 | 2.30 | 2.30 | 9.35 |
| 2 | Other Non-Executive Directors | | | | | |

| | | | | | |
|---|---|-------------|-------------|-------------|-------------|
| (a) Fee for attending board/ committee meetings | - | - | - | - | - |
| (b) Commission | - | - | - | - | - |
| (c) Others, please specify. | - | - | - | - | - |
| Total (2) | - | - | - | - | - |
| Total (1+2) | 2.45 | 2.30 | 2.30 | 2.30 | 9.35 |
| Overall Ceiling as per the Act. | ₹ 143.81 Lakhs (being 1 % of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013). | | | | |

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 | NA | | | |
| (a) | Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | | 50.83 | 8.09 | 58.92 |
| (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 | | | 51.23 | 8.09 | 59.32 |

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 | - | - | - | - | - |

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. | 2021-22 |
| 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 (₹) | 2381.66 Lakhs |
| 2. | Total Turnover (₹) | 163034.37 Lakhs |
| 3. | Total profit after taxes (₹) | 10591.36 Lakhs |
| 4. | Total CSR spent (₹) | 186.59 Lakhs |
| 5. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 1.76% |
| 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 2 subsidiaries as on March 31, 2022. Subsidiaries company are 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:

Principle 1 : 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-IV engines.

(b) **Energy Saving :**

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.

Replacement of all lights with LED across all plants and office area to save energy.

Paint shop oven of the Company running through diesel has been replaced by PNG connections.

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

Main focus on conservation efficient use is always on low cost automation and technology improvement and existing setup.

(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:** 1184

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:** 2325

3. **Please indicate the Number of permanent women employees:** 13

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: 16.80%
 - (b) Permanent Women Employees: 0%
 - (c) Casual/Temporary/Contractual Employees: 11.20%
 - (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. Recently the Company has issued additional order for installation of PV Solar Power Plant of 1000 KWP which will be completed by December 2022.
4. No industrial solid waste is allowed to go out of plant(s) without proper identification in storage & recycle to authorised vendors.
5. 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 results 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 2021-22.

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 through ACE Emergency Response Services Trust, Education & Skill Development 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 ₹ 186.59 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 2021-22, the Company has sold 11,364 total no. of vehicles and during the year (2021-22), total customer cases registered were four (4). Total customer cases pending as on March 31, 2022 are 45. 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 2021-22.

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

In the current financial year 2021-22, 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 in more than Seven

listed entities. Necessary disclosures regarding their directorship and Committee positions (including chairmanship) in other Companies as on March 31, 2022 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 2021-22, four (4) Board Meetings were held i.e. on May 28, 2021, July 31, 2021, November 08, 2021 and February 05, 2022.

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, 2022 are given herein below:

| Name of Directors | Position in the Company | Attendance at Board Meeting out of Four (4) | Attendance at AGM (03.09.2021) | Directorship in other listed Companies & Categories | No. of Directorship in public Companies 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 | – | 3 | – | 1 |
| Mrs. Mona Agarwal (DIN:00057653) | Whole-Time Director | 4 | Yes | – | 2 | – | – |
| Mr. Sorab Agarwal (DIN:00057666) | Whole-Time Director | 4 | Yes | – | 1 | – | 1 |
| Mrs. Surbhi Garg (DIN:01558782) | Whole-Time Director | 4 | Yes | – | 3 | – | – |
| 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 Ltd., (Ind-Director) | 9 | 2 | 6 |

| | | | | | | | |
|--|---|---|-----|---|---|---|---|
| Dr. Divya Singal (DIN: 08722144) | Independent Non-executive (Independent Woman Director) | 4 | Yes | - | 1 | 1 | - |
| Mr. Shriniwas Vashisht (DIN:06572418) | Independent Non-executive | 4 | Yes | - | 1 | - | 1 |
| Dr. Jagan Nath Chamber (DIN: 08841478) | Independent Non-executive | 4 | Yes | - | 1 | 0 | 1 |

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, 2022 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 February 05, 2022 without the presence of Non-Independent Directors and members of management.

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

| S. N. | Name of the Directors | No. of Meetings | |
|-------|----------------------------|-----------------|----------|
| | | Held | Attended |
| 1. | Mr. Avinash Parkash Gandhi | 1 | 1 |
| 2. | Dr. Divya Singal | 1 | 1 |
| 3. | Mr. Shriniwas Vashisht | 1 | 1 |
| 4. | Dr. Jagan Nath Chamber | 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.

- (a) General management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders;
- (b) Sales & Marketing: Experience in sales and marketing

management based on understanding of the construction equipment industry and Agri Business;

- (c) International Business experience: Experience in leading businesses in different geographies/ markets around the world;
- (d) Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.;
- (e) 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 confirms 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 2021-22.

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 the 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 7 (Seven) 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);**
- (G) **Qualified Institutions Placement Committee (QIP)**

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.

During the year, four meetings were held i.e. on May 28, 2021, July 31, 2021, November 08, 2021 and February 05, 2022.

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

| Name of Members | Designation/Category | No. of Meetings | |
|----------------------------|----------------------|-----------------|----------|
| | | Held | Attended |
| Mr. Avinash Parkash Gandhi | Chairman/Independent | 4 | 4 |
| Mr. Vijay Agarwal | Member/Executive | 4 | 4 |
| Mr. Shrinivas Vashisht | Member/Independent | 4 | 4 |
| Dr. Jagan Nath Chamber | Member/Independent | 4 | 4 |

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, right 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 right 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 03, 2021.
- The MD, CFO and the Statutory Auditors of the Company are permanent invitees to the meetings of the Audit Committee.

(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.

During the year, one meeting was held i.e. on July 31, 2021. The details of Composition and attendance of the Nomination and Remuneration Committee are given below:-

| Name of Members | Designation/ Category | No. of Meetings | |
|----------------------------|-----------------------|-----------------|----------|
| | | Held | Attended |
| Mr. Shrinivas Vashisht | Chairman/ Independent | 1 | 1 |
| Dr. Divya Singal | Member/ Independent | 1 | 1 |
| Mr. Avinash Parkash Gandhi | Member/ Independent | 1 | 1 |

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.

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.

During the year, one meeting was held i.e. on May 28, 2021.

The details of composition and attendance of the Stakeholders Relationship Committee are given below:-

| Name of Members | Designation/ Category | No. of Meetings | |
|----------------------------|-----------------------|-----------------|----------|
| | | Held | Attended |
| Dr. Divya Singal | Chairman/ Independent | 1 | 1 |
| Mr. Avinash Parkash Gandhi | Member/ Independent | 1 | 1 |
| Mr. Sorab Agarwal | Member/ Executive | 1 | 1 |

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 2021-22 are given below:

| S. N. | Nature of Investor Grievance | Total |
|-------|--|-------|
| 1. | Complaints pending at the beginning of the year as on April 01, 2021 | NIL |
| 2. | Complaints received during the year | |
| | • Non receipt of dividend | 1 |
| | • Non receipt of shares sent for transfer | NIL |
| | • Non receipt of Annual Report | 1 |

| | | |
|----|--|-----|
| • | Non confirmation of dematerialization/ re-materialization of shares | NIL |
| • | Miscellaneous | NIL |
| 3. | Complaints disposed-off during the year | 2 |
| 4. | Complaints pending at the end of the year as on March 31, 2022 | NIL |

Pending Share Transfers

No requests for transfer and/or dematerialisation were pending for redressal as on March 31, 2022.

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.

During the year, one meeting was held i.e. on May 28, 2021.

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

| Name of Members | Designation/ Category | No. of Meetings | |
|------------------------|--------------------------|-----------------|----------|
| | | Held | Attended |
| Dr. Divya Singal | Chairman/ Independent | 1 | 1 |
| Mrs. Mona Agarwal | Member/ Executive | 1 | 1 |
| Dr. Jagan Nath Chamber | Member/ Independent | 1 | 1 |

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)

The Risk Management Committee of the Company has been constituted in terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

During the year, two meetings were held i.e. on November 8, 2021 and February 05, 2022.

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

| Name of the Members | Designation/ Category | No. of Meetings | |
|---------------------|--------------------------|-----------------|----------|
| | | Held | Attended |
| Mr. Vijay Agarwal | Chairman/ Executive | 2 | 2 |
| Mr. Sorab Agarwal | Member/ Executive | 2 | 2 |
| Dr. Divya Singal | Member/ Independent | 2 | 2 |

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;
 - Measures for risk mitigation including systems and processes for internal control of identified risks and;
 - Business continuity plan.
- 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, Four (4) meetings were held i.e. on April 27, 2021, December 24, 2021, January 12, 2022 and March 21, 2022.

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

| Name of Members | Designation / Category | No. of Meetings | |
|-------------------|------------------------|-----------------|----------|
| | | Held | Attended |
| Mr. Vijay Agarwal | Chairman/ Executive | 4 | 4 |
| Mrs. Mona Agarwal | Member/ Executive | 4 | 4 |
| Mr. Sorab Agarwal | Member/ Executive | 4 | 4 |

(G) QUALIFIED INSTITUTIONS PLACEMENT COMMITTEE (“QIP COMMITTEE”).

The Board of Directors in their meeting held on July 31, 2021 has constituted the Qualified Institutions Placement Committee (‘QIP Committee’) to do such acts, deeds, and things, in its absolute discretion, as it deems necessary or desirable in connection with raising of funds by issuance of securities by way of qualified institutions placement(s).

During the year, the QIP Committee met three (3) times i.e. on September 20, 2021, September 23, 2021 and September 24, 2021.

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

| Name of Members | Designation/ Category | No. of Meetings | |
|-------------------|-----------------------|-----------------|----------|
| | | Held | Attended |
| Mr. Vijay Agarwal | Chairman/ Executive | 3 | 3 |
| Mrs. Mona Agarwal | Member/ Executive | 3 | 3 |
| Mr. Sorab Agarwal | Member/ Executive | 3 | 3 |

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 2021-22:

| S. No. | Name of the Directors | (₹ in Lakhs) |
|--------|----------------------------|--------------|
| 1. | Mr. Avinash Parkash Gandhi | 2.45 |
| 2. | Dr. Divya Singal | 2.30 |
| 3. | Mr. Shrinivas Vashisht | 2.30 |
| 4. | Dr. Jagan Nath Chamber | 2.30 |

(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 2021-22:

(₹ in lakhs)

| Names of the Directors | Salary | Benefits and perquisites | Total |
|---|---------------|--------------------------|---------------|
| Mr. Vijay Agarwal (Chairman & Managing Director) | 288.00 | 18.24 | 306.24 |
| Mrs. Mona Agarwal (Whole-Time Director) | 141.60 | 9.17 | 150.77 |
| Mr. Sorab Agarwal (Whole-Time Director) | 54.60 | 4.30 | 58.90 |
| Mrs. Surbhi Garg (Whole-Time Director) | 48.00 | 4.78 | 52.78 |
| Total | 532.20 | 36.49 | 568.69 |

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

Directors are not entitled to any fixed component and 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:

| Financial Year | AGM | Date & Time | Venue |
|----------------|------------------|--------------------------|--|
| 2020-21 | 27 th | 03.09.2021 12:00 Noon | Through video conferencing ("VC")/ Other Audio Visual Means("OAVM") |
| 2019-20 | 26 th | 24.09.2020 11:30 a.m. | Through video conferencing ("VC")/ Other Audio Visual Means("OAVM") |
| 2018-19 | 25 th | 27.09.2019 11:30 a.m. | Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001. |

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

| Year | Special Resolution passed |
|---------|---|
| 2018-19 | 1. Re-appointment of Mrs. Surbhi Garg as Whole-Time Director, Designated as Executive Director of the Company. 2. Appointment of Mr. Avinash Parkash Gandhi (as an Independent Non-Executive Director of the company. |
| 2019-20 | None |
| 2020-21 | 1. Appointment of Dr. Jagan Nath Chamber as an Independent Non-Executive Director of the Company. 2. Re-classification of Authorised Share Capital of the Company. 3. Approval of Action Construction Equipment Limited Employees Stock Option Scheme – 2021. 4. To approve acquisition of Equity Shares by way of secondary acquisition under Action Construction Equipment Limited Employees Stock Option Scheme-2021. 5. 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. 6. 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. |

(c) Extraordinary General Meetings

No Extraordinary General Meetings were held during the three preceding years.

(d) Special Resolution (s) passed last year (2021-22) through Postal Ballot, detail of voting pattern and the procedure thereof:

During the financial year 2021-22, no special resolution has been passed through postal ballot.

(e) Person who conducted the postal ballot exercise:

Not Applicable

(f) 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.

(g) 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 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, transcript 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 redressal 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/ Digital Portal for NSE and on BSE Listing Centre for BSE.

GENERAL SHAREHOLDER INFORMATION:

1. Corporate Identification Number (CIN)

L74899HR1995PLC053860

2. Registered Office

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

3. Forthcoming Annual General Meeting

Day & Date : Tuesday, September 20, 2022

Time : 12:00 Noon (IST)

Mode/Venue : Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")

4. Book Closure

The register of members and share transfer books of the Company will be closed from **Tuesday, September 13, 2022 to Tuesday, September 20, 2022** (both days inclusive) for the purpose of payment of dividend for the FY 2021-22 and for the purpose of 28th AGM.

5. Financial Calendar

The Financial Year is April 1 to March 31 every year.

Tentative schedule for declaration of financial results during the financial year 2022-23.

| Particular | Schedule /Tentative Dates |
|--|--|
| Quarter ending June 30, 2022 | 2 nd Week of August, 2022 |
| Quarter ending Septtember 30, 2022 | 2 nd Week of November, 2022 |
| Quarter ending December 31, 2022 | 2 nd Week of February, 2023 |
| Quarter and FY ended March 31, 2023 | 3 rd Week of May, 2023 |
| AGM for the year ending March 31, 2023 | Last Week of September, 2023 |

6. Dividend payment date

Final Dividend for FY 2021-22 of ₹ 0.60 (30%) per equity shares recommended by the Board of Directors at its meeting held on May 23, 2022, if approved by the shareholders shall be paid within 30 days from the date of declaration.

7. Listing on Stocke Exchange

| Name and Address of Stock Exchange | Stock Code |
|---|------------|
| BSE Limited (BSE), Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001 | 532762 |
| National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 | ACE |

8. ISIN for Depositories: INE731H01025

9. Listing Fees for the financial year 2022-23 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) 2021-22 | NSE | | BSE | |
|---------------------|----------------|---------------|----------------|---------------|
| | High (In ₹) | Low (In ₹) | High (In ₹) | Low (In ₹) |
| April, 2021 | 169.00 | 142.30 | 169.00 | 142.00 |
| May, 2021 | 179.15 | 139.45 | 179.50 | 139.65 |
| June, 2021 | 247.70 | 163.70 | 248.00 | 163.80 |
| July, 2021 | 271.90 | 222.00 | 271.75 | 221.55 |
| August, 2021 | 263.50 | 192.05 | 263.50 | 192.25 |

| | | | | |
|-----------------|--------|--------|--------|--------|
| September, 2021 | 291.75 | 230.35 | 291.55 | 230.45 |
| October, 2021 | 276.75 | 225.80 | 276.70 | 223.00 |
| November, 2021 | 272.45 | 199.00 | 272.10 | 198.80 |
| December, 2021 | 238.95 | 203.40 | 238.80 | 203.50 |
| January, 2022 | 246.90 | 204.60 | 246.65 | 204.00 |
| February, 2022 | 248.80 | 198.35 | 248.85 | 199.00 |
| March, 2022 | 242.30 | 206.00 | 242.00 | 206.00 |

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



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:

The Company has appointed Skyline Financial Services Private Limited is the Company's Registrar and Share Transfer Agent (RTA). 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 Stakeholder's Relationship Committee of the company take note of the transfer, transmission, remat, demat, split and consolidation share certificates etc. periodically.

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.

In terms of Regulation 40 of the SEBI LODR, as amended no transfer shares in physical mode is permitted.

15. Ownership Pattern as on March 31, 2022:

| Category | No. of share-holders | No. of shares held | % of total share-holding |
|--|----------------------|--------------------|--------------------------|
| Promoters | | | |
| Indian Promoters | 5 | 79497463 | 66.76 |
| Non Promoters | | | |
| Institutional Investors | | | |
| Mutual Fund | 24 | 3175635 | 2.67 |
| Alternative Investment Fund | 1 | 158000 | 0.13 |
| Foreign Portfolio Investors | 24 | 5763667 | 4.84 |
| Banks/Financial Institutions/Insurance Company | 3 | 818181 | 0.69 |
| Non-Institutional Investor | | | |
| Bodies Corporate | 231 | 807701 | 0.68 |
| Indian Public* | 94653 | 27224428 | 22.86 |
| Non Resident Indians | 809 | 1311127 | 1.10 |
| NRI Non-Repatriation | 402 | 326994 | 0.27 |
| Total | 96152 | 119083196 | 100.00 |

*Indian Public shareholding includes shareholdings of 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 PAN consolidated shareholder are 92888.

16. Shareholding Pattern by size as on March 31, 2022 on the basis of Shares held:

| Category | No. of Share-holders | % to total Share-holders | No of shares | % of total Shares |
|----------------|----------------------|--------------------------|------------------|-------------------|
| upto 1-5000 | 94954 | 98.76 | 13643554 | 11.46 |
| 5001-10000 | 607 | 0.63 | 2218849 | 1.86 |
| 10001-20000 | 299 | 0.31 | 2200775 | 1.85 |
| 20001-30000 | 77 | 0.08 | 960864 | 0.81 |
| 30001-40000 | 58 | 0.06 | 1027055 | 0.86 |
| 40001-50000 | 31 | 0.03 | 704273 | 0.59 |
| 50001-100000 | 50 | 0.05 | 1811989 | 1.52 |
| 100001 & ABOVE | 76 | 0.08 | 96515837 | 81.05 |
| | 96152 | 100 | 119083196 | 100 |

17. Dematerialization of Shares and Liquidity:

As on March 31, 2022, 99.98% 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.

| Mode of holding | No. of Holders | No. of Shares | % to Total Issued Equity |
|-----------------|----------------|------------------|--------------------------|
| PHYSICAL | 1306 | 25521 | 0.02 |
| NSDL | 29407 | 65139718 | 54.70 |
| CDSL | 65439 | 53917957 | 45.28 |
| Total | 96152 | 119083196 | 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, 2022.

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, Distt. Palwal-121102, Haryana.
Phone: + 91-1275-280111 & + 91-1275-280103
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,
Distt. Palwal – 121102, Haryana.
Phone: + 91-1275-280103
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 ₹ 105 Crore and all redemption payments were made to the beneficiaries of CP on due dates. As on March 31, 2022, 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, 2022.

ICRA Limited on April 05, 2022 has upgraded the long term rating to [ICRA]AA (pronounced ICRA Double A) from [ICRA]AA- (pronounced ICRA Double A Minus) and re-affirmed the short-term rating at [ICRA]A1+ (pronounced ICRA A One Plus). The outlook on the long-term Rating has been revised to Stable from Positive. Further, rating action details are given herein below:

| Instrument/ Facilities | Rating (March 31, 2022) | Revised Rating (April 05, 2022) |
|--|--|--|
| (Long Term Facilities) Long Term Rating | [ICRA]AA- (Positive) (pronounced ICRA double A minus) with a positive outlook | [ICRA]AA (Stable) (pronounced ICRA double A) with a stable outlook |
| (Short Term Facilities) Short Term Rating | [ICRA]A1+ (pronounced ICRA A one plus) | [ICRA]A1+ (pronounced ICRA A one plus) (reaf- firmed). |
| Commercial paper | [ICRA]A1+ (pronounced ICRA A one plus) | [ICRA]A1+ (pronounced ICRA A one plus) (reaffirmed) |



OTHER DISCLOSURES

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

During the financial year under review, 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, 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, 2022, the Company has three subsidiaries. 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:

During the year under review, pursuant to provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"), pursuant to the resolutions of the Board of Directors of the Company dated July 31, 2021 authorizing Qualified Institutions Placement Committee ("QIP Committee"), the special resolution dated September 3, 2021, passed by the shareholders of the Company and Section 42 and Section 62 of the Companies Act, 2013, as amended and in-principle approvals granted by BSE Limited and the National Stock Exchange of India Limited ("Stock Exchanges"), the Company has issued and allotted 56,00,000 Equity Shares of face value of ₹ 2 each to eligible qualified institutional buyers at the issue price of ₹ 242 per Equity Shares (including a premium of ₹ 240 per Equity Shares) against the Floor Price of ₹ 254.55 per Equity Shares, aggregating to ₹ 13552.00 lakhs.

Pursuant to the allotment of above-mentioned Equity Shares, the paid-up equity share capital of the Company stands increased from ₹ 22.70 crore, comprising of 11,34,83,196 Equity Shares to ₹ 23.82 crore, comprising of 11,90,83,196 Equity Shares.

BSE Limited and National Stock Exchange of India Limited has granted listing approval for 56,00,000 Equity Shares of ₹ 2/- each bearing dist. Nos. 117323001 to 122923000 issued to QIBs through Qualified Institutional Placement on September 24, 2021.

BSE Limited and National Stock Exchange of India Limited has granted trading approval for 56,00,000 Equity Shares of ₹ 2/- each bearing dist. Nos. 117323001 to 122923000 allotted to QIBs through Qualified Institutional Placement w.e.f. September 28, 2021.

Further, expenses incurred in relation to QIP paid/provided amounting to ₹ 378.13 lakhs has been adjusted from Securities Premium Account and the utilisation out of such net amount of (₹13552.00 - ₹378.13 = ₹13173.87 Lakhs) till

March 31, 2022 is given below. The balance amount of QIP proceeds remains invested in Bonds, Debentures, Mutual Funds, Fixed Deposits, Alternative Investment fund, Portfolio Management Services with Banks and Financial Institutions.

| Particulars | (₹ in Lakhs) |
|---|--------------|
| Balance Unutilised funds | 13173.87 |
| Utilised during the year | 3446.80 |
| Balance Unutilised funds as at the year end | 9727.07 |

8. Certificate from Practicing Company Secretary:

Certificate as required under Part C (10) (i) of Schedule V of Listing Regulations, received from M/s Vasisth & 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 2021-22, 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. 28 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 2021-22 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. Disclosure relating 'Loans and Advances in the nature of loans to firms/Companies in which directors are interested.

During the year under review, the Company has not given any loan and advances in the nature of loan to any firms/Companies in which directors are interested.

13. 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 2021-22 are as follows:

| Relevant Financial year | Unclaimed dividend transferred (Amount in ₹) | Number of shares transferred |
|-------------------------|--|------------------------------|
| 2013-2014 | 41,281 | 3,929 |
| Total | 41,281 | 3,929 |

During the financial year 2022-23, the due date for transferring unclaimed final dividend amount for the financial year ended March 31, 2015 would be October 25, 2022 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, Tel. No.: 01275-280103

Address: Dudhola Link Road, Dudhola, Palwal-121102, HR.

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

| S. N. | Financial Year | Last Date for claiming unpaid dividend |
|-------|--------------------------|--|
| 1. | Final Dividend 2014-15 | 25.10.2022 |
| 2. | Interim Dividend 2015-16 | 15.04.2023 |
| 3. | Final Dividend 2016-17 | 30.10.2024 |
| 4. | Final Dividend 2017-18 | 31.10.2025 |
| 5. | Final Dividend 2018-19 | 31.10.2026 |
| 6. | Interim Dividend 2019-20 | 21.04.2027 |
| 7. | Final Dividend 2020-21 | 10.10.2028 |

Pursuant to the provisions of IEPF 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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, 2022 is annexed with it as **Annexure II** and forms an integral part of the Annual Report.

22. 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.

24. 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.

25. 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

Sd/-

Vijay Agarwal

Chairman & Managing Director

DIN: 00057634

Place: New Delhi

Date: August 10, 2022

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, 2022 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-F011517D000275066
FCS: 11517
CP: 21476
PR: 844/2020

Place: New Delhi
Date: May 05, 2022

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, 2022, 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: New Delhi
Date: August 10, 2022

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, 2022 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: New Delhi
Date: August 10, 2022

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, 2022, 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**

**Place: Delhi
Date : August 10, 2022**

**Sd/-
Shobhit Vasisht
Proprietor
UDIN: F011517D000772299
FCS: 11517
CP: 21476
PR: 2355/2022**

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 31st March 2022 and the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the standalone 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 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 companies (Indian Accounting Standards) Rules 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 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 (ICAI) 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 thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone 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 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 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 financial statements.

| Sr. No. | Key Audit Matters | How Our audit addressed the key audit matters |
|---------|--|---|
| 1. | Revenue Recognition | |
| | The Company’s revenue stream from various segments having multiplicity of products, sales transactions, distribution network. The contracts/ arrangement with customers across these segments are different involving significant risks 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 | Our principal audit procedures performed, among others to obtain sufficient and appropriate audit evidence included: <ul style="list-style-type: none"> - Understood the system and procedures for recognising revenue when the performance obligations are met. - 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; |

| Sr. No. | Key Audit Matters | How Our audit addressed the key audit matters |
|---------|--|---|
| 1. | Revenue Recognition | |
| | <p>to the customer, usually on delivery of goods. Revenue is measured at fair value of consideration received or receivable net of sales returns, discounts/rebates and taxes or duties collected on behalf of Government. We refer to the Company's significant accounting policy in note 1.3(a). 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> | <ul style="list-style-type: none"> - Appraised the integrity of information and technology general control environment and testing the operating effectiveness of key IT application controls. - Assessed the appropriateness of revenue recognition accounting policies and disclosures in the notes to the Standalone Ind AS Financial Statements by comparing them with the applicable accounting standard. - Evaluated the design and implementation of Company's controls in respect of revenue recognition and the effectiveness of such controls over revenue cut off at year-end. - On a sample basis, made selections of transactions from sales entries and traced to their contracts, invoices, delivery challan and goods outward register. Scrutinised sales ledgers to verify completeness of sales transactions. - Reviewed samples of contracts with respect to the unbilled revenues to identify possible delays in achieving milestones. - 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. - Selecting a sample of trade receivables outstanding at the year end and assessing their recoverability. |

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 information included in the Board of Directors report and management discussion and analysis section of the annual report, corporate governance report and business responsibility report but does not include the standalone financial statements and our auditor's report thereon

Our opinion on the standalone 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 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 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 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 other 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 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 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 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 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 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 financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 financial statements for the financial year ended March 31, 2022 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, 2020 ("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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 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/provided 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 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.
 - iv.
 - (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in notes to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v.
 - (a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with section 123 of the Act, as applicable.
 - (b) As stated in Note 32 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with section 123 of the Act as applicable.

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

CA Ravi Gulati
Partner
Membership No. 090672
UDIN: 22090672AJMJDA7767

Annexure A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company on the Ind AS Standalone Financial Statements for the year ended March 31, 2022, we report

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment, capital work -in -progress and relevant details of Right -of-Use- Assets.
- (B) The Company has maintained proper records showing full particulars of intangible 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) Based on the examination of the registered sale deed/conveyance deed provided to us we report that the title deeds of all the immovable properties (other than those that have been taken on lease) disclosed in the standalone financial statements included in property plant and equipment are held in the name of the company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed in the standalone financial statements as Right-Of-Use as at the balance sheet date, the lease agreements are duly executed in favour of the Company, except for the following:-

| S. N. | Description of Property | Gross Carrying Value (₹ in Lacs) | Held in Name of | Whether Promoter, director or their relative or employee | Period Held | Reasons for not being held in name of Company |
|-------|-------------------------------|----------------------------------|---|--|-------------------------|---|
| 1 | Property, Plant and Equipment | 146.43 | M/s Brightways Housing & Land Development | No | From August 7, 2007 | Refer Note 2 to the standalone financial statements |
| 2 | Property, Plant and Equipment | 1283.74 | M/s Godavari Shilpkala Limited | No | From March 31, 2021 | |
| 3 | Property, Plant and Equipment | 33.86 | M/s K.K. Enterprises | No | From November 3, 2000 | |
| 4 | Property, Plant and Equipment | 380.53 | Mr. Vijay Agarwal | Promoter Director | From February 12, 2021 | |
| 5 | Property, Plant and Equipment | 300.00 | Mr. Vijay Agarwal and Mrs. Mona Agarwal | Promoter Directors | From March 30, 2021 | |
| 6 | Property, Plant and Equipment | 4554.43 | DLF Limited | No | From September 01, 2019 | |
| 7 | Property, Plant and Equipment | 101.34 | M/s Steelfab Private Limited | No | From August 13, 1997 | |

- (d) The Company has not revalued any of its Property Plant and Equipment (including Right- of- Use assets) or intangible assets during the year ended March 31,2022.
- (e) As represented to us by the management there are no proceedings initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Inventories except for goods-in -transit and stocks held with third parties were physical verified during the year by the management at reasonable intervals.

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. For stock held with third parties at the year end the Management has carried out physical verification and written confirmation have also been obtained.

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 of inventory as compared to the books of accounts were not 10% or more in aggregate of each category of inventory. The discrepancies noticed on physical verification by the Management have been properly adjusted in the books of accounts.

- (b) As disclosed in Note 14 to the independent financial statements, the Company has been sanctioned working capital limits in excess of Rs five crores in aggregate from banks during the year based on the security of current assets of the Company. Based on the records examined by us in the normal course of audit of the independent financial statements the quarterly returns/statements filed by the company with such banks are in agreement with the books of accounts of the company.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any loans, advances in the nature of loans stood guarantee or provided security to the companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report under clause 3(iii)(a), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- (b) In respect of the investments, the terms and conditions of such investments are not prejudicial to the interest of the Company.
- (iv) According to the information and explanation given to us, the Company has not granted any loans, or provided any guarantee or security to the parties mentioned in Section 185 and Section 186 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made by it.
- (v) The Company has not accepted any deposits or any amounts which are deemed to be deposits 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 to the Company. According to information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or other Tribunal.
- (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 Act in respect of its products. We have broadly reviewed the books of accounts maintained by the Company and are of the opinion that the prescribed books of accounts and records have been prepared and maintained. We have not, however made a detailed examination of the same to determine their accuracy and completeness.
- (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 and on the basis of our examination of records of the Company, 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, 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, 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 | 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 | Addl. Commissioner |
| The west Bengal Act 2003 | Sale tax | 1262.31 | 2006-07 to 2012-13 | Addl. Commissioner Review Board (West Bengal) |

- (viii) According to the information and explanations given to us and examined by us from the books of accounts of the Company, the Company has not surrendered or disclosed any transactions related to previously unrecorded income in the books of accounts in the tax assessments under the Income Tax Act 1961.
- (ix) (a) As per the information and explanation given us and verified by us from the records, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared willful defaulter by any bank or financial institution or government or any other government authority.
- (c) In our opinion and based on the information and according to the explanations given to us, the Company has utilized the money obtained by way of term loans for the purposes for which they were obtained.
- (d) As per the information and explanations given to us, the audit procedures followed by us and on an overall examination of the financial statements of the Company no funds raised on short term basis have been used for long term purpose by the company.
- (e) According to the information and explanations given to us and examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of the subsidiaries.
- (f) According to the information and explanations given to us and our verification the same, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) Based on examination of books of accounts and records of the Company and according to the information and explanation given us, the company has not raised any money during the year by way of initial public offer /further public offer (including debt instruments) hence the requirement to report on clause 3(x) (a) of the Order is not applicable to the company.
- (b) The Company has made Qualified Institutions Placement of Equity Shares during the year. As per the information and explanations given to us and disclosed in the Notes 12 & 36 to the standalone financial statements, the Company has complied with the requirements of Section 42 and Section 62 of the Act and Rules framed thereunder with respect to the same. The amount so raised have been utilized for the purpose for which the funds were raised except for idle funds of Rs 9727.07 lacs which were not required for immediate utilization and have been parked in liquid investments. The Company did not make any preferential allotment or private placement of fully or partially or optionally convertible debentures during the year.
- (xi) (a) According to the information and explanations given to us and our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India and keeping in view the principles of materiality, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) As per the information and explanations given to us, no report under Sub-Section (12) of Section 143 of the Act read with Rule 13 of the Companies (Audit and Auditors) Rules 2014 has been filed by the auditors in ADT-4 with the Central Government during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, the Company has entered into transactions with the related parties in compliance with Sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the standalone financial statements as required under the Indian Accounting Standard 24 "Related Party Disclosures"
- (xiv) (a) In our opinion and as per the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued during the year under audit.
- (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 its directors or directors of its subsidiary companies or persons connected with them. Accordingly, reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order are not applicable.

- (xvi) (a) In accordance to the information and explanations given to us and based on our verification of the records, the provisions of Section 45-IA of the Reserve Bank of India Act 1934 regarding “ Requirements of Registration and Net Owned Fund” are not applicable to the Company. Hence reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) Based on the examination of records and as per the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and on verification of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations prescribed by Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) As represented by the management, the Group does not have any Core Investment Company (CIC) which are part of the Group. However, we have not separately evaluated the accuracy and completeness of the information.
- (xvii) The company has not incurred cash losses during the financial year under audit or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company
- (xix) In accordance to the information and explanations given to us and based on the financial ratios (PI refer Note 41 to standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and our examination of evidence supporting the assumptions, we opine that nothing has come to our attention causing us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) (a) In accordance to the information and explanations given to us, in respect of other than ongoing projects as at the balance sheet date, the company has no amount remaining unspent on Corporate Social Responsibility (CSR) within the provisions of Sub-Section (5) of Section 135 of the Act (PI refer to Note No 40). Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) Based on the information and explanations given to us, there are no ongoing projects as at the balance sheet date, within the provisions of Sub-Section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable to the standalone financial statements. No comments have been included in respect the clause under this report.

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

CA Ravi Gulati
Partner
Membership No. 090672
UDIN: 22090672AJMJDA7767

Place : Faridabad
Date : 23rd May 2022

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, 2022 in conjunction with our audit of the standalone 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 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 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, 2022, 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: 22090672AJMJDA7767

Place : Faridabad
Date : 23rd May 2022

Standalone Balance Sheet as at March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | Notes | As at March 31, 2022 | As at March 31, 2021 |
|--|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 42,812.40 | 40,774.35 |
| Capital work in progress | 2 | 2,429.27 | 1,254.87 |
| Investment properties | 3 | 1,175.29 | 1,198.86 |
| Intangible assets | 4 | 266.14 | 122.38 |
| Financial assets | | | |
| i. Investments | 5 | 7,572.42 | 1,289.23 |
| ii. Other financial assets | 6 | 1,651.06 | 659.35 |
| Other non-current assets | 7 | 651.64 | 972.66 |
| Non-current tax assets (Net) | | – | 14.19 |
| Total non-current assets | | 56,558.22 | 46,285.89 |
| Current assets | | | |
| Inventories | 8 | 33,246.58 | 26,568.54 |
| Financial assets | | | |
| i. Investments | 5 | 11,046.58 | 2,504.74 |
| ii. Trade receivables | 9 | 18,972.54 | 22,459.23 |
| iii. Cash and cash equivalents | 10 | 543.42 | 3,281.10 |
| iv. Bank balances other than (iii) above | 11 | 858.11 | 362.67 |
| v. Other current financial assets | 6 | 298.10 | 230.20 |
| Other current assets | 7 | 6,377.44 | 3,572.55 |
| Current tax Assets (Net) | | 36.28 | 22.93 |
| Total current assets | | 71,379.05 | 59,001.96 |
| Total Assets | | 1,27,937.27 | 1,05,287.85 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12 | 2,381.66 | 2,269.66 |
| Other equity | 13 | 73,127.18 | 50,076.68 |
| Total Equity | | 75,508.84 | 52,346.34 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | – | 2,013.40 |
| ii. Lease liability | 15 | 75.11 | 13.46 |
| Provisions | 16 | 226.90 | 185.35 |
| Deferred tax liabilities (Net) | 17 | 1,365.89 | 1,605.94 |
| Total non-current liabilities | | 1,667.90 | 3,818.15 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | 760.48 | 3,408.66 |
| ii. Lease Liability | 15 | 28.30 | 22.18 |
| iii. Trade payables | 18 | | |
| (a) Total outstanding dues of micro and small enterprises | | 869.74 | 3,851.68 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | | 35,222.14 | 29,190.22 |
| iv. Other financial liabilities | 19 | 9,217.81 | 8,538.33 |
| Other current liabilities | 20 | 4,112.14 | 3,786.51 |
| Provisions | 16 | 178.64 | 141.84 |
| Current tax liabilities (Net) | | 371.28 | 183.94 |
| Total current liabilities | | 50,760.53 | 49,123.36 |
| Total Equity and Liabilities | | 1,27,937.27 | 1,05,287.85 |

The accompanying Notes (1 to 45) 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 23, 2022

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, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | Notes | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|-------|------------------------------|------------------------------|
| Income | | | |
| Revenue from operations | 21 | 1,63,034.37 | 1,22,700.91 |
| Other income | 22 | 1,502.42 | 1,530.59 |
| Total income | | 1,64,536.79 | 1,24,231.50 |
| Expenses | | | |
| Cost of materials consumed | 23 | 1,19,045.35 | 87,709.76 |
| Purchase of stock-in-trade | | 251.04 | 606.07 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 24 | (2,126.63) | (2,721.25) |
| Employee benefits expenses | 25 | 8,445.36 | 7,208.81 |
| Finance costs | 26 | 1,372.65 | 1,223.28 |
| Depreciation and amortisation expenses | 27 | 1,528.08 | 1,394.48 |
| Other expenses | 28 | 22,186.59 | 17,962.51 |
| Total expenses | | 1,50,702.44 | 1,13,383.66 |
| Profit before exceptional items and tax | | 13,834.35 | 10,847.84 |
| Exceptional items | | — | — |
| Profit before tax | | 13,834.35 | 10,847.84 |
| Tax expense | 29 | | |
| Current tax | | 3,471.17 | 2,669.98 |
| Deferred tax | | (228.18) | 161.93 |
| Profit after tax | | 10,591.36 | 8,015.93 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of post employment defined benefit obligation | | (47.18) | 101.52 |
| Income tax relating to these items | | 11.87 | (25.55) |
| Other Comprehensive income for the year (net of tax) | | (35.31) | 75.97 |
| Total comprehensive income for the year | | 10,556.05 | 8,091.90 |
| Earnings per equity share (Face Value of ₹ 2/- each) | 35 | | |
| Basic (₹) | | 9.10 | 7.06 |
| Diluted (₹) | | 9.10 | 7.06 |

The accompanying Notes (1 to 45) 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 23, 2022

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 Changes in Equity for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

| Particulars | Amount |
|-------------------------------------|-----------------|
| Balance as at April 1, 2020 | 2,269.66 |
| Increase/(Decrease) during the year | – |
| Balance as at March 31, 2021 | 2,269.66 |
| Increase/(Decrease) during the year | 112.00 |
| Balance as at March 31, 2022 | 2,381.66 |

B) Other equity

| Particulars | General Reserve | Capital Redemption Reserve | Securities Premium | Retained Earnings | Total |
|---|-----------------|----------------------------|--------------------|-------------------|------------------|
| Balance as at April 1, 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 |
| Re-measurement gains/(losses) on defined benefit plans net of tax | – | – | – | 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 |
| Profit for the year | – | – | – | 10,591.36 | 10,591.36 |
| Re-measurement gains/(losses) on defined benefit plans net of tax | – | – | – | (35.31) | (35.31) |
| Equity Dividend Paid | – | – | – | (567.42) | (567.42) |
| Amount received on issue of equity shares | – | – | 13,440.00 | – | 13,440.00 |
| Expenses incurred on issue of equity shares | – | – | (378.13) | – | (378.13) |
| Balance as at March 31, 2022 | 9,925.00 | 3,098.74 | 18,337.38 | 41,766.06 | 73,127.18 |

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 23, 2022

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, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 13,834.35 | 10,847.84 |
| Adjustments for | | |
| Depreciation and amortisation expense | 1,528.08 | 1,394.48 |
| Gain on disposal of property, plant and equipment | (32.82) | (538.64) |
| Loss on disposal of property, plant and equipment | 11.13 | 17.35 |
| Gain on modification of lease | (0.71) | (2.58) |
| Unrealised foreign exchange fluctuation | (26.42) | (33.07) |
| Interest income | (175.37) | (62.00) |
| (Gain)/ loss on Investments carried at fair value through profit or loss (net) | (417.41) | (462.94) |
| Rental income classified as investing cash flows | (38.84) | (43.75) |
| Finance costs | 1,372.65 | 1,223.28 |
| Trade & other receivables written off (Bad Debts) | 149.54 | 494.26 |
| Provision for doubtful receivable & advances (net) | 746.02 | 716.87 |
| Operating profit before working capital changes | 16,950.20 | 13,551.10 |
| Change in operating assets and liabilities | | |
| (Increase)/Decrease in trade receivables | 3,160.34 | (8,303.78) |
| (Increase)/Decrease in inventories | (6,678.04) | 457.34 |
| (Increase)/Decrease in other financial assets | 12.69 | (49.43) |
| (Increase)/Decrease in other current assets | (3,375.05) | 622.13 |
| Increase/(Decrease) in trade payables | 3,029.67 | 987.75 |
| Increase/(Decrease) in provisions | 78.35 | (53.49) |
| Increase/(Decrease) in other financial liabilities | 679.45 | 2,322.21 |
| Increase/(Decrease) in other current liabilities | 325.63 | 1,472.58 |
| Cash generated from operating activities | 14,183.24 | 11,006.41 |
| Income taxes paid | (3,283.01) | (2,400.88) |
| Net cash inflow/(outflow) from operating activities | 10,900.23 | 8,605.53 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (3,769.59) | (4,206.12) |
| Purchase of Intangible assets | (195.21) | (63.00) |
| Capital advances and Capital work in progress | (853.38) | 892.16 |
| Sale /(Purchase) of Investments | (14,825.03) | (350.05) |
| Proceeds from disposal of property, plant & equipment and Investment Property | 395.08 | 1,775.55 |
| Fixed deposit having maturity more than 3 months | (1,508.46) | (240.19) |
| Interest income | 116.09 | 62.00 |
| Gain/ (loss) on Investments carried at fair value through profit or loss (net) | 417.41 | 462.94 |
| Rental income classified as investing cash flows | 38.84 | 43.75 |
| Net cash inflow/(outflow) from investing activities | (20,184.25) | (1,622.96) |

Standalone Statement of Cash Flow for the year ended March 31, 2022 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Cash flows from financing activities | | |
| Net proceeds from non-current borrowings | (2,328.99) | (1,401.92) |
| Net proceeds from current borrowings | (2,332.10) | (1,373.79) |
| Payment of lease liabilities | (26.45) | (39.95) |
| Interest paid | (1,372.57) | (1,223.28) |
| Equity Dividend | (567.42) | – |
| Proceed from issue of Equity Shares | 13,552.00 | – |
| Expense on issue of Equity Shares | (378.13) | – |
| Net cash inflow/(outflow) from financing activities | 6,546.34 | (4,038.94) |
| Net increase/(decrease) in cash and cash equivalents | (2,737.68) | 2,943.63 |
| Cash and cash equivalents at the beginning of the year | 3,281.10 | 337.47 |
| Cash and cash equivalents at end of the year | 543.42 | 3,281.10 |

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, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Balances with banks | 82.08 | 129.52 |
| Cash on hand | 21.32 | 22.84 |
| Fixed deposits account with a original maturity of less than 3 months | 440.02 | 3,128.74 |
| | 543.42 | 3,281.10 |

- (c) Figures in brackets indicate cash outflow.

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 23, 2022

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 Standalone Financial Statements for the year ended March 31, 2022

(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, 2022 were approved by the Board of Directors and authorised for issue on May 23, 2022.

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, 2022

(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.

Revenue from the sale of extended warranties embedded in the original sales contracts are recognized over the life of the contract and matched to related costs.

Revenue from the maintenance contracts embedded in original sale contracts is recognised over the time. The amount is arrived at by computing the ratio between the number of services provided/lapsed in the current period and the total number of services expected to be provided under each contract.

Owned equipment rentals represent revenue from renting equipment that the Company own. Revenue from renting of equipment is recognised on a straight line basis as per the contractual period comprising of hourly, daily, weekly or monthly. Rental contracts are short term in nature. The Company recognises revenue from sales of equipment when it is disposed off. The Company also recognises revenue on account of mobilization, de-mobilization and installation of equipment based on the negotiated contractual terms.

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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

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

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 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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
- (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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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 assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial assets

Recognition: Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Derecognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously taken to reserves are reclassified within equity.

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption/ settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Derecognition: Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

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.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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-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 31 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)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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 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 II) of the Companies Act, 2013, unless otherwise stated.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, 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.

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 30, 'Employee benefits'.

d) Provision for warranty

Provision for warranty is based on historical percentage of warranty expenses to sales. The percentage is applied for the current accounting period to arrive at the warranty expenses accrued. Actual warranty expenses may differ in comparison to those estimated depending upon the claims rate in comparison to the historical rates.

e) 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.

1.5 New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021 :

- Extension of COVID-19 related concessions –amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.
- The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

1.6 Standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective from April 1, 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

1.7 Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

- (a) The current maturities of long-term borrowings (including interest accrued) has now been included in the “Current borrowings” line item. Previously, current maturities of long term borrowings and interest accrued were included in ‘other financial liabilities’ line item.
- (b) The lease liability (non- current) and current maturities of lease liability has now shown on the face of balance sheet. Previously, lease liability (non- current) and current maturities of lease liability were included ‘other financial liabilities’ line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications of (a) and (b) is summarised below:

| Balance Sheet (Extract) | March 31, 2021 (as previously reported) | Increase/ (Decrease) | March 31, 2021 (restated) |
|---|--|-------------------------|------------------------------|
| Other Financial Liabilities (Non-Current) | 13.46 | (13.46) | – |
| Other Financial Liabilities (Current) | 8,876.10 | (337.77) | 8,538.33 |
| Current Borrowings | 3,093.07 | 315.59 | 3,408.66 |
| Lease Liability (Non-Current) | – | 13.46 | 13.46 |
| Lease Liability (Current) | – | 22.18 | 22.18 |

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(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, 2021 are as follows:

| Particulars | Gross Carrying Value | | | | Accumulated Depreciation | | | | Net Carrying Value | |
|-------------------------------|----------------------|------------------------|-------------------------|----------------------|--------------------------|---------------------------|---------------|----------------------|----------------------|----------------------|
| | 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 |
| Free Hold 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 and 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 |

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2022 are as follows:

| Particulars | Gross Carrying Value | | | | Accumulated Depreciation | | | | Net Carrying Value | |
|-------------------------------|----------------------|------------------------|-------------------------|----------------------|--------------------------|---------------------------|---------------|----------------------|----------------------|----------------------|
| | As at April 1, 2021 | Additions for the Year | Deletions / Adjustments | As at March 31, 2022 | As at April 1, 2021 | Depreciation for the year | Deletions | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 |
| Free Hold Land | 16,401.78 | 172.09 | – | 16,573.87 | – | – | – | – | 16,401.78 | 16,573.87 |
| Factory Building | 7,745.25 | 105.95 | – | 7,851.20 | 2,702.84 | 246.31 | – | 2,949.15 | 5,042.41 | 4,902.05 |
| Office Building | 11,160.40 | 11.75 | – | 11,172.15 | 658.62 | 91.01 | – | 749.63 | 10,501.78 | 10,422.52 |
| ROU - Office Building | 56.80 | 42.71 | 22.89 | 76.62 | 28.76 | 22.55 | 20.36 | 30.95 | 28.04 | 45.67 |
| Plant and Machinery | 12,866.25 | 2,532.42 | 935.57 | 14,463.10 | 5,847.26 | 738.13 | 589.20 | 5,996.19 | 7,018.99 | 8,466.91 |
| ROU - Plant & Machinery | 8.48 | 59.18 | 8.48 | 59.18 | 3.18 | 4.79 | 4.03 | 3.94 | 5.30 | 55.24 |
| Furnitures & Fixtures | 1,295.47 | 96.76 | – | 1,392.23 | 776.87 | 80.52 | – | 857.39 | 518.60 | 534.84 |
| Office Equipment | 488.56 | 79.85 | – | 568.41 | 317.44 | 41.26 | – | 358.70 | 171.12 | 209.71 |
| Motor Vehicles | 1,805.06 | 700.16 | 196.97 | 2,308.25 | 975.14 | 179.67 | 169.95 | 984.86 | 829.92 | 1,323.39 |
| Computer | 481.88 | 23.87 | – | 505.75 | 426.82 | 22.62 | – | 449.44 | 55.06 | 56.31 |
| Electric Equipment & Fittings | 443.80 | 46.74 | – | 490.54 | 242.45 | 26.20 | – | 268.65 | 201.35 | 221.89 |
| Total | 52,753.73 | 3,871.48 | 1,163.91 | 55,461.30 | 11,979.38 | 1,453.06 | 783.54 | 12,648.90 | 40,774.35 | 42,812.40 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (b) Capital Work-in-progress

| Particulars | As at April 1, 2020 | Additions | Capitalisation | As at March 31, 2021 | Additions | Capitalisation | As at March 31, 2022 |
|--------------------------|---------------------|-----------|----------------|----------------------|-----------|----------------|----------------------|
| Capital work-in-progress | 1821.02 | 1,533.98 | 2,100.13 | 1,254.87 | 1,759.61 | 585.21 | 2,429.27 |

Capital work-in-progress ("CWIP") ageing schedule

| Capital work-in-progress | Amount in CWIP for a period of | | | | As at March 31, 2022 |
|--------------------------|--------------------------------|-----------|-----------|------------------|----------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | |
| Projects in Progress | 796.87 | 676.46 | 955.94 | – | 2,429.27 |

| Capital work-in-progress | Amount in CWIP for a period of | | | | As at March 31, 2021 |
|--------------------------|--------------------------------|-----------|-----------|------------------|----------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | |
| Projects in Progress | 427.55 | 827.32 | – | – | 1,254.87 |

There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2022 and March 31, 2021.

2 (c) Property, plant and equipment Pledged as security (Net)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------|----------------------|----------------------|
| Free Hold Land | – | 333.05 |
| Office Building | – | 6,546.75 |
| Plant and Machinery | 8,466.91 | 7,018.99 |
| Motor Vehicles | – | 141.33 |
| | 8,466.91 | 14,040.12 |

2 (d) Title deeds of Immovable Property not held in the name of the Company

| S. No. | Relevant Line item in the Balance Sheet | Description of item of Property | Gross carrying Value | Held in the name of | Whether Promoter director or their relative or employee | Property held from | Reason for lease agreement not executed with the Company |
|--------|---|---------------------------------|----------------------|---|---|--------------------|---|
| 1 | Property, Plant and equipment | Building at Jasola | 146.43 | M/s Brightways Housing & Land Development | No | August 7, 2007 | The possession and Original buyers agreement, of the Property, is in the name of Company. Further, the Company is taking adequate legal steps to get the title deeds registered with appropriate authority. |
| 2 | Property, Plant and equipment | Building at Faridabad | 1283.74 | M/s Godavari Shilpkala Ltd | No | March 31, 2012 | The possession and Original buyers agreement, of the Property, is in the name of Company. Further, the Company is taking adequate legal steps to get the title deeds registered with appropriate authority. |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

| | | | | | | | |
|---|-------------------------------|--------------------------|---------|--------------------------------------|-------------------|-------------------|--|
| 3 | Property, Plant and equipment | Building at Sarita Vihar | 33.86 | M/s K.K. Enterprises | No | November 3, 2000 | The possession and Original buyers agreement, of the Property, is in the name of Company. Further, the Company is taking adequate legal steps to get the title deeds registered with appropriate authority. |
| 4 | Property, Plant and equipment | Building in Kolkata | 380.53 | Mr. Vijay Agarwal | Promoter Director | February 12, 2021 | The possession and Original buyers agreement, of the Property, is in the name of Company. Further, the Company is taking adequate legal steps to get the title deeds registered with appropriate authority. |
| 5 | Property, Plant and equipment | Building at Faridabad | 300.00 | Mr. Vijay Agarwal, Mrs. Mona Agarwal | Promoter Director | March 30, 2021 | The possession and Original buyers agreement, of the Property, is in the name of Company. Further, the Company is taking adequate legal steps to get the title deeds registered with appropriate authority. |
| 6 | Property, Plant and equipment | Building at Gurugram | 4554.43 | DLF Limited | No | September 1, 2019 | The possession and Original buyers agreement, of the Property, is in the name of Company. Further, the Company is taking adequate legal steps to get the title deeds registered with appropriate authority. |
| 7 | Property, Plant and equipment | Land at Prithla | 101.34 | M/s Steelfab Private Limited | No | August 13, 1997 | The Company has received this property by way of merger of M/s Steelfab Private Limited with the Company. Company is legal owner of the property by way of order of the court however the name is still not changed. |

2 (e) Capital commitments - Refer Note No. 34.

3. Investment Properties

| Particulars | As at April 1, 2020 | Additions/ Charge for the Year | Disposal | As at March 31, 2021 | Additions/ Charge for the Year | Disposal | As at March 31, 2022 |
|---------------------------|---------------------|--------------------------------|----------|----------------------|--------------------------------|----------|----------------------|
| Gross carrying value | 1,763.15 | – | – | 1,763.15 | – | – | 1,763.15 |
| Accumulated depreciation | 540.72 | 23.57 | – | 564.29 | 23.57 | – | 587.86 |
| Net carrying value | 1,222.43 | | | 1,198.86 | | | 1,175.29 |

(i) Amounts recognised in profit or loss for investment properties

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---------------------------|---------------------------|
| Rental income | 38.84 | 43.75 |
| Direct operating expenses that generated rental income | 13.27 | 13.27 |
| Direct operating expenses that did not generate rental income | – | – |
| Profit from leasing of investment properties before depreciation | 25.57 | 30.48 |
| Depreciation | 23.57 | 23.57 |
| Profit from investment properties | 2.00 | 6.91 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

Investment Properties (contd.)

(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, 2022 | As at March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| Fair value of Investment properties | 2,573.00 | 2,024.79 |

The Company obtains fair valuations for its investment properties from independent registered Valuer. The best evidence of fair value is current prices in an active market for similar properties.

4. Intangible assets

The changes in the carrying value of intangible assets for the year ended March 31, 2021 are as follows:

| Particulars | Gross Carrying Value | | | | Accumulated Depreciation | | | | Net Carrying Value | |
|--------------------|---------------------------|------------------------------|----------------------------|----------------------------|---------------------------|---------------------------------|-----------|----------------------------|----------------------------|----------------------------|
| | 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 |

The changes in the carrying value of intangible assets for the year ended March 31, 2022 are as follows:

| Particulars | Gross Carrying Value | | | | Accumulated Depreciation | | | | Net Carrying Value | |
|--------------------|---------------------------|------------------------------|----------------------------|----------------------------|---------------------------|---------------------------------|-----------|----------------------------|----------------------------|----------------------------|
| | As at April 1, 2021 | Additions for the year | Deletions / Adjustments | As at March 31, 2022 | As at April 1, 2021 | Depreciation for the year | Deletions | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 |
| Computer Software | 688.41 | 66.30 | – | 754.71 | 614.60 | 28.65 | – | 643.25 | 73.81 | 111.46 |
| Technical Know how | 283.93 | 128.91 | – | 412.84 | 235.36 | 22.80 | – | 258.16 | 48.57 | 154.68 |
| Total | 972.34 | 195.21 | – | 1,167.55 | 849.96 | 51.45 | – | 901.41 | 122.38 | 266.14 |

5. Investments

(i) Investments - Non Current

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (a) Investments in subsidiary and associates - Unquoted investment (Measured at cost) | | |
| SC Forma SA | 147.76 | 147.76 |
| Crane Kraft India Private Limited | 60.00 | – |
| ACE Employees Group Gratuity Scheme Trust | 0.40 | 0.40 |
| Namo Metals (Partnership firm)* | 486.54 | 502.54 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (contd.)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (b) Investment in Mutual funds - Quoted investment (Carried at fair value through profit or loss) | | |
| Nippon India Fixed Horizon Fund-XXXVIII-Series 02 - Direct Growth Plan Nil (PY 4239905.706) Units of ₹ 10 each | – | 509.52 |
| Nippon India fixed horizon fund XXXIX- SERIES 2 - Direct Growth Plan Nil (PY 1000000) Units of ₹ 10 each | – | 129.01 |
| (c) Investment in Bonds and Debentures - Quoted investment (Measured at amortised cost) | | |
| Edelweiss Finance Investment Ltd 50 (PY Nil) secured principal protected market linked Debentures of ₹ 10,00,000 each | 500.00 | – |
| Shriram Transport Finance Company Limited 100 (PY Nil) Secured Redeemable Taxable principal protected market linked non convertible Debentures (18 Nov, 2023) of ₹ 10,00,000 each, fully paid | 1,072.05 | – |
| IIFL Finance 50,000 (PY Nil) secured NCD Bonds (24 Months) of ₹ 1,000 each | 519.10 | – |
| 50,000 (PY Nil) secured NCD Bonds (36 Months) of ₹ 1,000 each | 519.10 | – |
| Piramal Enterprises Limited 20 (PY Nil) 0% Secured Redeemable principal protected non convertible debentures of ₹ 10,00,000 each fully paid. | 211.94 | – |
| State Bank of India 50 (PY Nil) 7.73% unsecured non-convertible Perpetual Bonds of ₹ 10,00,000 each | 506.33 | – |
| 7 (PY Nil) 7.72% unsecured non-convertible perpetual Bonds of ₹ 1,00,00,000 each | 705.56 | – |
| 20 (PY Nil) 8.5% unsecured non-convertible perpetual Bonds of ₹ 10,00,000 each | 206.56 | – |
| (d) Investment in Alternative Investment Fund - Unquoted investment (Carried at fair value through profit or loss) | | |
| ICICI Prudential Long Short Fund - Series I - Class A40 374981.250 (PY Nil) units of ₹ 100 each | 384.81 | – |
| ICICI Prudential Long Short Fund - Series I - Class A48 99,995 (PY Nil) units of ₹ 100 each | 101.03 | – |
| IIFL Multi-Strategy Fund- Series 2- Class A2 (AIF Category III) 52,50,000 (PY Nil) units of ₹ 10 each | 572.17 | – |
| IIFL Income Opportunities Fund- Series 3- Class A2 (AIF Category II) 49,16,351.167 (PY Nil) units of ₹ 10 each | 506.98 | – |
| IIFL Special Opportunity Fund-Series 9 - Class A2 (AIF Category II) 29,99,850.007 (PY Nil) units of ₹ 10 each | 299.09 | – |
| Emerging India Credit Opportunity Fund I 173 (PY Nil) units of ₹ 1,00,000 each | 173.00 | – |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (contd.)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (e) Investment in Portfolio Management Service - Unquoted investment (Measured at amortised cost) | | |
| Alpha alternatives MSAR LLP | 600.00 | – |
| | 7,572.42 | 1,289.23 |
| Aggregate amount of quoted investment & market value thereof | 4,240.64 | 638.53 |
| Aggregate amount of unquoted investments | 3,331.78 | 650.70 |
| 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 ₹ 500.78 lakhs as at March 31, 2022 (₹ 502.26 lakhs as at March 31, 2021)

(ii) Investments - Current

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (a) Investment in Mutual funds - Quoted investment (Carried at fair value through profit or loss) | | |
| Nippon India Fixed Horizon Fund-XXXVIII-Series 02 - Direct Growth 4239905.706 (PY Nil) units of ₹ 10 each | 575.29 | – |
| Nippon India fixed horizon fund XXXIX- SERIES 2 - Direct Growth Plan 1000000 (PY Nil) units of ₹ 10 each | 134.45 | – |
| Nippon India Arbitrage Fund Direct Growth Plan Growth Option 1111002.764 (PY Nil) units of ₹ 10 each | 253.62 | – |
| L44 SBI Debt Hybrid Fund Regular Growth 35743.572 (PY Nil) units of ₹ 10 each | 19.02 | – |
| LD620G SBI Floating Rate DEBT Fund Direct Plan Growth 3754.527 (PY Nil) units of ₹ 10 each | 0.40 | – |
| L081G SBI Focused Equity Fund Regular Growth 20306.449 (PY Nil) units of ₹ 10 each | 47.41 | – |
| L620G SBI Floating Rate DEBT Fund Regular Plan Growth 335.789 (PY Nil) units of ₹ 10 each | 0.04 | – |
| LD81G SBI Focused Equity Fund Direct Growth 28281.478 (PY Nil) units of ₹ 10 each | 72.01 | – |
| LD57G SBI Overnight Fund Direct Growth 28891.985 (PY Nil) units of ₹ 1000 each | 1,000.05 | – |
| LD638G SBI Balanced Advantage Fund - Direct Growth 999630.120 (PY Nil) units of ₹ 10 each | 103.79 | – |
| LD652G SBI Multicap Fund-Direct-Growth 499975.001 (PY Nil) units of ₹ 10 each | 51.48 | – |
| LD649G SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund - Direct 2969738.636 (PY Nil) units of ₹ 10 each | 300.70 | – |
| LD525G-SBI Debts Fund Series-C-7-(1190 Days)- Direct Growth Nil (PY 20,00,000) units | – | 252.08 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| LD528G-SBI Debts Fund Series-C-9-(1150 Days)- Direct Growth Nil (PY 2000000) units | — | 251.64 |
| LD543G-SBI Debts Fund Series C-20 (1100 Days) Direct Growth Nil (PY 1023198.525) units | — | 127.57 |
| LD544G-SBI Debts Fund Series - C-21 (1100 Days) - Direct Growth Nil (PY 5000000) units | — | 613.58 |
| L465G-SBI Dynamic Asset Allocation Fund - Regular Plan - Growth Nil (PY 112083.33) units | — | 17.20 |
| ICICI Prudential Balanced Advantage Funds - Growth 1674916.360 (PY 1430265.90) units of ₹ 10 each | 829.92 | 632.75 |
| ICICI Prudential Medium Term Bond Fund Growth 555910.597 (PY Nil) units of ₹ 10 each | 198.80 | — |
| ICICI Prudential Banking and PSU Debt Fund Growth 758294.505 (PY Nil) units of ₹ 10 each | 198.18 | — |
| ICICI Prudential Credit Risk Fund Growth 796377.852 (PY Nil) units of ₹ 10 each | 200.49 | — |
| ICICI Prudential Medium Term Bond Fund Direct 316619.392 (PY Nil) units of ₹ 10 each | 121.74 | — |
| ICICI Prudential Floating Interest rate Fund Direct 33488.159 (PY Nil) units | 120.78 | — |
| ICICI Prudential Bluechip Fund - Growth 4596.634 (PY Nil) units of ₹ 10 each | 3.01 | — |
| ICICI Prudential Nifty Next 50 Index Fund - Growth 8305.423 (PY Nil) units of ₹ 10 each | 3.01 | — |
| ICICI Prudential Focused Equity Fund - Growth 6173.637 (PY Nil) units of ₹ 10 each | 3.02 | — |
| Axis Corporate Debt Fund Direct Growth 3899.664 (PY Nil) units of ₹ 10 each | 0.56 | — |
| Axis Corporate Debt Fund Regular Growth 1375.542 (PY Nil) units of ₹ 10 each | 0.19 | — |
| Axis Credit Risk Fund Regular Growth 1160979.154 (PY Nil) units of ₹ 10 each | 199.88 | — |
| Axis Mid Cap Fund Direct Growth 97650.591 (PY Nil) units of ₹ 10 each | 73.76 | — |
| Axis Mid Cap Fund Regular Growth 70683.371 (PY Nil) units of ₹ 10 each | 47.63 | — |
| Axis Overnight Fund Direct Growth 151274.274 (PY Nil) units | 1,700.08 | — |
| Axis Small Cap Fund Regular Growth 4952.449 (PY Nil) units of ₹ 10 each | 3.04 | — |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Axis Crisil SDL 2027 Debt Index Fund Direct Growth 3002983.201 (PY Nil) units of ₹ 10 each | 300.57 | — |
| Axis CPSE Plus SDL 2025 70:30 Debt Index Fund Direct Growth 2978790.046 (PY Nil) units of ₹ 10 each | 300.36 | — |
| Axis Fixed Term Plan - Series 97 (1116 Days) Growth (WIGPG) Nil (PY 2000000) units | — | 235.25 |
| IIFL Dynamic Bond Fund Direct Plan - Growth 4902.052 (PY Nil) units of ₹ 10 each | 0.92 | — |
| IIFL Dynamic Bond Fund Regular Plan - Growth 23589.729 (PY Nil) units of ₹ 10 each | 4.25 | — |
| IIFL Focused Equity Fund- Regular Plan- Growth 150561.332 (PY Nil) units of ₹ 10 each | 44.05 | — |
| IIFL Focused Equity Fund- Direct Plan- Growth 227834.929 (PY Nil) units of ₹ 10 each | 73.11 | — |
| Mirae Asset Large Cap Fund- Direct Plan - Growth 88552.766 (PY Nil) units of ₹ 10 each | 74.77 | — |
| Mirae Asset Large Cap Fund- Regular Growth Plan 62305.502 (PY Nil) units of ₹ 10 each | 48.23 | — |
| HDFC Medium Term Bond Fund Growth 435130.660 (PY Nil) units of ₹ 10 each | 199.09 | — |
| HDFC Dividend Yield Regular Growth 21194.632 (PY Nil) units of ₹ 10 each | 3.01 | — |
| Kotak Balanced Advantage Fund-Regular Plan-Growth 626850.706 (PY Nil) units of ₹ 10 each | 90.32 | — |
| Kotak Balance Advantage Fund - Growth 5003668.376 (PY Nil) units of ₹ 10 each | 752.65 | — |
| Edelweiss Balance Advantage Fund Direct 1983268.366 (PY Nil) units of ₹ 10 each | 770.10 | — |
| IDFC Banking PSU Fund Direct 298421.273 (PY Nil) units of ₹ 10 each | 60.88 | — |
| Invesco India Dynamic equity fund - Growth 1103995.788 (PY 857026.02) units of ₹ 10 each | 403.18 | 283.42 |
| UTI Arbitrage Fund - Direct Growth Plan Growth 680664.091 (PY Nil) units of ₹ 10 each | 202.30 | — |
| (b) Investment in bonds and Debentures - Quoted investment (Carried at fair value through profit or loss) | | |
| Embassy Property Developments Private Limited 10 (PY Nil) debentures of Rs. 9,16,720 each of ₹ 10 each | 101.82 | — |
| Reddy Veeranna Investments Pvt. Ltd. Nil (PY 20) debentures of ₹ 7,11,800 each | — | 91.25 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

| | | |
|---|------------------|-----------------|
| (c) Investment in Alternative investment fund - unquoted investment (Carried at fair value through profit or loss) | | |
| ITI Long Short Equity Fund | 297.21 | — |
| (d) Investment in Portfolio Management Service - Quoted investment (Carried at fair value through profit or loss) | | |
| White Oak India Pioneers Equity Portfolio | 228.84 | — |
| Marcellus Investment Managers Pvt. Ltd. | 220.14 | — |
| Avendus Capital Public Markets Alternate Strategies LLP | 605.07 | — |
| (e) Current Maturity of Non Current Investment Investment in Portfolio Management Service - Unquoted investment (Measured at amortised cost) | | |
| Alpha Alternatives MSAR LLP | 3.36 | — |
| | 11,046.58 | 2,504.74 |
| Aggregate amount of quoted investment & market value thereof | 10,746.01 | 2,504.74 |
| Aggregate amount of unquoted investments | 300.57 | — |
| Aggregate amount of impairment in the value of investments | — | — |

6. Other financial assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (i) Non-current financial assets (Unsecured, Considered good) | | |
| Security deposits | 113.07 | 107.05 |
| Term deposits with Banks [#] | 1,506.42 | 493.46 |
| Employee Advances | 31.57 | 58.84 |
| | 1,651.06 | 659.35 |
| (ii) Current financial assets (Unsecured, Considered good) | | |
| Security deposits | 130.13 | 173.67 |
| Employee Advances | 100.21 | 48.11 |
| Interest receivable on fixed deposits | 0.26 | 0.20 |
| Interest accrued on Investment in Debentures and Bonds | 67.50 | 8.22 |
| | 298.10 | 230.20 |

7. Other assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| (i) Other non-current assets | | |
| Capital advances | 651.64 | 972.66 |
| | 651.64 | 972.66 |
| (ii) Other current assets | | |
| Advances to Suppliers | 1,858.80 | 2,702.35 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

Other assets (contd.)

| | | |
|--|-----------------|-----------------|
| Balance with Government Authorities | | |
| Sales Tax Receivable | 95.82 | 95.82 |
| Balance with Excise/ GST Authorities | 3,580.98 | 504.53 |
| Duty Drawback Receivable | 38.78 | 33.25 |
| Balance with Custom Authorities | 38.42 | 80.48 |
| Prepaid expenses | 177.45 | 140.58 |
| Others | 587.19 | 15.54 |
| | 6,377.44 | 3,572.55 |

8. Inventories (Valued at lower of cost or net realisable value)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------------|-------------------------|-------------------------|
| Raw Material and Components | | |
| Raw Material and Components | 16,751.38 | 10,609.07 |
| Goods-in-transit | 999.24 | 2,590.14 |
| | 17,750.62 | 13,199.21 |
| Work-in-Progress | 3,587.79 | 2,276.99 |
| Finished Goods | 11,908.17 | 11,092.34 |
| | 33,246.58 | 26,568.54 |

Note :- Working capital facilities are secured by first pari passu charge on entire inventories. (Refer Note No. 14)

9. Trade receivables (valued at amortized cost)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------------|-------------------------|-------------------------|
| Unsecured | | |
| Trade receivable - Considered good | 19,347.58 | 22,459.23 |
| Trade receivable - Credit impaired | 316.44 | 354.52 |
| | 19,664.02 | 22,813.75 |
| Allowance for trade receivables | (691.48) | (354.52) |
| | 18,972.54 | 22,459.23 |

(i) Trade Receivable ageing schedule as at March 31, 2022

| Particulars | Unbilled Debtors | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|--|------------------|----------|--|-----------------|-------------|-------------|-------------------|------------------|
| | | | Less than Six months | 6 months-1 year | 1 - 2 years | 2 - 3 Years | More than 3 years | |
| Undisputed Trade receivables-Considered good | 167.35 | 7,872.13 | 9,910.23 | 1,053.46 | 252.08 | 92.33 | - | 19,347.58 |
| Undisputed Trade receivables-which have significant increase in credit limit | - | - | - | - | - | - | - | - |
| Undisputed Trade receivables-Credit impaired | - | - | - | - | - | - | - | - |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Trade receivables (contd.)

| | | | | | | | | |
|---|---------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|------------------|
| Disputed Trade receivables- Considered good | - | - | - | - | - | - | - | - |
| Disputed Trade receivables- which have significant increase in credit limit | - | - | - | - | - | - | - | - |
| Disputed Trade receivables - Credit impaired | - | - | 0.31 | - | 8.64 | 50.74 | 256.75 | 316.44 |
| Total | 167.35 | 7,872.13 | 9,910.54 | 1,053.46 | 260.72 | 143.07 | 256.75 | 19,664.02 |
| Less: Allowance for trade receivables | - | (0.15) | (129.39) | (52.65) | (109.47) | (143.07) | (256.75) | (691.48) |
| Total | 167.35 | 7,871.98 | 9,781.15 | 1,000.81 | 151.25 | - | - | 18,972.54 |

(ii) Trade Receivable ageing schedule as at March 31, 2021

| Particulars | Unbilled Debtors | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|------------------|-----------------|--|------------------|---------------|---------------|-------------------|------------------|
| | | | Less than Six months | 6 months- 1 year | 1 - 2 years | 2 - 3 Years | More than 3 years | |
| Undisputed Trade receivables- Considered good | 63.37 | 8,636.11 | 12,373.13 | 838.11 | 401.44 | 147.07 | - | 22,459.23 |
| Undisputed Trade receivables- which have significant increase in credit limit | - | - | - | - | - | - | - | - |
| Undisputed Trade receivables- Credit impaired | - | - | - | - | - | - | - | - |
| Disputed Trade receivables- Considered good | - | - | - | - | - | - | - | - |
| Disputed Trade receivables- which have significant increase in credit limit | - | - | - | - | - | - | - | - |
| Disputed Trade receivables - Credit impaired | - | - | - | 7.00 | 72.49 | 94.57 | 180.46 | 354.52 |
| Total | 63.37 | 8,636.11 | 12,373.13 | 845.11 | 473.93 | 241.64 | 180.46 | 22,813.75 |
| Less : Allowance for trade receivables | - | - | - | (7.00) | (72.49) | (94.57) | (180.46) | (354.52) |
| Total | 63.37 | 8,636.11 | 12,373.13 | 838.11 | 401.44 | 147.07 | - | 22,459.23 |

Notes:

- Receivables due from related parties was ₹ 479.12 lakhs as at March 31, 2022 (₹ 3,630.55 lakhs as at March 31, 2021) - refer Note No. 33
- Working capital facilities are secured by first pari passu charge on entire book debts (refer Note No. 14)
- Refer Note No 31 Financial Instrument for assessment of Expected Credit Loss

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

10. Cash and cash equivalents

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Balances with banks | 82.08 | 129.52 |
| Cash on hand | 21.32 | 22.84 |
| Deposits with original maturity less than 3 months | 440.02 | 3,128.74 |
| | 543.42 | 3,281.10 |

11. Other Bank Balances

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Fixed deposits with maturity for more than 3 months but less than 12 months [#] | 849.96 | 355.08 |
| Unclaimed dividend Accounts | 8.15 | 7.59 |
| | 858.11 | 362.67 |

[#]Fixed deposits with banks, includes the following:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Deposit pledged with the State Bank of India | 852.25 | 266.00 |
| Deposit pledged against the bank guarantees | 473.59 | 485.14 |

12. Share Capital

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | ₹ in Lakhs | No. of Shares | ₹ in Lakhs |
| a) Authorised Capital: | | | | |
| Equity shares of ₹ 2/- each | 27,62,50,000 | 5,525.00 | 12,50,00,000 | 2,500.00 |
| 8% Cumulative Non-Participating Redeemable Preference Shares of ₹ 10/- each | – | – | 3,02,50,000 | 3,025.00 |
| | 27,62,50,000 | 5,525.00 | 15,52,50,000 | 5,525.00 |
| b) Issued, Subscribed and fully paid up: | | | | |
| Equity shares of ₹ 2/- each | 11,90,83,196 | 2,381.66 | 11,34,83,196 | 2,269.66 |
| | 11,90,83,196 | 2,381.66 | 11,34,83,196 | 2,269.66 |
| c) Reconciliation of number of equity shares Outstanding | | | | |
| At the beginning of the year | 11,34,83,196 | 2,269.66 | 11,34,83,196 | 2,269.66 |
| Changes during the year | 56,00,000 | 112.00 | – | – |
| At the end of the year | 11,90,83,196 | 2,381.66 | 11,34,83,196 | 2,269.66 |

d) During the financial year 2021-22, the Qualified Institutions Placement Committee (“QIP Committee”) has in its meeting held on September 24, 2021 has approved the allotment of 56,00,000 Equity Shares of face value of ₹ 2 each to eligible qualified institutional buyers at the issue price of ₹ 242 per Equity Shares (including a premium of ₹ 240 per Equity Share) against the Floor Price of ₹ 254.55 per Equity Shares, aggregating to ₹ 1,35,52,00,000 pursuant to the issue in accordance with the SEBI ICDR Regulations. Pursuant to the allotment of such Equity Shares, the paid-up equity share capital of the Company stands increased from ₹ 22.70 crore, comprising of 11,34,83,196 Equity Shares to ₹ 23.82 crore, comprising of 11,90,83,196 Equity Shares.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Share Capital (contd.)

e) 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.

f) 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.

g) Shareholders holding more than 5% of the Equity Shares in the Company

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---------------------------------------|----------------------|--------|----------------------|--------|
| | No. of Shares | %age | No. of Shares | %age |
| Mr. Vijay Agarwal / Mrs. Mona Agarwal | 3,42,36,078 | 28.75% | 3,42,36,078 | 30.17% |
| Mrs. Mona Agarwal / Mr. Vijay Agarwal | 3,06,57,579 | 25.74% | 3,06,57,579 | 27.02% |
| Mr. Sorab Agarwal | 76,23,650 | 6.40% | 76,23,650 | 6.72% |
| Mrs. Surbhi Garg | 69,30,156 | 5.82% | 69,30,156 | 6.11% |

h) Shareholding of promoters

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | % change during the year |
|---------------------------------------|----------------------|---------------|----------------------|---------------|--------------------------|
| | No. of Shares | % age | No. of Shares | % age | |
| Mr. Vijay Agarwal / Mrs. Mona Agarwal | 3,42,36,078 | 28.75% | 3,42,36,078 | 30.17% | 1.42% |
| Mrs. Mona Agarwal / Mr. Vijay Agarwal | 3,06,57,579 | 25.74% | 3,06,57,579 | 27.02% | 1.28% |
| Mr. Sorab Agarwal | 76,23,650 | 6.40% | 76,23,650 | 6.72% | 0.32% |
| Mrs. Surbhi Garg | 69,30,156 | 5.82% | 69,30,156 | 6.11% | 0.29% |
| Mrs. Anuradha Garg | 50,000 | 0.04% | 50,000 | 0.04% | 0.00% |
| Total | 7,94,97,463 | 66.76% | 7,94,97,463 | 70.05% | |

Note :

During the financial year 2021-22 there is no change in the Number of shares held by the promoters however change in % of shareholding is due to issue of 56,00,000 Equity Share pursuant to Qualified Institutions Placement (QIP).

13. Other Equity

| Particulars | Notes | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|-------|----------------------|----------------------|
| General Reserve | (a) | 9,925.00 | 9,925.00 |
| Capital Redemption Reserve | (b) | 3,098.74 | 3,098.74 |
| Securities Premium | (c) | 18,337.38 | 5,275.51 |
| Retained Earnings | (d) | 41,766.06 | 31,777.43 |
| | | 73,127.18 | 50,076.68 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

Other Equity (contd.)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| a) General reserve | | |
| Balance at the beginning and end of the year | 9,925.00 | 9,925.00 |
| b) Capital Redemption Reserve | | |
| Balance at the beginning and end of the year | 3,098.74 | 3,098.74 |
| c) Securities Premium | | |
| Balance at the beginning of the year | 5,275.51 | 5,275.51 |
| Amount received from issue of equity shares (Refer note no. 36) | 13,440.00 | – |
| Expenses incurred on issue of equity shares (Refer note no. 36) | (378.13) | – |
| Balance at the end of the year | 18,337.38 | 5,275.51 |
| d) Retained earnings | | |
| Balance at the beginning of the year | 31,712.66 | 23,696.73 |
| Net profit for the year | 10,591.36 | 8,015.93 |
| Payment of equity dividend | (567.42) | – |
| | 41,736.60 | 31,712.66 |
| Other comprehensive income (net of tax) | | |
| Re-measurement gain/(losses) on defined employee benefit plans | | |
| Balance at the beginning of the year | 64.77 | (11.20) |
| Changes during the year | (35.31) | 75.97 |
| | 29.46 | 64.77 |
| Balance at the end of the year | 41,766.06 | 31,777.43 |

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. The amount previously transferred to General Reserve can be utilised in accordance with the specific requirements of the Companies Act 2013.

b) Capital redemption reserve

It is created on redemption of preference shares and buyback of equity shares.

c) Securities premium

Amount received on issue of shares in excess of the par value has been classified as Securities premium.

d) Retained Earnings

Retained earnings are profits of the Company net of adjustments on account of transfer to General Reserve, dividend or other distribution or transactions with shareholders.

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

14. Borrowings

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (i) Non-current Borrowings | | |
| Secured | | |
| Term Loans from Banks in ₹ | – | 2,327.99 |
| Term Loans from NBFC | – | 1.00 |
| | – | 2,328.99 |
| Current maturity of long term loans | – | (315.59) |
| | – | 2,013.40 |
| (ii) Current Borrowings | | |
| Secured | | |
| Cash Credit | 116.53 | 87.17 |
| Buyers Credit | 643.95 | 255.80 |
| Short term loans | – | 2,750.10 |
| Current maturity of long term borrowings | – | 315.59 |
| | 760.48 | 3,408.66 |

Notes:-

- There have been no breach of covenants mentioned in the loan agreements during the reporting period.
- The Company has repaid its borrowings of ₹ 3,446.80 lakhs out of the proceeds of Qualified Institutional Placement (QIP).
- Cash credit and buyers credit facilities are 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 carrying interest ranging from 6.5% - 7.5%. The loan is repayable on demand.
- The Company has borrowings from banks and financial institutions on the basis of security of current assets. The Company has complied with the requirement of filing of monthly/quarterly returns/statements of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2022 and March 31, 2021.
- As on the Balance sheet date there is no default in repayment of loans and interest.
- The borrowings obtained by the company from banks have been applied for the purposes for which such loans were taken. In respect of the term loans which were taken in the previous year, those were applied in the respective year for the purpose for which the loans were obtained.

15. Lease Liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------|-------------------------|-------------------------|
| (i) Non-current | | |
| Lease Liabilities | 75.11 | 13.46 |
| | 75.11 | 13.46 |
| (ii) Current | | |
| Lease Liabilities | 28.30 | 22.18 |
| | 28.30 | 22.18 |

The maturity analysis of lease liabilities is disclosed in note no. 31

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

16. Provisions

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------|-------------------------|-------------------------|
| (i) Non-Current Provisions | | |
| Provision for Leave entitlement | 226.90 | 185.35 |
| | 226.90 | 185.35 |
| (ii) Current Provisions | | |
| Provision for warranty | 146.11 | 109.38 |
| Provision for Leave entitlement | 32.53 | 32.46 |
| | 178.64 | 141.84 |

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, 2020 | 101.30 |
| Additional provisions recognised | 109.38 |
| Amount utilised during the year | (101.30) |
| Provision at March 31, 2021 | 109.38 |
| Additional provisions recognised | 146.11 |
| Amount utilised during the year | (109.38) |
| Provision at March 31, 2022 | 146.11 |

17. Deferred tax liabilities (Net)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| The balance comprises temporary differences attributable to: | | |
| Deferred tax liabilities | | |
| Depreciation on Property, Plant and Equipment and intangible assets | 1,849.40 | 1,879.29 |
| | 1,849.40 | 1,879.29 |
| Deferred tax Assets | | |
| Provision for employee benefits | 54.89 | 32.54 |
| Provision for doubtful debts | 427.99 | 240.23 |
| Excess of lease liability over ROU Assets | 0.63 | 0.58 |
| | 483.51 | 273.35 |
| Deferred tax liabilities (Net) | 1,365.89 | 1,605.94 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred tax liabilities (Net) (contd.)

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, 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) |
| Charged/(Credited): | | | | |
| -to profit and loss | (29.89) | (10.48) | (187.76) | (0.05) |
| -to other comprehensive income | – | (11.87) | – | – |
| As at March 31, 2022 | 1,849.40 | (54.89) | (427.99) | (0.63) |

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.

18. Trade payables (including acceptances)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Dues to Micro and Small Enterprises (MSME)* | 869.74 | 3,851.68 |
| Dues to Enterprises other than Micro and Small Enterprises | 35,222.14 | 29,190.22 |
| | 36,091.88 | 33,041.90 |

*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. (refer Note No. 38)

(i) Trade payables ageing schedule as at March 31, 2022

| Particulars | Unbilled Dues | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|---------------|------------------|--|-------------|-------------|-------------------|------------------|
| | | | Less than 1 year | 1 - 2 years | 2 - 3 Years | More than 3 years | |
| (i) MSME | – | 496.18 | 373.56 | – | – | – | 869.74 |
| (ii) Others | 945.17 | 29,581.49 | 4,682.57 | 1.74 | 0.02 | 11.15 | 35,222.14 |
| (iii) Disputed dues - MSME | – | – | – | – | – | – | – |
| (iv) Disputed dues - Others | – | – | – | – | – | – | – |
| Total | 945.17 | 30,077.67 | 5,056.13 | 1.74 | 0.02 | 11.15 | 36,091.88 |

(ii) Trade payables ageing schedule as at March 31, 2021

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

Trade payables (contd.)

| Particulars | Unbilled Dues | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|-----------------|------------------|--|--------------|--------------|-------------------|------------------|
| | | | Less than 1 year | 1 - 2 years | 2 - 3 Years | More than 3 years | |
| (i) MSME | – | 3,461.04 | 390.64 | – | – | – | 3,851.68 |
| (ii) Others | 2,366.61 | 21,957.05 | 4,827.39 | 22.94 | 11.81 | 4.42 | 29,190.22 |
| (iii) Disputed dues - MSME | – | – | – | – | – | – | – |
| (iv) Disputed dues - Others | – | – | – | – | – | – | – |
| Total | 2,366.61 | 25,418.09 | 5,218.03 | 22.94 | 11.81 | 4.42 | 33,041.90 |

19. Other current financial liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------|----------------------|----------------------|
| Unclaimed Dividends | 8.15 | 7.59 |
| Security deposits | 359.84 | 1,012.17 |
| Employee benefits | 705.48 | 658.53 |
| Others Payables | 8,144.34 | 6,860.04 |
| | 9,217.81 | 8,538.33 |

20. Other current liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------|----------------------|----------------------|
| Advances from customers | 2,635.71 | 1,885.66 |
| Statutory Liabilities | 423.73 | 959.26 |
| Deferred revenue | 1,052.70 | 941.59 |
| | 4,112.14 | 3,786.51 |

21. Revenue from operations

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------------------------|---------------------------|---------------------------|
| Sale of Products | 1,61,354.17 | 1,20,945.14 |
| Sale of Services | 141.29 | 120.06 |
| Hiring Charges | 1,376.68 | 1,399.17 |
| Export Incentives | 130.63 | 163.76 |
| Other operating revenue | 31.60 | 72.78 |
| | 1,63,034.37 | 1,22,700.91 |

22. Other income

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|---------------------------|---------------------------|
| Interest income | 175.37 | 62.00 |
| Rental income | 38.84 | 43.75 |
| Profit on Sale of property, plant and equipment | 32.82 | 538.64 |
| Gain on Investments carried at fair value through profit or loss (net) | 417.41 | 462.94 |
| Gain on foreign currency transactions (net) | 1.51 | 123.17 |
| Miscellaneous income | 836.47 | 300.09 |
| | 1,502.42 | 1,530.59 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

23. Cost of materials consumed

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------------------------------------|------------------------------|------------------------------|
| Opening stock of Raw material | 13,199.21 | 16,377.80 |
| Add: Purchases (net of returns) | 1,23,596.76 | 84,531.17 |
| Less: Closing stock of Raw material | (17,750.62) | (13,199.21) |
| | 1,19,045.35 | 87,709.76 |

24. Changes in inventories of finished goods, Stock-in-trade and work-in-progress

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Opening Stock | | |
| Work-in progress | 2,276.99 | 4,239.19 |
| Finished goods | 11,092.34 | 6,408.89 |
| | 13,369.33 | 10,648.08 |
| Closing Stock | | |
| Work-in progress | 3,587.79 | 2,276.99 |
| Finished goods | 11,908.17 | 11,092.34 |
| | 15,495.96 | 13,369.33 |
| Changes in inventories of finished goods, Stock-in-trade and work-in-progress | (2,126.63) | (2,721.25) |

25. Employee benefits expense

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus | 7,646.54 | 6,638.58 |
| Contribution to provident and other funds | 340.17 | 294.85 |
| Staff welfare expenses | 458.65 | 275.38 |
| | 8,445.36 | 7,208.81 |

26. Finance costs

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Interest on Working Capital facilities | 746.55 | 957.73 |
| Interest on Term Loans | 79.27 | 16.28 |
| Interest on Other Loans | 542.08 | 244.34 |
| Finance Charges of lease Liability | 4.75 | 4.93 |
| | 1,372.65 | 1,223.28 |

27. Depreciation and amortisation expense

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Depreciation of property, plant and equipment | 1,425.72 | 1,300.02 |
| Amortisation of intangible assets | 51.45 | 31.79 |
| Depreciation of Investment Property | 23.57 | 23.57 |
| Depreciation on ROU Assets | 27.34 | 39.10 |
| | 1,528.08 | 1,394.48 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

28. Other expenses

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Manufacturing Expenses | 6,472.64 | 4,974.43 |
| Repairs & Maintenance - Building | 306.49 | 148.35 |
| Repairs & Maintenance - Plant & Machinery | 375.62 | 311.93 |
| Power & Fuel | 608.00 | 462.00 |
| Freight & Forwarding Charges | 5,856.97 | 4,697.97 |
| Selling Expenses | 1,816.89 | 1,214.32 |
| Commission on Sales | 1,357.77 | 1,646.58 |
| Rent | 56.79 | 67.51 |
| Rates & Taxes | 88.12 | 53.21 |
| Insurance | 185.79 | 197.89 |
| Travelling & Conveyance | 1,114.61 | 666.34 |
| Communication Expenses | 385.39 | 276.09 |
| Auditors Remuneration* | 26.48 | 24.55 |
| Vehicle Expenses | 292.01 | 157.02 |
| Trade & other receivables written off (Bad Debts) | 149.54 | 494.26 |
| Provision for doubtful receivables and advances (net) | 746.02 | 716.87 |
| Corporate Social Responsibility (CSR) expense** | 186.59 | 152.84 |
| Miscellaneous Expenses | 2,160.87 | 1,700.35 |
| | 22,186.59 | 17,962.51 |

***Auditor's Remuneration (excluding taxes) Includes**

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------------------|------------------------------|------------------------------|
| Audit Fees | 16.00 | 16.00 |
| Tax audit fees | 3.00 | 3.00 |
| Certification | 5.88 | 1.00 |
| Cost audit fees | 1.00 | 0.75 |
| Secretarial audit fees | 0.60 | 0.60 |
| GST audit fees | — | 3.20 |
| | 26.48 | 24.55 |

****CSR Expenditure**

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Gross amount required to be spent by the company during the year | 172.58 | 152.74 |
| Amount spent during the year for promoting health care | 186.59 | 152.84 |

29. Income tax expense

(a) Income tax expense

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Current tax | | |
| Current tax on profit for the year | 3,514.43 | 2,656.84 |
| Adjustment of current tax of prior periods | (43.26) | 13.14 |
| | 3,471.17 | 2,669.98 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Income tax expense (contd.)

| | | |
|---|-----------------|-----------------|
| Deferred tax | | |
| Decrease/(increase) in deferred tax assets | (198.29) | (171.54) |
| (Decrease)/increase in deferred tax liabilities | (29.89) | 333.47 |
| | (228.18) | 161.93 |
| | 3,242.99 | 2,831.91 |

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Profit before income tax expense | 13,834.35 | 10,847.84 |
| Statutory Income Tax rate | 25.168% | 25.168% |
| Income tax expense at the statutory tax rate | 3,481.83 | 2,730.19 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Income exempt from tax | (99.88) | (252.04) |
| Tax on expense not eligible for deduction | 223.98 | 223.67 |
| Adjustments for current tax of prior periods | (43.26) | 13.14 |
| Other items | (319.68) | 116.95 |
| Income tax expense | 3,242.99 | 2,831.91 |

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 effective from 01st April 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%

30. 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.

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (i) Amount recognized in the balance sheet is as under: | | |
| Present value of defined benefit obligation | 728.93 | 600.11 |
| Fair value of plan assets with LIC | (807.00) | (602.85) |
| Net defined benefit obligation | (78.07) | (2.74) |
| (ii) Amount recognized in the statement of profit and loss is as under: | | |
| Current Service cost | 90.33 | 74.38 |
| Net interest cost | (7.14) | 4.90 |
| Amount recognized in the statement of profit and loss | 83.19 | 79.28 |
| (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 | 600.11 | 629.87 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (contd.)

| | | |
|--|---------------|-----------------|
| Current service cost | 90.33 | 74.38 |
| Interest cost | 38.79 | 41.01 |
| Actuarial loss/(gain) recognized during the year | 52.34 | (98.67) |
| Benefits paid | (52.64) | (46.48) |
| Present value of defined benefit obligation as at the end of the year | 728.93 | 600.11 |
| (iv) Movement in the plan assets recognized in the balance sheet is as under: | | |
| Fair Value of plan assets at beginning of the year | 602.85 | 504.35 |
| Expected return on plan assets | 45.93 | 36.11 |
| Employer's contribution | 195.33 | 105.02 |
| Benefit paid | (42.27) | (45.49) |
| Actuarial gain/(loss) on plan assets | 5.16 | 2.86 |
| Fair Value of plan assets at the end of the year | 807.00 | 602.85 |
| Actual return on plan assets | 51.09 | 38.97 |
| (v) Breakup of actuarial (gain)/loss: | | |
| Actual (gain)/loss arising from change in financial assumption | 41.73 | (110.63) |
| Actual (gain)/loss arising from experience adjustment | 5.45 | 9.11 |
| Total actuarial (gain)/loss | 47.18 | (101.52) |

(vi) Actuarial assumptions

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Attrition Rate | 25.00% P.a. | 20.00% P.a. |
| Imputed rate of Interest (D) | 7.24% P.a. | 6.76% P.a. |
| Imputed rate of Interest (IC) | 6.76% P.a. | 6.76% P.a. |
| Salary escalation | 8.00% P.a. | 10.00% P.a. |
| Return on plan asset | 6.76% P.a. | 6.76% P.a. |
| Remaining working life | 21.05 Years | 21.65 Years |

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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Present Value of obligation at the end of the year | 728.93 | 600.11 |
| Impact of the change in discount rate | | |
| Impact due to increase of 1.00% | (20.41) | (15.13) |
| Impact due to decrease of 1.00% | 21.91 | 16.18 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (contd.)

| | | |
|---|---------|---------|
| Impact of the change in salary increase rate | | |
| Impact due to increase of 1.00% | 20.22 | 15.66 |
| Impact due to decrease of 1.00% | (19.36) | (15.04) |

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 period.

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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Compensated absences (unfunded) | | |
| Current | 32.53 | 32.46 |
| Non-Current | 226.90 | 185.35 |
| | 259.43 | 217.81 |

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.

31. 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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Financial assets measured at fair value through profit and loss | | |
| Investments | 13,080.31 | 3,143.27 |
| Financial assets measured at amortised cost | | |
| Investments in Bonds and Debentures | 4,844.00 | — |
| Trade receivables | 18,972.54 | 22,459.23 |
| Cash and cash equivalents | 543.42 | 3,281.10 |
| Other Bank balances | 858.11 | 362.67 |
| Other financial assets | 1,949.16 | 889.55 |
| Sub-total | 27,167.23 | 26,992.55 |
| Total financial assets | 40,247.54 | 30,135.82 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

| Financial liabilities measured at amortised cost | | |
|--|------------------|------------------|
| Borrowings | 760.48 | 5,422.06 |
| Lease liabilities | 103.41 | 35.64 |
| Trade payables | 36,091.88 | 33,041.90 |
| Other financial liabilities | 9,217.81 | 8,538.33 |
| Total financial liabilities | 46,173.58 | 47,037.93 |

B) Fair Value Hierarchy

The fair value of financial Instruments as referred to in note (A) above has been classified into three category 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, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Investments measured at fair value through profit and loss | | |
| Level 1 | 13,080.31 | 3,143.27 |
| Level 2 | – | – |
| Level 3 | – | – |
| | 13,080.31 | 3,143.27 |

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.

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, 2022 is the carrying amounts.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

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, 2022 | As at March 31, 2021 |
|---------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 354.52 | 237.65 |
| Add : Provided during the year | 371.94 | 848.78 |
| Less : Reversal of provisions | – | (237.65) |
| Less : Bad debts written off | (34.98) | (494.26) |
| Balance at the end of the year | 691.48 | 354.52 |

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.

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, 2022 | | | | |
| Borrowings | 760.48 | – | – | 760.48 |
| Lease liabilities | 28.30 | 75.11 | – | 103.41 |
| Trade payables | 36,091.88 | – | – | 36,091.88 |
| Other financial liabilities | 9,217.81 | – | – | 9,217.81 |
| | 46,098.47 | 75.11 | – | 46,173.58 |
| As at March 31, 2021 | | | | |
| Borrowings | 3,408.66 | 1,478.25 | 535.15 | 5,422.06 |
| Lease liabilities | 22.18 | 13.46 | – | 35.64 |
| Trade payables | 33,041.90 | – | – | 33,041.90 |
| Other financial liabilities | 8,538.33 | – | – | 8,538.33 |
| | 45,011.07 | 1,491.71 | 535.15 | 47,037.93 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Financial Assets | 1,950.79 | 2,773.25 |
| Financial Liabilities | 3,661.98 | 1,666.32 |
| Net exposure to foreign currency risk | (1,711.19) | 1,106.93 |

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, 2022 | As at March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| USD sensitivity | | |
| INR/USD increase by 150 bps* | (33.82) | 22.69 |
| INR/USD decrease by 150 bps* | 33.82 | (22.69) |

*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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Financial Assets | 60.33 | 74.48 |
| Financial Liabilities | — | — |
| Net exposure to foreign currency risk | 60.33 | 74.48 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Euro sensitivity | | |
| INR/Euro increase by 200 bps* | 1.43 | 1.73 |
| INR/Euro decrease by 200 bps* | (1.43) | (1.73) |

*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, 2022 comprise of 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.

32. 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.

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 shares, issue of new shares.

Dividend Paid and Proposed

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| (a) Dividend declared and paid during the year: | | |
| Final Dividend of Rs. 0.50 per fully paid equity share for Financial Year 2020-21 (₹ Nil per share for Financial Year 2019-20) | 567.42 | — |
| | 567.42 | — |

(b) Proposed Dividends on equity shares:

Final Dividend recommended by the board of directors for the year ended March 31, 2022 ₹ 0.60 per fully paid equity share of ₹ 2 each (March 31, 2021: ₹ 0.50 per fully paid equity share of ₹ 2 each) subject to approval of shareholders in the ensuing annual general meeting and are not recognised as liability as at reporting date.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

33. Related party transactions

The company's related party transactions and outstanding balance are with its subsidiaries, Key management and others as described below:

A. Name of Related Parties

a) Subsidiaries

SC Forma SA
Namo Metals
Crane Kraft India Private Limited

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 |
| Dr. Divya Singal | Independent Women 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. 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) |
| Mr. Rajan Luthra | Chief Financial Officer |
| Mr. Anil Kumar | Company Secretary & Compliance Officer |

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
RSV Combine
Asia Consolidated Pvt. Ltd.

B. Transactions with related party

(i) Transactions with Subsidiaries and significantly influenced enterprises

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

| Nature of Transaction | For the year | VMS Equipment Pvt Ltd. | Rotadrill India Pvt. Ltd. | Reachall India Pvt. Ltd. | Namo Metals | Crane Kraft India Private Limited | RSV Combine | Asia Consolidated Pvt. Ltd. | ACE Emergency Response Trust | Total |
|-----------------------|--------------|------------------------|---------------------------|--------------------------|-------------|-----------------------------------|-------------|-----------------------------|------------------------------|----------|
| Sale of Goods | 2021-22 | 1,328.90 | – | 501.62 | – | 325.24 | – | – | – | 2,155.76 |
| | 2020-21 | 1,505.39 | 410.00 | 2,299.30 | – | – | – | – | – | 4,214.69 |
| Purchase of Goods | 2021-22 | 4.50 | – | 522.75 | – | – | – | – | – | 527.25 |
| | 2020-21 | 52.50 | – | – | – | – | – | – | – | 52.50 |
| Rent Received | 2021-22 | 4.44 | 1.20 | 3.60 | – | – | 1.00 | 0.27 | 1.22 | 11.73 |
| | 2020-21 | 4.44 | 1.20 | 1.80 | – | – | – | – | 1.14 | 8.58 |
| Rent Paid | 2021-22 | – | – | – | 24.00 | – | – | – | – | 24.00 |
| | 2020-21 | – | – | – | – | – | – | – | – | – |
| Donation Paid | 2021-22 | – | – | – | – | – | – | – | 160.80 | 160.80 |
| | 2020-21 | – | – | – | – | – | – | – | 142.84 | 142.84 |
| Investment in Equity | 2021-22 | – | – | – | (16.00) | 60.00 | – | – | – | 44.00 |
| | 2020-21 | – | – | – | 0.38 | – | – | – | – | 0.38 |

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, 2022 | As at March 31, 2021 |
|-----------------------------------|-----------------------|----------------------|----------------------|
| VMS Equipment Pvt Ltd. | Amount Receivable | – | 581.78 |
| Rotadrill India Pvt. Ltd. | Amount Receivable | 14.71 | 484.53 |
| Reachall India Pvt. Ltd. | Amount Receivable | 300.23 | 2,564.24 |
| Crane Kraft India Private Limited | Amount Receivable | 164.07 | – |
| Asia Consolidated Pvt. Ltd. | Amount Receivable | 0.11 | – |
| | | 479.12 | 3,630.55 |

(iii) Transactions with Key management personnel

| Name of Party/ Nature of Transaction | For the year | Short-term employee benefits | Dividend paid | Rent Paid | Service rendered | Sale of Immovable Property | Purchase of Immovable Property | Total |
|--------------------------------------|--------------|------------------------------|---------------|-----------|------------------|----------------------------|--------------------------------|---------|
| Mr. Vijay Agarwal | 2021-22 | 306.24 | 171.18 | – | – | – | – | 477.42 |
| | 2020-21 | 306.16 | – | 34.35 | – | – | 530.53 | 871.04 |
| Mrs. Mona Agarwal | 2021-22 | 150.78 | 153.29 | – | – | – | – | 304.07 |
| | 2020-21 | 150.73 | – | – | – | 1,160.00 | 150.00 | 1460.73 |
| Mr. Sorab Agarwal | 2021-22 | 58.90 | 38.12 | – | – | – | – | 97.02 |
| | 2020-21 | 58.86 | – | – | – | – | – | 58.86 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

| | | | | | | | | |
|--|----------------|--------------|--------------|--------------|-------------|---|---|---------------|
| Mrs. Surbhi Garg | 2021-22 | 52.78 | 34.65 | 26.40 | – | – | – | 113.83 |
| | 2020-21 | 60.56 | – | 20.90 | – | – | – | 81.46 |
| Mr. Girish Narain Mehra (IAS Retd.) | 2021-22 | – | – | – | – | – | – | – |
| | 2020-21 | – | – | – | 0.75 | – | – | 0.75 |
| Major General (Retd.) Dr. K. C. Agrawal | 2021-22 | – | – | – | – | – | – | – |
| | 2020-21 | – | – | – | 0.45 | – | – | 0.45 |
| Mr. Subhash Chander Verma | 2021-22 | – | – | – | – | – | – | – |
| | 2020-21 | – | – | – | 0.90 | – | – | 0.90 |
| Mr. Avinash Parkash Gandhi | 2021-22 | – | – | – | 2.45 | – | – | 2.45 |
| | 2020-21 | – | – | – | 1.75 | – | – | 1.75 |
| Dr. Divya Singal | 2021-22 | – | – | – | 2.30 | – | – | 2.30 |
| | 2020-21 | – | – | – | 2.20 | – | – | 2.20 |
| Mr. Shriniwas Vashisht | 2021-22 | – | – | – | 2.30 | – | – | 2.30 |
| | 2020-21 | – | – | – | 1.30 | – | – | 1.30 |
| Dr. Jagan Nath Chamber | 2021-22 | – | – | – | 2.30 | – | – | 2.30 |
| | 2020-21 | – | – | – | 1.00 | – | – | 1.00 |
| Mr. Rajan Luthra | 2021-22 | 51.23 | – | – | – | – | – | 51.23 |
| | 2020-21 | 55.39 | – | – | – | – | – | 55.39 |
| Mr. Anil Kumar | 2021-22 | 8.09 | – | – | – | – | – | 8.09 |
| | 2020-21 | 6.78 | – | – | – | – | – | 6.78 |

Note :

As at March 31, 2022, the Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayments (March 31, 2021: Nil).

34. Contingent liabilities and commitments

(a) Contingent liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Bank Guarantees | 3,039.98 | 3,025.33 |
| Letter of Credits | 7,926.58 | 6,382.61 |
| Claim against the Company, not acknowledged as Debts | 941.71 | 967.42 |
| Sales Tax, Excise & Income Tax Matters, pending before Assessing Appellate Authorities, not acknowledged as liability | 3,392.94 | 3,415.22 |
| | 15,301.21 | 13,790.58 |

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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Contingent liabilities and commitments (contd.)

- 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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) | 637.77 | 729.10 |

(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, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Within one year | 71.61 | 54.39 |
| Later than one year but not later than five years | 39.88 | 29.00 |
| Later than five years | — | — |

35. Earnings per share (EPS)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Profit after tax for the year | 10,591.36 | 8,015.93 |
| Weighted average number of equity shares outstanding during the year | 11,64,07,640 | 11,34,83,196 |
| Basic earnings per share (in ₹) | 9.10 | 7.06 |
| Diluted earnings per share (in ₹) | 9.10 | 7.06 |

36. Qualified institutional placement (QIP)

During the year ended March 31, 2022, the Company had issued 56,00,000 nos. equity shares of ₹ 2/- each fully paid up at ₹ 242/- per share (including securities premium of ₹ 240/- per share) to qualified institutional buyers on Sep 24, 2021 pursuant to provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"), including Regulation 180 (1)(b), and subject to the memorandum of association and the articles of association of the Company and pursuant to the resolutions of the Board of Directors of the Company dated July 31, 2021 authorizing Qualified Institutions Placement Committee ("QIP Committee"), the special resolution dated September 3, 2021, passed by the shareholders of the Company and Section 42 and Section 62 of the Companies Act, 2013, as amended and in-principle approvals granted by BSE Limited and the National Stock Exchange of India Limited ("Stock Exchanges")

Expenses incurred in relation to QIP paid/provided for amounting to ₹ 378.13 Lakhs has been adjusted from Securities Premium Account and the utilisation out of such net amount of ₹ 13,173.87 Lakhs till March 31, 2022 is given below. The balance amount of QIP proceeds remains invested in Bonds, Debentures, Mutual Funds and Term Deposits with banks.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Qualified institutional placement (contd.)

| Utilisation of funds | Amount (₹ in Lakhs) |
|--|---------------------|
| Amount raised (net) | 13,173.87 |
| Utilised during the period | 3,446.80 |
| Balance Unutilised funds as at the year end | 9,727.07 |

37. 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 :

- Applied a single discount rate to a portfolio of leases of similar assets in 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 and the movements thereof during the year ended March 31, 2022 :

The changes in the carrying value of Right-of-Use assets for the year ended March 31, 2022 are as follows:

| Particulars | Category of Right-of-Use asset | | Total |
|---------------------------------------|--------------------------------|-------------------|----------------|
| | Office Building | Plant & Machinery | |
| Balance as at April 1, 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 |
| Additions during the year | 42.71 | 59.18 | 101.89 |
| Depreciation for the year | (22.55) | (4.79) | (27.34) |
| Modification of lease during the year | (2.53) | (4.45) | (6.98) |
| Balance as at March 31, 2022 | 45.67 | 55.24 | 100.91 |

The carrying value of lease liability and movement thereof during the year ended March 31, 2022 are as follows :

| Particulars | Amount |
|---------------------------------------|---------|
| Balance as at April 1, 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) |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Leases (contd.)

| | |
|---|---------------|
| 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 |
| Addition during the year | 101.89 |
| Finance Cost accrued during the year | 4.75 |
| Modification of lease during the year | (7.68) |
| Interest accrued but not due as on March 31, 2022 | (0.20) |
| Payment of lease liabilities | (30.99) |
| Balance as at March 31, 2022 | 103.41 |
| Current maturities of Lease Liabilities (refer note no. 15) | 28.30 |
| Non-Current Lease Liabilities (refer note no. 15) | 75.11 |

Impact on the Statement of Profit and Loss for year ended 31st March, 2022

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Depreciation expense of Right-of-Use assets | 27.34 | 39.10 |
| Interest on Lease Liabilities | 4.75 | 4.93 |
| Total | 32.09 | 44.03 |

Rental expense recorded for Short-Term Leases was ₹ 56.79 lakhs for the year ended March 31, 2022 (₹ 67.51 lakhs for the year ended March 31, 2021). (Refer Note No. 28)

The effect of this adoption is insignificant on earnings per share.

The maturity analysis of lease liabilities is disclosed in Note No. 31

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

38. 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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (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 | 869.74 | 3851.68 |
| Interest due on overdue principal amounts out of the above | 7.66 | 5.29 |
| (ii) Interest paid by the Company in terms of Section on 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. | – | – |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

| | | |
|---|---|---|
| (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.

39. 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.

(a) The company has four (4) operating and reporting segments as given below:

- i) Cranes
- ii) Construction Equipment
- iii) Material Handling
- iv) Agri Equipment

(b) There is no transfer of products between operating segments

(c) There are no customers having revenue exceeding 10% of total revenues

Summary of Segmental Information

(A) Segment Revenue and Results

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------------------------|------------------------------|------------------------------|
| Segment revenue (Net) | | |
| (i) Cranes | 1,10,401.75 | 79,020.91 |
| (ii) Construction Equipment | 17,623.81 | 13,373.03 |
| (iii) Material Handling | 15,205.70 | 10,284.72 |
| (iv) Agri Equipment | 19,803.11 | 20,022.25 |
| Total Segment Revenue | 1,63,034.37 | 1,22,700.91 |
| Segments results | | |
| (i) Cranes | 12,952.54 | 8,724.00 |
| (ii) Construction Equipment | 937.72 | 678.50 |
| (iii) Material Handling | 1,820.05 | 1,273.35 |
| (iv) Agri Equipment | 1,258.34 | 2,405.46 |
| | 16,968.65 | 13,081.31 |
| Finance costs | (1,372.65) | (1,223.28) |
| Other Unallocated Expenses | (1,761.65) | (1,010.19) |
| Total Segment results | 13,834.35 | 10,847.84 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment information (contd.)

(B) Segment Assets and Liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Segment assets | | |
| (i) Cranes | 75,165.60 | 74,334.50 |
| (ii) Construction Equipment | 10,487.83 | 9,673.05 |
| (iii) Material Handling | 4,069.57 | 3,830.99 |
| (iv) Agri Equipment | 12,739.09 | 9,658.04 |
| Total segment assets | 1,02,462.09 | 97,496.58 |
| Unallocated | 25,475.18 | 7,791.27 |
| Total assets as per the balance sheet | 1,27,937.27 | 1,05,287.85 |
| Segment liabilities | | |
| (i) Cranes | 34,605.63 | 31,503.33 |
| (ii) Construction Equipment | 5,175.68 | 4,611.58 |
| (iii) Material Handling | 2,273.26 | 2,665.55 |
| (iv) Agri Equipment | 7,876.16 | 6,949.05 |
| Total segment liabilities | 49,930.73 | 45,729.51 |
| Unallocated | 78,006.54 | 59,558.34 |
| Total liabilities as per the balance sheet | 1,27,937.27 | 105,287.85 |

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 segment identified above are the only reportable segments.

40. Corporate Social Responsibility

As per provisions of section 135 of the Company Act, 2013, the Company has to incur at least 2% of average net profit of the preceding three financial years towards Corporate Social Responsibility (CSR). Accordingly, a CSR committee has been formed carrying out CSR activities as per the schedule VII of the Company Act, 2013. Details are as under

(a) Details of CSR Expenditure

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Contribution to ACE Emergency Response Service Trust for Health services including Ambulance and Pathology Laboratory | 160.80 | 142.84 |
| Contribution to Sarvodya foundation for Health Services | 11.92 | 5.00 |
| Contribution to FIA Charitable Society for Handling of Natural Calamity | 5.00 | – |
| Contribution to Blue Sapphire Healthcare for Health Services | – | 5.00 |
| Amount spent directly by the Company for Health Services | 8.87 | – |
| Total Amount Spent by Company for CSR Activities | 186.59 | 152.84 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Corporate Social Responsibility (contd.)

(b) Details of Excess/Shortage of CSR Expenditure under section 135 (5) of the Act

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Gross amount required to be spent by the company during the year | 172.58 | 152.74 |
| Amount spent during the year for CSR activities | 186.59 | 152.84 |
| Excess/(Shortage) | 14.01 | 0.10 |

(c) The Company has not claimed set-off of excess amount for future periods.

(d) Related party transactions in relation to CSR with enterprises owned or significantly influenced by Key Management Personnel or their relatives.

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Contribution paid to ACE Emergency Response Service Trust for Health services including Ambulance and Pathology Laboratory | 160.80 | 142.84 |
| Total | 160.80 | 142.84 |

41. Analytical ratio

| Sr. No | Ratio | Numerator | Denominator | As at March 31, 2022 | As at March 31, 2021 | % Change | Explanation for change in the ratio by more than 25% as compared to the previous year |
|--------|--|--|---|----------------------------|----------------------------|-------------|--|
| 1 | Current Ratio (times) | Current Assets | Current Liabilities | 1.41 | 1.20 | 17.08% | Not Applicable |
| 2 | Debt-Equity Ratio (times) | Total Debt (Borrowings) | Shareholders Equity | 0.01 | 0.10 | 90.28% | Reduction in debt |
| 3 | Debt Service Coverage Ratio (times) | Earning available for debt service | (Finance Costs + Repayment of borrowings) | 4.52 | 3.56 | 26.97% | Reduction in debt |
| 4 | Return on Equity Ratio (%) | Profits after tax | Average Shareholders Equity | 16.57% | 16.60% | (0.17%) | Not Applicable |
| 5 | Inventory turnover ratio (times) | Cost of goods sold | Average Inventory | 3.92 | 3.19 | 22.65% | Not Applicable |
| 6 | Trade receivables turnover ratio (times) | Revenue from Sale of Products and Services | Average Trade receivables | 9.19 | 7.69 | 19.52% | Not Applicable |
| 7 | Trade payables turnover ratio (times) | Net Purchases of raw material and stock-in-trade | Average Trade payables | 4.38 | 3.19 | 37.07% | Early payment of vendor |
| 8 | Net capital turnover ratio (times) | Revenue from Operations | Working Capital (Current Assets - Current Liabilities) | 7.91 | 12.42 | (36.34%) | Increase in current investments |
| 9 | Net profit ratio (%) | Profit after tax | Revenue from Operations | 6.50% | 6.53% | (0.56%) | Not Applicable |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Analytical ratio (contd.)

| | | | | | | | |
|----|--------------------------------|---|---|--------|--------|---------|----------------|
| 10 | Return on Capital employed (%) | Profit before interest and taxes (EBIT) | Capital Employed [Tangible Net worth + Total Debt + Deferred Tax Liability] | 17.65% | 17.75% | (0.56%) | Not Applicable |
| 11 | Return on investment (%) | Return on Investment during the year | Time weighted average of investments | 7.93% | 12.59% | 36.99% | Market Dynamic |

42. Disclosure in accordance with the requirements under Ind AS 10 'Events after the reporting period'.

The foreign subsidiary company SA Forma, Romania has signed an agreement on April 20, 2022 for the transfer of entire property right on land and building situated in Romania for a consideration of 23,86,660 Euro (1,17,93,680.39 Romanian New Leu). Estimated INR value of the consideration on the Agreement Date is Rs. 1975.68 lakhs (1 RON = 16.7520 INR).

43. Struck off Companies: Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

| Name of the struck off Company | Nature of transaction with struck off Company | Balance outstanding as at March 31, 2022 | Balance outstanding as at March 31, 2021 | Relation with struck off Company |
|----------------------------------|---|--|--|----------------------------------|
| MNS Logistics Private Limited | Receipt of transportation services | 2.67 | 0.37 | Vendor |
| Rehal Industries Private Limited | Purchase of goods | 0.59 | 0.76 | Vendor |
| Sakha Servies Private Limited | Receipt of services | 0.01 | 0.01 | Vendor |
| Unicon Fincap Private Limited | Unclaimed Dividend | 0.04 | – | Shareholder |

44. Additional regulatory information required by Schedule III of Companies Act, 2013

- (i) **Details of Benami property** : No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) **Utilisation of borrowed funds and share premium** : The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall.
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (iii) **Compliance with number of layers of companies**: The Company has complied with the number of layers prescribed under the Companies Act, 2013.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

- (iv) **Compliance with approved scheme(s) of arrangements:** The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
 - (v) **Undisclosed income:** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
 - (vi) **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
 - (vii) **Valuation of PP&E, intangible asset and investment property :** The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
 - (viii) **Satisfaction of charges :** The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
 - (ix) **Wilful defaulter :** The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
 - (x) The Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayments as at March 31, 2022 (as at March 31, 2021: Nil).
45. 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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : May 23, 2022

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

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 & its subsidiaries together referred to as “the Group”) which comprise the consolidated Balance Sheet as at 31st March 2022 and the consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and consolidated Statement of Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consolidated 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 companies (Indian Accounting Standards) Rules 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, 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 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 “consolidated 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statement.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31,2022. These matters were addressed in the context of our audit of the consolidated 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 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 financial statements. The results of the audit procedures, performed by us and other auditors of components not audited by us as reported by them in their audit reports furnished to us by the Management including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated 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 | |
| | The Company’s revenue stream from various segments having multiplicity of products, sales transactions, distribution network. The contracts/ arrangement with customers across these segments are different involving significant risks 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. | Our principal audit procedures performed, among others to obtain sufficient and appropriate audit evidence included: <ul style="list-style-type: none"> - Understood the system and procedures for recognizing revenue when the performance obligations are met. - 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; |

| | | |
|--|---|--|
| | <p>Sale of goods depends upon the transfer of control of the goods to the customer, usually on delivery of goods. Revenue is measured at fair value of consideration received or receivable net of sales returns, discounts/ rebates and taxes or duties collected on behalf of Government. We refer to the Company's significant accounting policy in note 1.3(a). There is a risk that revenue could be recognized 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> | <ul style="list-style-type: none"> - Appraised the integrity of information and technology general control environment and testing the operating effectiveness of key IT application controls. - Assessed the appropriateness of revenue recognition accounting policies and disclosures in the notes to the Consolidated Financial Statements by comparing them with the applicable accounting standard. - Evaluated the design and implementation of Company's controls in respect of revenue recognition and the effectiveness of such controls over revenue cut off at year-end. - On a sample basis, made selections of transactions from sales entries and traced to their contracts, invoices, delivery challan and goods outward register. Scrutinised sales ledgers to verify completeness of sales transactions. - Reviewed samples of contracts with respect to the unbilled revenues to identify possible delays in achieving milestones. - 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. - Selecting a sample of trade receivables outstanding at the year end and assessing their recoverability. |
|--|---|--|

Information other than the Consolidated 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 information included in the Board of Directors report, management discussion and analysis section of the annual report, corporate governance report and business responsibility report but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated 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 financial statements, our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Act 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 the other 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. The respective Board of Directors of the companies included in the Group are responsible for the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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

- Identify and assess the risks of material misstatements of the consolidated 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 Holding Company has adequate Internal Financial Controls system in place with respect to the 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'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 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements, including the disclosures and whether the consolidated 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 financial statements. We are responsible for the directions, supervisions and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements which have been audited by other auditors, such other auditors remain responsible for the directions, supervision and performance of the audits carried on 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 financial statements of which we are 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 financial statements for the financial year ended March 31, 2022 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.

Other Matter

- We did not audit the financial information of three subsidiaries 'SC Forma SA', Romania, Crane Kraft India Private Limited and Namco Metals, a partnership firm included in the consolidated financial statements, whose financial information reflects total assets of ₹ 1192.70 lakhs as at March 31, 2022 and total revenue of ₹ 272.38 lakhs total net loss after tax ₹ 74.80 lakhs for the year ended March 31, 2022 and net cash outflow of ₹ 21.36 lakhs for the year ended March 31, 2022 as considered in the consolidated financial statements. In respect of said foreign subsidiary whose financial year is ending on December 31, 2021 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, 2022 are unaudited and audited financial information of the private limited Company have been furnished to us by the Management and our opinion on these consolidated 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 of the foreign subsidiary and firm and audited financial information of the private limited Company. 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 and audited financial information of the private limited Company 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 financial statements.
 - (b) In our opinion, proper books of account as required relating to the 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 Statement 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 financial statements.
 - (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as at March 31, 2022 taken on record by the Board of Directors, of the holding Company and on the report of the statutory auditors of the subsidiaries and 3 months unaudited financial information of its foreign subsidiary and unaudited information of the firm for the financial year ending March 31, 2022 as submitted by the Management of the Holding Company none of the directors is disqualified as on March 31, 2022 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 financial statements of the Holding Company, refer to our separate Report in **"Annexure A" 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) In our opinion and based on the consideration of report of other auditors of the subsidiaries incorporated in India, the remuneration paid/provided by the Holding Company, its subsidiaries incorporated in India to their 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and in its consolidated 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 and subsidiaries incorporated in India during the year ended March 31, 2022.
- iv. (a) The Management of the Holding Company has represented to us that to the best of their knowledge and belief, other than as disclosed in notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- (b) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, as disclosed in notes to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall or any of such subsidiaries, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the subsidiary which is incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend proposed in the previous year declared and paid by the company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 32 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

2. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditor' Report according to the information and explanation given to us and based on the CARO reports issued by us to the Company and its subsidiaries included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

CA Ravi Gulati
Partner
Membership No.090672
UDIN: 22090672AJMJT8154

Place : Faridabad

Date : 23rd May 2022

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, 2022 in conjunction with our audit of the consolidated 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 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 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 consolidated 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 consolidated 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 Holding Company's internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these consolidated 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 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 consolidated 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 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 with respect to these consolidated financial statements were operating effectively as at March 31, 2022, 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: 22090672AJMJT8154

Place : Faridabad

Date : 23rd May 2022

Consolidated Balance Sheet as at March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | Notes | As at March 31, 2022 | As at March 31, 2021 |
|---|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 43,726.81 | 41,611.94 |
| Capital work in progress | 2 | 2,429.27 | 1,254.87 |
| Investment properties | 3 | 1,175.29 | 1,198.86 |
| Intangible assets | 4 | 266.21 | 122.45 |
| Financial assets | | | |
| i. Investments | 5 | 6,878.12 | 638.93 |
| ii. Other financial assets | 6 | 1,657.85 | 660.13 |
| Other non-current assets | 7 | 651.64 | 972.66 |
| Non-current tax assets (Net) | | – | 14.19 |
| Total Non-Current Assets | | 56,785.19 | 46,474.03 |
| Current Assets | | | |
| Inventories | 8 | 33,337.29 | 26,604.76 |
| Financial assets | | | |
| i. Investments | 5 | 11,046.58 | 2,504.74 |
| ii. Trade receivables | 9 | 18,872.42 | 22,467.76 |
| iii. Cash and cash equivalents | 10 | 572.39 | 3,288.70 |
| iv. Bank balances other than (iii) above | 11 | 858.11 | 362.67 |
| v. Other current financial assets | 6 | 298.53 | 230.20 |
| Other current assets | 7 | 6,429.46 | 3,572.74 |
| Current tax Assets (Net) | | 36.61 | 22.93 |
| Total Current Assets | | 71,451.39 | 59,054.50 |
| Total Assets | | 1,28,236.58 | 1,05,528.53 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12 | 2,381.66 | 2,269.66 |
| Other equity | 13 | 73,029.98 | 50,057.64 |
| Equity attributable to the owners of Action Construction Equipment Limited | | 75,411.64 | 52,327.30 |
| Non-Controlling Interests | | 23.97 | 26.36 |
| Total Equity | | 75,435.61 | 52,353.66 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | – | 2,013.40 |
| ii. Lease Liability | 15 | 124.50 | 13.46 |
| Provisions | 16 | 228.10 | 185.35 |
| Deferred tax liabilities (Net) | 17 | 1,347.64 | 1,605.94 |
| Total Non-Current Liabilities | | 1,700.24 | 3,818.15 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | 760.48 | 3,408.66 |
| ii. Lease Liability | 15 | 53.25 | 22.18 |
| iii. Trade payables | 18 | | |
| (a) Total outstanding dues of micro and small enterprises | | 869.74 | 3,851.68 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | | 35,235.61 | 29,198.41 |
| iv. Other financial liabilities | 19 | 9,446.15 | 8,752.55 |
| Other current liabilities | 20 | 4,184.97 | 3,797.46 |
| Provisions | 16 | 178.96 | 141.84 |
| Current tax liabilities (Net) | | 371.57 | 183.94 |
| Total Current Liabilities | | 51,100.73 | 49,356.72 |
| Total Equity and Liabilities | | 1,28,236.58 | 1,05,528.53 |

The accompanying Notes (1 to 45) 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 23, 2022

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, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | Notes | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|-------|------------------------------|------------------------------|
| Income | | | |
| Revenue from operations | 21 | 1,62,957.50 | 1,22,715.39 |
| Other income | 22 | 1,501.66 | 1,530.68 |
| Total income | | 1,64,459.16 | 1,24,246.07 |
| Expenses | | | |
| Cost of materials consumed | 23 | 1,18,986.91 | 87,716.22 |
| Purchase of stock-in-trade | | 251.04 | 606.07 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 24 | (2,126.63) | (2,721.25) |
| Employee benefits expenses | 25 | 8,480.80 | 7,216.59 |
| Finance costs | 26 | 1,375.03 | 1,223.28 |
| Depreciation and amortisation expenses | 27 | 1,541.26 | 1,394.48 |
| Other expenses | 28 | 22,221.02 | 17,999.54 |
| Total expenses | | 1,50,729.43 | 1,13,434.93 |
| Profit before exceptional items, share of net profits of investments accounted for using equity method and tax | | 13,729.73 | 10,811.14 |
| Share of net profit of associates accounted for using equity method | | – | – |
| Profit before exceptional items and tax | | 13,729.73 | 10,811.14 |
| Exceptional items | | – | – |
| Profit before tax | | 13,729.73 | 10,811.14 |
| Tax expense: | 29 | | |
| Current tax | | 3,476.36 | 2,669.98 |
| Deferred tax | | (246.43) | 161.93 |
| Profit after tax | | 10,499.80 | 7,979.23 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of post employment defined benefit obligation | | (47.18) | 101.52 |
| Income tax relating to these items | | 11.87 | (25.55) |
| Other Comprehensive income for the year (net of tax) | | (35.31) | 75.97 |
| Total comprehensive income for the year | | 10,464.49 | 8,055.20 |
| Profit attributable to: | | | |
| Owners | | 10,502.19 | 7,983.08 |
| Non-Controlling Interest | | (2.39) | (3.85) |
| Other Comprehensive income attributable to: | | | |
| Owners | | (35.31) | 75.97 |
| Non-Controlling Interest | | – | – |
| Total Comprehensive income attributable to: | | | |
| Owners | | 10,466.88 | 8,059.05 |
| Non-Controlling Interest | | (2.39) | (3.85) |
| Earnings per equity share (Face Value of ₹ 2/- each) | 35 | | |
| Basic (in ₹) | | 9.02 | 7.03 |
| Diluted (in ₹) | | 9.02 | 7.03 |

The accompanying Notes (1 to 45) 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 23, 2022

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, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

| Particulars | Amount |
|-------------------------------------|-----------------|
| Balance as at April 1, 2020 | 2,269.66 |
| Increase/(Decrease) during the year | – |
| Balance as at March 31, 2021 | 2,269.66 |
| Increase/(Decrease) during the year | 112.00 |
| Balance as at March 31, 2022 | 2,381.66 |

B) Other equity

| Particulars | General Reserve | Capital Redemption Reserve | Securities Premium | Retained earnings | Total |
|---|-----------------|----------------------------|--------------------|-------------------|------------------|
| Balance as at April 1, 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 |
| Re-measurement gain/(losses) on defined benefit plan (net of tax) | – | – | – | 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 |
| Profit for the year | – | – | – | 10,502.19 | 10,502.19 |
| Re-measurement gain/(losses) on defined benefit plan (net of tax) | – | – | – | (35.31) | (35.31) |
| Dividend | – | – | – | (567.42) | (567.42) |
| Translation of foreign currency investments | – | – | – | 11.01 | 11.01 |
| Amount received on issue of equity shares | – | – | 13,440.00 | – | 13,440.00 |
| Expenses incurred on issue of equity shares | – | – | (378.13) | – | (378.13) |
| Balance as at March 31, 2022 | 9,925.00 | 3,098.74 | 18,337.38 | 41,668.86 | 73,029.98 |

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 23, 2022

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

Consolidated Statement of Cash Flow for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 13,729.73 | 10,811.14 |
| Adjustments for | | |
| Depreciation and amortisation expenses | 1,541.26 | 1,394.48 |
| Gain on disposal of property, plant and equipment | (32.82) | (538.64) |
| Loss on disposal of property, plant and equipment | 11.13 | 17.35 |
| Gain on modification of lease | (0.71) | (2.58) |
| Unrealised foreign exchange fluctuation | (15.41) | (28.70) |
| Interest income | (175.38) | (62.00) |
| (Gain)/ loss on Investments carried at fair value through profit or loss (net) | (417.41) | (462.94) |
| Rental income classified as investing cash flows | (38.84) | (43.75) |
| Finance costs | 1,375.03 | 1,218.35 |
| Bad Debts Written off | 149.54 | 494.26 |
| Provision for doubtful receivable & advances (net) | 746.02 | 716.87 |
| Operating profit before working capital changes | 16,872.14 | 13,513.84 |
| Change in operating assets and liabilities | | |
| (Increase)/Decrease in trade receivables | 3,268.99 | (8,305.23) |
| (Increase)/Decrease in inventories | (6,732.53) | 463.80 |
| (Increase)/Decrease in other financial assets | 7.25 | (49.43) |
| (Increase)/Decrease in other current assets | (3,426.88) | 622.44 |
| Increase/(Decrease) in trade payables | 3,034.95 | 992.25 |
| Increase/(Decrease) in provisions | 79.87 | (53.49) |
| Increase/(Decrease) in other financial liabilities | 693.07 | 2,347.95 |
| Increase/(Decrease) in other current liabilities | 387.51 | 1,475.02 |
| Cash generated from operations | 14,184.37 | 11,007.15 |
| Income taxes paid | (3,288.22) | (2,400.88) |
| Net cash inflow/(outflow) from operating activities | 10,896.15 | 8,606.27 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (3,776.82) | (4,320.21) |
| Purchase of Intangible assets | (195.21) | (63.00) |
| Disposal of property, plant, equipment and Investment Property | 395.08 | 1,775.55 |
| (Increase)/Decrease in Capital advances and Capital work in progress | (853.38) | 1,006.27 |
| Purchase of Investments | (14,781.03) | (349.67) |
| Purchased of Fixed deposits having maturity more than 3 months | (1,509.47) | (240.19) |
| Interest income | 116.10 | 62.00 |
| Gain/ loss on Investments carried at fair value through profit or loss (net) | 417.41 | 462.94 |
| Rental income classified as investing cash flows | 38.84 | 43.75 |
| Net cash inflow/(outflow) from investing activities | (20,148.48) | (1,622.56) |

Consolidated Statement of Cash Flow for the year ended March 31, 2022 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Cash flows from financing activities | | |
| Net proceeds from non-current borrowings | (2,328.99) | (1,401.92) |
| Net proceeds from current borrowings | (2,332.10) | (1,373.79) |
| Payment of lease liabilities | (34.89) | (39.95) |
| Finance cost paid | (1,374.45) | (1,218.35) |
| Equity dividend paid | (567.42) | – |
| Proceed from issue of Equity Shares | 13,552.00 | – |
| Expenses on issue of Equity Shares | (378.13) | – |
| Net cash inflow/(outflow) from financing activities | 6,536.02 | (4,034.01) |
| Net increase/(decrease) in cash and cash equivalents | (2,716.31) | 2,949.70 |
| Cash and cash equivalents at the beginning of the year | 3,288.70 | 339.00 |
| Cash and cash equivalents at end of the year | 572.39 | 3,288.70 |

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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Balances with banks in current accounts | 102.57 | 132.38 |
| Cash on hand | 24.80 | 27.58 |
| Deposits with original maturity less than 3 months | 445.02 | 3,128.74 |
| | 572.39 | 3,288.70 |

- (c) Figures in brackets indicate cash outflow

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 23, 2022

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, 2022

(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, 2022.

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, 2022 were approved by the Board of Directors and authorised for issue on May 23, 2022.

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, 2022

(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 embedded in the original sales contracts are recognized over the life of the contract and matched to related costs.

Revenue from the maintenance contracts embedded in original sale contracts is recognised over the time. The amount is arrived at by computing the ratio between the number of services provided/lapsed in the current period and the total number of services expected to be provided under each contracts.

Owned equipment rentals represent revenue from renting equipment that the Company own. Revenue from renting of equipment is recognised on a straight line basis as per the contractual period comprising of hourly, daily, weekly or monthly. Rental contracts are short term in nature. The Company recognises revenue from sales of equipment when it is disposed off. The Company also recognises revenue on account of mobilization, de-mobilization and installation of equipment based on the negotiated contractual terms.

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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 –

- control the use of an identified asset,
- obtain substantially all the economic benefits from use of the identified asset, and
- 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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. 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 assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Group commits to purchase or sell the asset.

Financial assets

Recognition: Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents. Such assets are initially recognised at transaction price when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Reclassification: When and only when the business model is changed, the group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Derecognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the group has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously taken to reserves are reclassified within equity.

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption/ settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Derecognition: Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

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.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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 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 31 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (All amounts in ₹ Lakhs, unless otherwise stated)

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.

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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, right issue and issue under qualified institutional placement (QIP).

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

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 30, 'Employee benefits'.

d) Provision for warranty

Provision for warranty is based on historical percentage of warranty expenses to sales. The percentage is applied for the current accounting period to arrive at the warranty expenses accrued. Actual warranty expenses may differ in comparison to those estimated depending upon the claims rate in comparison to the historical rates.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

e) 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.

1.5 New and amended standards adopted by the Company

The group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021 :

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.
- The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

1.6 Standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective from April 1, 2022. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

1.7 Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

- The current maturities of long-term borrowings (including interest accrued) has now been included in the “Current borrowings” line item. Previously, current maturities of long term borrowings and interest accrued were included in ‘other financial liabilities’ line item.
- The lease liability (non- current) and current maturities of lease liability has now shown on the face of balance sheet. Previously, lease liability (non- current) and current maturities of lease liability were included ‘other financial liabilities’ line item.

The group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications of (a) and (b) is summarised below:

| Balance Sheet (Extract) | March 31, 2021 (as previously reported) | Increase/ (Decrease) | March 31, 2021 (restated) |
|---|--|-------------------------|------------------------------|
| Other Financial Liabilities (Non-Current) | 13.46 | (13.46) | – |
| Other Financial Liabilities (Current) | 9,090.32 | (337.77) | 8,752.55 |
| Current Borrowings | 3,093.07 | 315.59 | 3,408.66 |
| Lease Liability (Non-Current) | – | 13.46 | 13.46 |
| Lease Liability (Current) | – | 22.18 | 22.18 |

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(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, 2021 are as follows:

| Particulars | Gross Carrying Value | | | | Accumulated Depreciation | | | | Net Carrying Value | |
|--------------------------------|----------------------|------------------------|-------------------------|----------------------|--------------------------|---------------------------|---------------|----------------------|---------------------|----------------------|
| | 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 April 1, 2020 | As at March 31, 2021 |
| Freehold 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/ Factory 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 |

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2022 are as follows:

| Particulars | Gross Carrying Value | | | | Accumulated Depreciation | | | | Net Carrying Value | |
|--------------------------------|----------------------|------------------------|-------------------------|----------------------|--------------------------|---------------------------|---------------|----------------------|----------------------|----------------------|
| | As at April 1, 2021 | Additions for the Year | Deletions / Adjustments | As at March 31, 2022 | As at April 1, 2021 | Depreciation for the year | Deletions | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 |
| Freehold Land | 17,124.78 | 172.09 | – | 17,296.87 | – | – | – | – | 17,124.78 | 17,296.87 |
| Factory Building | 7,859.35 | 105.95 | – | 7,965.30 | 2,702.84 | 250.11 | – | 2,952.95 | 5,156.51 | 5,012.35 |
| Office Building | 11,177.78 | 11.75 | – | 11,189.53 | 675.52 | 91.01 | – | 766.53 | 10,502.26 | 10,423.00 |
| ROU - Office/ Factory Building | 56.80 | 125.49 | 22.89 | 159.40 | 28.76 | 31.75 | 20.36 | 40.15 | 28.04 | 119.25 |
| Plant & Machinery | 12,867.96 | 2,537.36 | 935.57 | 14,469.75 | 5,848.97 | 738.19 | 589.20 | 5,997.96 | 7,018.99 | 8,471.79 |
| ROU- Plant & Mach. | 8.48 | 59.18 | 8.48 | 59.18 | 3.18 | 4.79 | 4.03 | 3.94 | 5.30 | 55.24 |
| Furnitures & Fixtures | 1,295.59 | 96.91 | – | 1,392.50 | 776.99 | 80.53 | – | 857.52 | 518.60 | 534.98 |
| Office Equipment | 488.56 | 80.58 | – | 569.14 | 317.44 | 41.27 | – | 358.71 | 171.12 | 210.43 |
| Motor Vehicles | 1,805.06 | 700.16 | 196.97 | 2,308.25 | 975.14 | 179.67 | 169.95 | 984.86 | 829.92 | 1,323.39 |
| Computer | 481.88 | 25.28 | – | 507.16 | 426.82 | 22.73 | – | 449.55 | 55.06 | 57.61 |
| Electric Equipment & Fittings | 443.80 | 46.74 | – | 490.54 | 242.44 | 26.20 | – | 268.64 | 201.36 | 221.90 |
| Total | 53,610.04 | 3,961.49 | 1,163.91 | 56,407.62 | 11,998.10 | 1,466.25 | 783.54 | 12,680.81 | 41,611.94 | 43,726.81 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

2 (b) Capital Work-in-progress

| Particulars | As at April 1, 2020 | Additions | Capitalisation | As at March 31, 2021 | Additions | Capitalisation | As at March 31, 2022 |
|--------------------------|---------------------|-----------|----------------|----------------------|-----------|----------------|----------------------|
| Capital work-in-progress | 1935.13 | 1,533.98 | 2,214.24 | 1,254.87 | 1,759.61 | 585.21 | 2,429.27 |

Capital work-in-progress ("CWIP") ageing schedule

| Capital work-in-progress | Amount in CWIP for a period of | | | | As at March 31, 2022 |
|--------------------------|--------------------------------|-----------|-----------|------------------|----------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | |
| Projects in Progress | 796.87 | 676.46 | 955.94 | – | 2,429.27 |

| Capital work-in-progress | Amount in CWIP for a period of | | | | As at March 31, 2021 |
|--------------------------|--------------------------------|-----------|-----------|------------------|----------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | |
| Projects in Progress | 427.55 | 827.32 | – | – | 1,254.87 |

There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2022 and March 31, 2021.

(i) Property, plant and equipment Pledged as security (Net)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------|----------------------|----------------------|
| Freehold Land | – | 333.05 |
| Office Building | – | 6,546.75 |
| Plant and Machinery | 8,466.91 | 7,018.99 |
| Motor Vehicles | – | 141.33 |
| | 8,466.91 | 14,040.12 |

(ii) Title deeds of Immovable Property not held in the name of the group

| S. No. | Relevant Line item in the Balance Sheet | Description of item of Property | Gross carrying Value | Held in the name of | Whether Promoter director or their relative or employee | Property held from | Reason for lease agreement not executed with the group |
|--------|---|---------------------------------|----------------------|--|---|--------------------|---|
| 1 | Property, Plant and equipment | Building at Jasola | 146.43 | M/s Bright-ways Housing & Land Development | No | August 7, 2007 | The possession and Original buyers agreement, of the Property, is in the name of group. Further, the group is taking adequate legal steps to get the title deeds registered with appropriate authority. |
| 2 | Property, Plant and equipment | Building at Faridabad | 1283.74 | M/s Godavari Shilpkala Ltd | No | March 31, 2012 | The possession and Original buyers agreement, of the Property, is in the name of group. Further, the group is taking adequate legal steps to get the title deeds registered with appropriate authority. |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

| | | | | | | | |
|---|-------------------------------|--------------------------|---------|--------------------------------------|-------------------|-------------------|--|
| 3 | Property, Plant and equipment | Building at Sarita Vihar | 33.86 | M/s K.K. Enterprises | No | November 3, 2000 | The possession and Original buyers agreement, of the Property, is in the name of group. Further, the group is taking adequate legal steps to get the title deeds registered with appropriate authority. |
| 4 | Property, Plant and equipment | Building in Kolkata | 380.53 | Mr. Vijay Agarwal | Promoter Director | February 12, 2021 | The possession and Original buyers agreement, of the Property, is in the name of group. Further, the group is taking adequate legal steps to get the title deeds registered with appropriate authority. |
| 5 | Property, Plant and equipment | Building at Faridabad | 300.00 | Mr. Vijay Agarwal, Mrs. Mona Agarwal | Promoter Director | March 30, 2021 | The possession and Original buyers agreement, of the Property, is in the name of group. Further, the group is taking adequate legal steps to get the title deeds registered with appropriate authority. |
| 6 | Property, Plant and equipment | Building at Gurugram | 4554.43 | DLF Limited | No | September 1, 2019 | The possession and Original buyers agreement, of the Property, is in the name of group. Further, the group is taking adequate legal steps to get the title deeds registered with appropriate authority. |
| 7 | Property, Plant and equipment | Land at Prithla | 101.34 | M/s Steelfab Private Limited | No | August 13, 1997 | The group has received this property by way of merger of M/s Steelfab Private Limited with the M/s Action Construction Equipment Ltd. Group is legal owner of the property by way of order of the court however the name is still not changed. |

(iii) Capital commitments - Refer Note No. 34.

3. Investment properties

| Particulars | As at April 1, 2020 | Additions/ Charge for the Year | Disposal | As at March 31, 2021 | Additions/ Charge for the Year | Disposal | As at March 31, 2022 |
|---------------------------|---------------------|--------------------------------|----------|----------------------|--------------------------------|----------|----------------------|
| Gross carrying value | 1,763.15 | – | – | 1,763.15 | – | – | 1,763.15 |
| Accumulated depreciation | 540.72 | 23.57 | – | 564.29 | 23.57 | – | 587.86 |
| Net carrying value | 1,222.43 | 23.57 | – | 1,198.86 | 23.57 | – | 1,175.29 |

(i) Amounts recognised in profit or loss for investment properties

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---------------------------|---------------------------|
| Rental income | 38.84 | 43.75 |
| Direct operating expenses that generated rental income | 13.27 | 13.27 |
| Direct operating expenses that did not generate rental income | – | – |
| Profit from leasing of investment properties before depreciation | 25.57 | 30.48 |
| Depreciation | 23.57 | 23.57 |
| Profit from investment properties | 2.00 | 6.91 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

(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, 2022 | As at March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| Fair value of Investment properties | 2,573.00 | 2,024.79 |

The Group obtains fair valuations for its investment properties from independent registered Valuer. The best evidence of fair value is current prices in an active market for similar properties

4. Intangible assets

The changes in the carrying value of intangible assets for the year ended March 31, 2021 are as follows:

| Particulars | Gross Carrying Value | | | | Accumulated Depreciation | | | | Net Carrying Value | |
|--------------------|---------------------------|------------------------------|----------------------------|----------------------------|---------------------------|---------------------------------|-----------|----------------------------|----------------------------|----------------------------|
| | 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 |

The changes in the carrying value of intangible assets for the year ended March 31, 2022 are as follows:

| Particulars | Gross Carrying Value | | | | Accumulated Depreciation | | | | Net Carrying Value | |
|--------------------|---------------------------|------------------------------|----------------------------|----------------------------|---------------------------|---------------------------------|-----------|----------------------------|----------------------------|----------------------------|
| | As at April 1, 2021 | Additions for the year | Deletions / Adjustments | As at March 31, 2022 | As at April 1, 2021 | Depreciation for the year | Deletions | As at March 31, 2022 | As at April 31, 2021 | As at March 31, 2022 |
| Computer Software | 688.48 | 66.30 | – | 754.78 | 614.60 | 28.65 | – | 643.25 | 73.88 | 111.53 |
| Technical Know how | 283.93 | 128.91 | – | 412.84 | 235.36 | 22.80 | – | 258.16 | 48.57 | 154.68 |
| Total | 972.41 | 195.21 | – | 1,167.62 | 849.96 | 51.45 | – | 901.41 | 122.45 | 266.21 |

5. Investments

(i) Investments - Non Current

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (a) Investments in associates - Unquoted investment (Measured at cost) | | |
| ACE Employees Group Gratuity Scheme Trust | 0.40 | 0.40 |
| (b) Investment in Mutual funds - Quoted investment (Carried at fair value through profit or loss) | | |
| Nippon India Fixed Horizon Fund-XXXVIII-Series 02 - Direct Growth Plan Nil (PY 4239905.706) Units of ₹ 10 each | – | 509.52 |
| Nippon India fixed horizon fund XXXIX- SERIES 2 - Direct Growth Plan Nil (PY 1000000) Units of ₹ 10 each | – | 129.01 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (c) Investment in Bonds and Debentures - Quoted Investment (Measured at amortised cost) | | |
| Edelweiss Finance Investment Ltd | | |
| 50 (PY Nil) secured principal protected market linked Debentures of ₹ 10,00,000 each | 500.00 | — |
| Shriram Transport Finance Company Limited | | |
| 100 (PY Nil) Secured Redeemable Taxable principal protected market linked non convertible Debentures (18 Nov, 2023) of ₹ 10,00,000 each, fully paid | 1,072.05 | — |
| IIFL Finance | | |
| 50,000 (PY Nil) secured NCD Bonds (24 Months) of ₹ 1,000 each | 519.10 | — |
| 50,000 (PY Nil) secured NCD Bonds (36 Months) of ₹ 1,000 each | 519.10 | — |
| Piramal Enterprises Limited | | |
| 20 (PY Nil) 0% Secured Redeemable principal protected non convertible debentures of ₹ 10,00,000 each fully paid. | 211.94 | — |
| State Bank of India | | |
| 50 (PY Nil) 7.73% unsecured non-convertible Perpetual Bonds of ₹ 10,00,000 each | 506.33 | — |
| 7 (PY Nil) 7.72% unsecured non-convertible perpetual Bonds of ₹ 1,00,00,000 each | 705.56 | — |
| 20 (PY Nil) 8.5% unsecured non-convertible perpetual Bonds of ₹ 10,00,000 each | 206.56 | — |
| (d) Investment in Alternative Investment Fund - Unquoted investments (Carried at fair value through profit or loss) | | |
| ICICI Prudential Long Short Fund - Series I - Class A40 | | |
| 374981.250 (PY Nil) units of ₹ 100 each | 384.81 | — |
| ICICI Prudential Long Short Fund - Series I - Class A48 | | |
| 99,995 (PY Nil) units of ₹ 100 each | 101.03 | — |
| IIFL Multi-Strategy Fund- Series 2- Class A2 (AIF Category III) | | |
| 52,50,000 (PY Nil) units of ₹ 10 each | 572.17 | — |
| IIFL Income Opportunities Fund- Series 3- Class A2 (AIF Category II) | | |
| 49,16,351.167 (PY Nil) units of ₹ 10 each | 506.98 | — |
| IIFL Special Opportunity Fund-Series 9 - Class A2 (AIF Category II) | | |
| 29,99,850.007 (PY Nil) units of ₹ 10 each | 299.09 | — |
| Emerging India Credit Opportunity Fund I | | |
| 173 (PY Nil) units of ₹ 1,00,000 each | 173.00 | — |
| (e) Investment in Portfolio Management Service - Unquoted Investment (Measured at amortised cost) | | |
| Alpha alternatives MSAR LLP | 600.00 | — |
| | 6,878.12 | 638.93 |
| Aggregate amount of quoted investment & market value thereof | 4,240.64 | 638.53 |
| Aggregate amount of unquoted investments | 2,637.48 | 0.40 |
| Aggregate amount of impairment in the value of investments | — | — |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

(ii) Investments - Current

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (a) Investment in Mutual funds - Quoted investment (Carried at fair value through profit or loss) | | |
| Nippon India Fixed Horizon Fund-XXXVIII-Series 02 - Direct Growth 4239905.706 (PY Nil) units of ₹ 10 each | 575.29 | — |
| Nippon India fixed horizon fund XXXIX- SERIES 2 - Direct Growth Plan 1000000 (PY Nil) units of ₹ 10 each | 134.45 | — |
| Nippon India Arbitrage Fund Direct Growth Plan Growth Option 1111002.764 (PY Nil) units of ₹ 10 each | 253.62 | — |
| L44 SBI Debt Hybrid Fund Regular Growth 35743.572 (PY Nil) units of ₹ 10 each | 19.02 | — |
| LD620G SBI Floating Rate DEBT Fund Direct Plan Growth 3754.527 (PY Nil) units of ₹ 10 each | 0.40 | — |
| L081G SBI Focused Equity Fund Regular Growth 20306.449 (PY Nil) units of ₹ 10 each | 47.41 | — |
| L620G SBI Floating Rate DEBT Fund Regular Plan Growth 335.789 (PY Nil) units of ₹ 10 each | 0.04 | — |
| LD81G SBI Focused Equity Fund Direct Growth 28281.478 (PY Nil) units of ₹ 10 each | 72.01 | — |
| LD57G SBI Overnight Fund Direct Growth 28891.985 (PY Nil) units of ₹ 1000 each | 1,000.05 | — |
| LD638G SBI Balanced Advantage Fund - Direct Growth 999630.120 (PY Nil) units of ₹ 10 each | 103.79 | — |
| LD652G SBI Multicap Fund-Direct-Growth 499975.001 (PY Nil) units of ₹ 10 each | 51.48 | — |
| LD649G SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund - Direct 2969738.636 (PY Nil) units of ₹ 10 each | 300.70 | — |
| LD525G-SBI Debts Fund Series-C-7-(1190 Days)- Direct Growth Nil (PY 20,00,000) units of ₹ 10 each | — | 252.08 |
| LD528G-SBI Debts Fund Series-C-9-(1150 Days)- Direct Growth Nil (PY 2000000) units of ₹ 10 each | — | 251.64 |
| LD543G-SBI Debts Fund Series C-20 (1100 Days) Direct Growth Nil (PY 1023198.525) units of ₹ 10 each | — | 127.57 |
| LD544G-SBI Debts Fund Series - C-21 (1100 Days) - Direct Growth Nil (PY 5000000) units of ₹ 10 each | — | 613.58 |
| L465G-SBI Dynamic Asset Allocation Fund - Regular Plan - Growth Nil (PY 112083.33) units of ₹ 10 each | — | 17.20 |
| ICICI Prudential Balanced Advantage Funds - Growth 1674916.360 (PY 1430265.90) units of ₹ 10 each | 829.92 | 632.75 |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| ICICI Prudential Medium Term Bond Fund Growth 555910.597 (PY Nil) units of ₹ 10 each | 198.80 | — |
| ICICI Prudential Banking and PSU Debt Fund Growth 758294.505 (PY Nil) units of ₹ 10 each | 198.18 | — |
| ICICI Prudential Credit Risk Fund Growth 796377.852 (PY Nil) units of ₹ 10 each | 200.49 | — |
| ICICI Prudential Medium Term Bond Fund Direct 316619.392 (PY Nil) units of ₹ 10 each | 121.74 | — |
| ICICI Prudential Floating Interest rate Fund Direct 33488.159 (PY Nil) units of ₹ 100 each | 120.78 | — |
| ICICI Prudential Bluechip Fund - Growth 4596.634 (PY Nil) units of ₹ 10 each | 3.01 | — |
| ICICI Prudential Nifty Next 50 Index Fund - Growth 8305.423 (PY Nil) units of ₹ 10 each | 3.01 | — |
| ICICI Prudential Focused Equity Fund - Growth 6173.637 (PY Nil) units of ₹ 10 each | 3.02 | — |
| Axis Corporate Debt Fund Direct Growth 3899.664 (PY Nil) units of ₹ 10 each | 0.56 | — |
| Axis Corporate Debt Fund Regular Growth 1375.542 (PY Nil) units of ₹ 10 each | 0.19 | — |
| Axis Credit Risk Fund Regular Growth 1160979.154 (PY Nil) units of ₹ 10 each | 199.88 | — |
| Axis Mid Cap Fund Direct Growth 97650.591 (PY Nil) units of ₹ 10 each | 73.76 | — |
| Axis Mid Cap Fund Regular Growth 70683.371 (PY Nil) units of ₹ 10 each | 47.64 | — |
| Axis Overnight Fund Direct Growth 151274.274 (PY Nil) units | 1,700.08 | — |
| Axis Small Cap Fund Regular Growth 4952.449 (PY Nil) units of ₹ 10 each | 3.04 | — |
| Axis Crisil SDL 2027 Debt Index Fund Direct Growth 3002983.201 (PY Nil) units of ₹ 10 each | 300.57 | — |
| Axis CPSE Plus SDL 2025 70:30 Debt Index Fund Direct Growth 2978790.046 (PY Nil) units of ₹ 10 each | 300.36 | — |
| Axis Fixed Term Plan - Series 97 (1116 Days) Growth (WIGPG) Nil (PY 2000000) units of ₹ 10 each | — | 235.25 |
| IIFL Dynamic Bond Fund Direct Plan - Growth 4902.052 (PY Nil) units of ₹ 10 each | 0.92 | — |
| IIFL Dynamic Bond Fund Regular Plan - Growth 23589.729 (PY Nil) units of ₹ 10 each | 4.25 | — |

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| IIFL Focused Equity Fund- Regular Plan- Growth 150561.332 (PY Nil) units of ₹ 10 each | 44.04 | — |
| IIFL Focused Equity Fund- Direct Plan- Growth 227834.929 (PY Nil) units of ₹ 10 each | 73.11 | — |
| Mirae Asset Large Cap Fund- Direct Plan - Growth 88552.766 (PY Nil) units of ₹ 10 each | 74.77 | — |
| Mirae Asset Large Cap Fund- Regular Growth Plan 62305.502 (PY Nil) units of ₹ 10 each | 48.23 | — |
| HDFC Medium Term Bond Fund Growth 435130.660 (PY Nil) units of ₹ 10 each | 199.09 | — |
| HDFC Dividend Yield Regular Growth 21194.632 (PY Nil) units of ₹ 10 each | 3.01 | — |
| Kotak Balanced Advantage Fund-Regular Plan-Growth 626850.706 (PY Nil) units of ₹ 10 each | 90.32 | — |
| Kotak Balance Advantage Fund - Growth 5003668.376 (PY Nil) units of ₹ 10 each | 752.65 | — |
| Edelweiss Balance Advantage Fund Direct 1983268.366 (PY Nil) units of ₹ 10 each | 770.10 | — |
| IDFC Banking PSU Fund Direct 298421.273 (PY Nil) units of ₹ 10 each | 60.88 | — |
| Invesco India Dynamic equity fund - Growth 1103995.788 (PY 857026.02) units of ₹ 10 each | 403.18 | 283.42 |
| UTI Arbitrage Fund - Direct Growth Plan Growth 680664.091 (PY Nil) units of ₹ 10 each | 202.30 | — |
| (b) Investment in bonds and Debentures - Quoted investment (Carried at fair value through profit or loss) | | |
| Embassy Property Developments Private Limited 10 (PY Nil) debentures of ₹ 9,16,720 each | 101.82 | — |
| Reddy Veeranna Investments Pvt. Ltd. Nil (PY 20) debentures of ₹ 7,11,800 each | — | 91.25 |
| (c) Investment in Alternative investment fund - Unquoted investment (Carried at fair value through profit or loss) | | |
| ITI Long Short Equity Fund | 297.21 | — |
| (d) Investment in Portfolio Management Service - Quoted investment (Carried at fair value through profit or loss) | | |
| White Oak India Pioneers Equity Portfolio | 228.84 | — |
| Marcellus Investment Managers Pvt. Ltd. | 220.14 | — |
| Aventus Capital Public Markets Alternate Strategies LLP | 605.07 | — |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (e) Current Maturity of Non Current Investment | | |
| Investment in Portfolio Management Service - Unquoted investment (Measured at amortised cost) | | |
| Alpha Alternatives MSAR LLP | 3.36 | – |
| | 11,046.58 | 2,504.74 |
| Aggregate amount of quoted investment & market value thereof | 10,746.01 | 2,504.74 |
| Aggregate amount of unquoted investments | 300.57 | – |
| Aggregate amount of impairment in the value of investments | – | – |

6. Other financial assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (i) Non-current financial assets (Unsecured, Considered good) | | |
| Security deposits | 118.85 | 107.83 |
| Employee Advances | 31.57 | 58.84 |
| Term deposit with Banks [#] | 1,507.43 | 493.46 |
| | 1,657.85 | 660.13 |
| (ii) Current financial assets (Unsecured, Considered good) | | |
| Security deposits | 130.53 | 173.67 |
| Employee Advances | 100.24 | 48.11 |
| Interest receivable on fixed deposits | 0.26 | 0.20 |
| Interest accrued on bonds & debentures | 67.50 | 8.22 |
| | 298.53 | 230.20 |

7. Other assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| (i) Other non-current assets | | |
| Capital advances | 651.64 | 972.66 |
| | 651.64 | 972.66 |
| (ii) Other current assets | | |
| Advances to Suppliers | 1,858.80 | 2,702.35 |
| Balance with Government Authorities | | |
| Sales Tax Receivable | 97.26 | 95.94 |
| Balance with Excise/ GST Authorities | 3,630.82 | 504.53 |
| Duty Drawback Receivable | 38.78 | 33.25 |
| Balance with Custom Authorities | 38.42 | 80.48 |
| Prepaid expenses | 178.19 | 140.65 |
| Others | 587.19 | 15.54 |
| | 6,429.46 | 3,572.74 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

8. Inventories (valued at lower of cost or net realisable value)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------------|-------------------------|-------------------------|
| Raw Material and Components | | |
| Raw Material and Components | 16,842.09 | 10,645.29 |
| Goods-in-transit | 999.24 | 2,590.14 |
| | 17,841.33 | 13,235.43 |
| Work-in-Progress | 3,587.79 | 2,276.99 |
| Finished Goods | 11,908.17 | 11,092.34 |
| | 33,337.29 | 26,604.76 |

Note: Working capital facilities are secured by first pari passu charge on entire inventories (Refer Note No. 14)

9. Trade receivables (valued at amortised cost)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------|-------------------------|-------------------------|
| Unsecured | | |
| Trade receivable, considered good | 19,247.46 | 22,467.76 |
| Trade receivable credit impaired | 316.44 | 361.36 |
| | 19,563.90 | 22,829.12 |
| Allowances for trade receivable | (691.48) | (361.36) |
| | 18,872.42 | 22,467.76 |

(i) Trade Receivable ageing schedule as at March 31, 2022

| Particulars | Unbilled Debtors | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|------------------|-----------------|--|------------------|---------------|---------------|-------------------|------------------|
| | | | Less than Six months | 6 months- 1 year | 1 - 2 years | 2 - 3 Years | More than 3 years | |
| Undisputed Trade receivables- Considered good | 167.35 | 7,872.13 | 9,804.72 | 1,058.85 | 252.08 | 92.33 | - | 19,247.46 |
| Undisputed Trade receivables- which have significant increase in credit limit | - | - | - | - | - | - | - | - |
| Undisputed Trade receivables- Credit impaired | - | - | - | - | - | - | - | - |
| Disputed Trade receivables- Considered good | - | - | - | - | - | - | - | - |
| Disputed Trade receivables- which have significant increase in credit limit | - | - | - | - | - | - | - | - |
| Disputed Trade receivables - Credit impaired | - | - | 0.31 | - | 8.64 | 50.74 | 256.75 | 316.44 |
| Total | 167.35 | 7,872.13 | 9,805.03 | 1,058.85 | 260.72 | 143.07 | 256.75 | 19,563.90 |
| Less: Allowance for trade receivables | - | (0.15) | (129.39) | (52.65) | (109.47) | (143.07) | (256.75) | (691.48) |
| Total | 167.35 | 7,871.98 | 9,675.64 | 1,006.20 | 151.25 | - | - | 18,872.42 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) Trade Receivable ageing schedule as at March 31, 2021

| Particulars | Unbilled Debtors | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|------------------|-----------------|--|-----------------|---------------|---------------|-------------------|------------------|
| | | | Less than Six months | 6 months-1 year | 1 - 2 years | 2 - 3 Years | More than 3 years | |
| Undisputed Trade receivables- Considered good | 63.37 | 8,636.11 | 12,373.13 | 838.11 | 409.97 | 147.07 | – | 22,467.76 |
| Undisputed Trade receivables- which have significant increase in credit limit | – | – | – | – | – | – | – | – |
| Undisputed Trade receivables- Credit impaired | – | – | – | – | – | – | – | – |
| Disputed Trade receivables- Considered good | – | – | – | – | – | – | – | – |
| Disputed Trade receivables- which have significant increase in credit limit | – | – | – | – | – | – | – | – |
| Disputed Trade receivables - Credit impaired | – | – | – | 7.00 | 72.49 | 94.57 | 187.30 | 361.36 |
| Total | 63.37 | 8,636.11 | 12,373.13 | 845.11 | 482.46 | 241.64 | 187.30 | 22,829.12 |
| Less : Allowance for trade receivables | – | – | – | (7.00) | (72.49) | (94.57) | (187.30) | (361.36) |
| Total | 63.37 | 8,636.11 | 12,373.13 | 838.11 | 409.97 | 147.07 | – | 22,467.76 |

Note

- (i) Receivables due from related parties was ₹ 315.05 lakhs as at March 31, 2022 (₹ 3,630.55 lakhs as at March 31, 2021)
- (ii) Working capital facilities are secured by first pari passu charge on entire book debts.
- (iii) Refer Note No 31 Financial Instrument for assessment of Expected Credit Loss.

10. Cash and cash equivalents

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Balances with banks | 102.57 | 132.38 |
| Cash on hand | 24.80 | 27.58 |
| Deposits with original maturity less than 3 months | 445.02 | 3,128.74 |
| | 572.39 | 3,288.70 |

11. Other Bank Balances

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Fixed deposits with maturity more than 3 months but less than 12 months# | 849.96 | 355.08 |
| Unclaimed dividend Accounts | 8.15 | 7.59 |
| | 858.11 | 362.67 |

#Fixed deposits with banks, includes the following:

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Deposit pledged with the State Bank of India | 852.25 | 266.00 |
| Deposit pledged against the bank guarantees | 473.59 | 485.14 |

12. Share Capital

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | ₹ in Lakhs | No. of Shares | ₹ in Lakhs |
| a) Authorised Capital: | | | | |
| Equity shares of ₹ 2/- each | 27,62,50,000 | 5,525.00 | 12,50,00,000 | 2,500.00 |
| 8% Cumulative Non-Participating Redeemable Preference Shares of ₹ 10/- each | – | – | 3,02,50,000 | 3,025.00 |
| | 27,62,50,000 | 5,525.00 | 15,52,50,000 | 5,525.00 |
| Issued, Subscribed and fully paid up: | | | | |
| Equity shares of ₹ 2/- each | 11,90,83,196 | 2,381.66 | 11,34,83,196 | 2,269.66 |
| | 11,90,83,196 | 2,381.66 | 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 | 11,34,83,196 | 2,269.66 |
| Changes during the year | 56,00,000 | 112.00 | – | – |
| At the end of the year | 11,90,83,196 | 2,381.66 | 11,34,83,196 | 2,269.66 |

- c) During the financial year 2021-22, the Qualified Institutions Placement Committee (“QIP Committee”) has in its meeting held on September 24, 2021 has approved the allotment of 56,00,000 Equity Shares of face value of ₹ 2 each to eligible qualified institutional buyers at the issue price of ₹ 242 per Equity Shares (including a premium of ₹ 240 per Equity Share) against the Floor Price of ₹ 254.55 per Equity Shares, aggregating to ₹ 1,35,52,00,000 pursuant to the issue in accordance with the SEBI ICDR Regulations. Pursuant to the allotment of such Equity Shares, the paid-up equity share capital of the Company stands increased from ₹ 22.70 crore, comprising of 11,34,83,196 Equity Shares to ₹ 23.82 crore, comprising of 11,90,83,196 Equity Shares.
- d) 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 Holding Company and pursuant to the resolutions passed by the Board of Directors of the Holding Company at their meeting held on May 16, 2019, the Holding Company has bought back 38,39,804 No. of Equity shares of ₹ 2 each in electronic form.
- e) **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, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

e) Shareholders holding more than 5% of the Equity Shares in the Company

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---------------------------------------|----------------------|--------|----------------------|--------|
| | No. of Shares | %age | No. of Shares | %age |
| Mr. Vijay Agarwal / Mrs. Mona Agarwal | 3,42,36,078 | 28.75% | 3,42,36,078 | 30.17% |
| Mrs. Mona Agarwal / Mr. Vijay Agarwal | 3,06,57,579 | 25.74% | 3,06,57,579 | 27.02% |
| Mr. Sorab Agarwal | 76,23,650 | 6.40% | 76,23,650 | 6.72% |
| Mrs. Surbhi Garg | 69,30,156 | 5.82% | 69,30,156 | 6.11% |

f) Shareholding of promoters

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | | % change during the year |
|---------------------------------------|----------------------|---------------|----------------------|---------------|--------------------------|
| | No. of Shares | % age | No. of Shares | % age | |
| Mr. Vijay Agarwal / Mrs. Mona Agarwal | 3,42,36,078 | 28.75% | 3,42,36,078 | 30.17% | 1.42% |
| Mrs. Mona Agarwal / Mr. Vijay Agarwal | 3,06,57,579 | 25.74% | 3,06,57,579 | 27.02% | 1.28% |
| Mr. Sorab Agarwal | 76,23,650 | 6.40% | 76,23,650 | 6.72% | 0.32% |
| Mrs. Surbhi Garg | 69,30,156 | 5.82% | 69,30,156 | 6.11% | 0.29% |
| Mrs. Anuradha Garg | 50,000 | 0.04% | 50,000 | 0.04% | 0.00% |
| Total | 7,94,97,463 | 66.76% | 7,94,97,463 | 70.05% | |

Note :

During the financial year 2021-22 there is no change in the Number of shares held by the promoters. The change in %age of shareholding is because of issue of 56,00,000 Equity Share pursuant to Qualified Institutions Placement (QIP).

13. Other Equity

| Particulars | Notes | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|-------|----------------------|----------------------|
| General Reserve | (a) | 9,925.00 | 9,925.00 |
| Capital Redemption Reserve | (b) | 3,098.74 | 3,098.74 |
| Securities Premium | (c) | 18,337.38 | 5,275.51 |
| Retained Earnings | (d) | 41,668.86 | 31,758.39 |
| | | 73,029.98 | 50,057.64 |

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| a) General reserve | | |
| Balance at the beginning and end of the year | 9,925.00 | 9,925.00 |
| b) Capital Redemption Reserve | | |
| Balance at the beginning and end of the year | 3,098.74 | 3,098.74 |
| c) Securities Premium | | |
| Balance at the beginning of the year | 5,275.51 | 5,275.51 |
| Amount received from issue of equity shares (Refer note no. 36) | 13,440.00 | – |
| Expenses incurred on issue of equity shares (Refer note no. 36) | (378.13) | – |
| Balance at the end of the year | 18,337.38 | 5,275.51 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Other Equity (contd.)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| d) Retained earnings | | |
| At the beginning of the year | 31,693.62 | 23,706.16 |
| Net profit for the year | 10,502.19 | 7,983.08 |
| Payment of equity dividend | (567.42) | – |
| Translations of foreign currency loans/ Investments | 11.01 | 4.38 |
| Balance at the end of the year | 41,639.40 | 31,693.62 |
| Other comprehensive income (net of tax) | | |
| Re-measurements gain/(losses) on defined employee benefit plans | | |
| Balance at the beginning of the year | 64.77 | (11.20) |
| Changes during the year | (35.31) | 75.97 |
| Balance at the end of the year | 29.46 | 64.77 |
| | 41,668.86 | 31,758.39 |

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. The amount previously transferred to General Reserve can be utilised in accordance with the specific requirements of the Companies Act 2013.

b) Capital redemption reserve

It is created on redemption of preference shares and buyback of equity shares.

c) Securities premium

Amount received on issue of shares in excess of the par value has been classified as Securities premium.

d) Retained earnings

Retained earnings are profits of the group net of adjustments on account of transfer to general reserve, dividend or other distribution or transactions with shareholders.

14. Borrowings

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------|-------------------------|-------------------------|
| (i) Non-current Borrowings | | |
| Secured | | |
| Term Loans from Banks in ₹ | – | 2,327.99 |
| Term Loans from NBFC | – | 1.00 |
| | – | 2,328.99 |
| Current maturity of long term loans | – | (315.59) |
| | – | 2,013.40 |
| (ii) Current Borrowings | | |
| Secured | | |
| Cash Credit | 116.53 | 87.17 |
| Buyers Credit | 643.95 | 255.80 |
| Short term loans | – | 2,750.10 |
| Current Maturities of long term debts | – | 315.59 |
| | 760.48 | 3,408.66 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(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) The group has repaid its borrowings of ₹ 3,446.80 lakhs out of the proceeds of Qualified Institutional Placement (QIP).
- c) Cash credit and buyers credit facilities are secured by way of hypothecation of the group'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 carrying interest ranging from 6.5% - 7.5%. The loan is repayable on demand.
- d) The group has borrowings from banks and financial institutions on the basis of security of current assets. The group has complied with the requirement of filing of monthly/quarterly returns/statements of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2022 and March 31, 2021.
- e) As on the Balance sheet date there is no default in repayment of loans and interest.
- f) The borrowings obtained by the group from banks have been applied for the purposes for which such loans were taken.

15. Lease Liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------|-------------------------|-------------------------|
| (i) Non-current | | |
| Lease Liabilities | 124.50 | 13.46 |
| | 124.50 | 13.46 |
| (ii) Current | | |
| Lease Liabilities | 53.25 | 22.18 |
| | 53.25 | 22.18 |

16. Provisions

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------|-------------------------|-------------------------|
| (i) Non-Current Provisions | | |
| Provision for Leave entitlement | 227.70 | 185.35 |
| Provision for Gratuity | 0.40 | - |
| | 228.10 | 185.35 |
| (ii) Current Provisions | | |
| Provision for warranty | 146.36 | 109.38 |
| Provision for Leave entitlement | 32.60 | 32.46 |
| | 178.96 | 141.84 |

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Provision (contd.)

Movement in Provisions

| Particulars | Provision for Warranty |
|------------------------------------|------------------------|
| Provision at April 1, 2020 | 101.30 |
| Additional provisions recognised | 109.38 |
| Amount utilised during the year | (101.30) |
| Provision at March 31, 2021 | 109.38 |
| Additional provisions recognised | 146.36 |
| Amount utilised during the year | (109.38) |
| Provision at March 31, 2022 | 146.36 |

17. Deferred tax liabilities (Net)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| The balance comprises temporary differences attributable to: | | |
| Deferred tax liabilities | | |
| Depreciation on Property, plant and equipment and intangible assets | 1,849.53 | 1,879.29 |
| | 1,849.53 | 1,879.29 |
| Deferred tax Assets | | |
| Provision for employee benefits | 55.21 | 32.54 |
| Provision for doubtful debts | 427.99 | 240.23 |
| Excess of lease liability over ROU Assets | 0.82 | 0.58 |
| Subsidiary's loss for the year | 17.87 | – |
| | 501.89 | 273.35 |
| Deferred tax liabilities (Net) | 1,347.64 | 1,605.94 |

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 | Subsidiary's loss for the year |
|--------------------------------|---|---------------------------------------|------------------------------------|---|--------------------------------------|
| As at April 1, 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) | – |
| Charged/(Credited): | | | | | |
| -to profit and loss | (29.76) | (10.80) | (187.76) | (0.24) | (17.87) |
| -to other comprehensive income | – | (11.87) | – | – | – |
| As at March 31, 2022 | 1,849.53 | (55.21) | (427.99) | (0.82) | (17.87) |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

18. Trade payables (including acceptances)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Dues to Micro and Small Enterprises* | 869.74 | 3,851.68 |
| Dues to enterprises other than Micro and Small Enterprises | 35,235.61 | 29,198.41 |
| | 36,105.35 | 33,050.09 |

*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 (Refer Note No. 38)

(i) Trade payables ageing schedule as at March 31, 2022

| Particulars | Unbilled Dues | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|------------------|------------------|---|-------------|-------------|----------------------|------------------|
| | | | Less than 1 year | 1 - 2 years | 2 - 3 Years | More than 3 years | |
| (i) MSME | – | 496.18 | 373.56 | – | – | – | 869.74 |
| (ii) Others | 945.17 | 29,581.49 | 4,683.03 | 1.74 | 0.02 | 24.16 | 35,235.61 |
| (iii) Disputed dues - MSME | – | – | – | – | – | – | – |
| (iv) Disputed dues - Others | – | – | – | – | – | – | – |
| Total | 945.17 | 30,077.67 | 5,056.59 | 1.74 | 0.02 | 24.16 | 36,105.35 |

(ii) Trade payables ageing schedule as at March 31, 2021

| Particulars | Unbilled Dues | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|------------------|------------------|---|--------------|--------------|----------------------|------------------|
| | | | Less than 1 year | 1 - 2 years | 2 - 3 Years | More than 3 years | |
| (i) MSME | – | 3,461.04 | 390.64 | – | – | – | 3,851.68 |
| (ii) Others | 2,366.61 | 21,957.05 | 4,835.58 | 22.94 | 11.81 | 4.42 | 29,198.41 |
| (iii) Disputed dues - MSME | – | – | – | – | – | – | – |
| (iv) Disputed dues - Others | – | – | – | – | – | – | – |
| Total | 2,366.61 | 25,418.09 | 5,226.22 | 22.94 | 11.81 | 4.42 | 33,050.09 |

19. Other financial liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------|-------------------------|-------------------------|
| Unclaimed Dividends | 8.15 | 7.59 |
| Security deposits | 359.84 | 1,012.17 |
| Employee benefits | 709.30 | 658.53 |
| Others Payables | 8,368.86 | 7,074.26 |
| | 9,446.15 | 8,752.55 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

20. Other current liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------|-------------------------|-------------------------|
| Advances from customers | 2,657.83 | 1,885.66 |
| Statutory Liabilities | 474.44 | 970.21 |
| Deferred revenue | 1,052.70 | 941.59 |
| | 4,184.97 | 3,797.46 |

21. Revenue from operations

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------------------------|------------------------------|------------------------------|
| Sale of Products | 1,61,276.72 | 1,20,945.21 |
| Sale of Services | 141.29 | 120.06 |
| Hiring Charges | 1,376.68 | 1,399.17 |
| Export Incentives | 130.63 | 163.76 |
| Other operating revenue | 32.18 | 87.19 |
| | 1,62,957.50 | 1,22,715.39 |

22. Other income

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Interest income | 175.38 | 62.00 |
| Rental income | 38.84 | 43.75 |
| Profit on Sale of property, plant and equipment | 32.82 | 538.64 |
| Gain on Investments carried at fair value through profit or loss (net) | 417.41 | 462.94 |
| Gain on foreign currency transactions (net) | 0.74 | 123.17 |
| Miscellaneous income | 836.47 | 300.18 |
| | 1,501.66 | 1,530.68 |

23. Cost of materials consumed

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------------------------------------|------------------------------|------------------------------|
| Opening stock of Raw material | 13,235.43 | 16,420.48 |
| Add: Purchases (net of returns) | 1,23,592.81 | 84,531.17 |
| Less: Closing stock of Raw material | (17,841.33) | (13,235.43) |
| | 1,18,986.91 | 87,716.22 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

24. Changes in inventories of finished goods, Stock-in-trade and work-in-progress

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Opening Stock | | |
| Work-in-progress | 2,276.99 | 4,239.19 |
| Finished goods | 11,092.34 | 6,408.89 |
| | 13,369.33 | 10,648.08 |
| Closing Stock | | |
| Work-in-progress | 3,587.79 | 2,276.99 |
| Finished goods | 11,908.17 | 11,092.34 |
| | 15,495.96 | 13,369.33 |
| Changes in inventories of finished goods, Stock-in-trade and work-in-progress | (2,126.63) | (2,721.25) |

25. Employee benefits expense

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus | 7,680.25 | 6,646.19 |
| Contribution to provident and other funds | 341.08 | 295.02 |
| Staff welfare expenses | 459.47 | 275.38 |
| | 8,480.80 | 7,216.59 |

26. Finance costs

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Interest on working capital facilities | 746.55 | 957.73 |
| Interest on term loans | 79.27 | 16.28 |
| Interest on other loans | 542.40 | 244.34 |
| Finance charges of lease liability | 6.81 | 4.93 |
| | 1,375.03 | 1,223.28 |

27. Depreciation and amortisation expense

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Depreciation of property, plant and equipment | 1,429.70 | 1,300.02 |
| Amortisation of intangible assets | 51.45 | 31.79 |
| Depreciation of Investment Property | 23.57 | 23.57 |
| Depreciation on ROU Assets | 36.54 | 39.10 |
| | 1,541.26 | 1,394.48 |

28. Other expenses

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Manufacturing Expenses | 6,482.29 | 4,974.47 |
| Repairs & Maintenance - Building | 306.49 | 148.36 |
| Repairs & Maintenance - Plant & Machinery | 375.62 | 311.93 |
| Power & Fuel | 610.58 | 462.53 |
| Freight & Forwarding Charges | 5,856.98 | 4,697.97 |
| Selling Expenses | 1,818.43 | 1,214.32 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Other expenses (contd.)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Commission on Sales | 1,357.77 | 1,646.58 |
| Rent | 33.99 | 67.51 |
| Rates & Taxes | 107.36 | 68.47 |
| Insurance | 186.15 | 198.03 |
| Travelling & Conveyance | 1,118.48 | 666.35 |
| Communication Expenses | 385.76 | 276.26 |
| Auditors Remuneration* | 31.10 | 28.17 |
| Vehicle Expenses | 292.12 | 157.02 |
| Trade and other receivables written off (Bad Debts) | 149.54 | 494.26 |
| Provision for doubtful receivable and advances (net) | 746.02 | 716.87 |
| Corporate Social Responsibility (CSR) expense** | 186.59 | 152.84 |
| Miscellaneous Expenses | 2,175.75 | 1,717.60 |
| | 22,221.02 | 17,999.54 |

*Auditor's Remuneration (excluding taxes) includes

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------------------|------------------------------|------------------------------|
| Audit Fees | 20.62 | 19.62 |
| Tax audit fees | 3.00 | 3.00 |
| Certification | 5.88 | 1.00 |
| Cost audit fees | 1.00 | 0.75 |
| Secretarial audit fees | 0.60 | 0.60 |
| GST audit fees | – | 3.20 |
| | 31.10 | 28.17 |

**CSR Expenditure

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Gross amount required to be spent by the group during the year | 172.58 | 152.74 |
| Amount spent during the year for promoting health care | 186.59 | 152.84 |

29. Income tax expense

(a) Income tax expense

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Current tax | | |
| Current tax on profit for the year | 3,519.62 | 2,656.84 |
| Adjustment of current tax of prior periods | (43.26) | 13.14 |
| | 3,476.36 | 2,669.98 |
| Deferred tax | | |
| (Increase)/decrease in deferred tax assets | (216.67) | (171.54) |
| (Increase)/decrease in deferred tax liabilities | (29.76) | 333.47 |
| | (246.43) | 161.93 |
| | 3,229.93 | 2,831.91 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Income tax expense (contd.)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Profit before income tax expense | 13,729.73 | 10,811.14 |
| Statutory Income Tax rate* | 25.168% | 25.168% |
| Income tax expense at the statutory tax rate | 3,455.50 | 2,720.95 |
| Tax effect of items not deductible/(taxable) in calculating taxable income: | | |
| Income exempt from tax | (99.88) | (252.04) |
| Tax on expense not eligible for deduction | 255.50 | 232.91 |
| Adjustments for current tax of prior periods | (43.26) | 13.14 |
| Other items | (337.93) | 116.95 |
| Income tax expense | 3,229.93 | 2,831.91 |

*Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 effective from 01st April 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%

30. 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, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (i) Amount recognised in the balance sheet is as under: | | |
| Present value of defined benefit obligation | 729.33 | 600.11 |
| Fair value of plan assets with LIC | (807.00) | (602.85) |
| Net defined benefit obligation | (77.67) | (2.74) |
| (ii) Amount recognised in the statement of profit and loss is as under: | | |
| Current Service cost | 90.73 | 74.38 |
| Net interest cost | (7.14) | 4.90 |
| Amount recognised in the statement of profit and loss | 83.59 | 79.28 |
| (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 | 600.11 | 629.87 |
| Current service cost | 90.73 | 74.38 |
| Interest cost | 38.79 | 41.01 |
| Actuarial loss/(gain) recognised during the year | 52.34 | (98.67) |
| Benefits paid | (52.64) | (46.48) |
| Present value of defined benefit obligation as at the end of the year | 729.33 | 600.11 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (Contd.)

| | | |
|--|---------------|-----------------|
| (iv) Movement in the plan assets recognised in the balance sheet is as under: | | |
| Fair Value of plan assets at beginning of the year | 602.85 | 504.35 |
| Expected return on plan assets | 45.93 | 36.11 |
| Employer's contribution | 195.33 | 105.02 |
| Benefits paid | (42.27) | (45.49) |
| Actuarial gain/(loss) on plan assets | 5.16 | 2.86 |
| Fair Value of plan assets at the end of the year | 807.00 | 602.85 |
| Actual return on plan assets | 51.09 | 38.97 |
| (v) Breakup of actuarial (gain)/loss: | | |
| Actual (gain)/loss arising from change in financial assumption | 41.73 | (110.63) |
| Actual (gain)/loss arising from experience adjustment | 5.45 | 9.11 |
| Total actuarial (gain)/loss | 47.18 | (101.52) |

(vi) Actuarial assumptions

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Attrition Rate | 25.00% P.a. | 20.00% P.a. |
| Imputed rate of Interest (D) | 7.24% P.a. | 6.76% P.a. |
| Imputed rate of Interest (IC) | 6.76% P.a. | 6.76% P.a. |
| Salary escalation | 8.00% P.a. | 10.00% P.a. |
| Return on plan asset | 6.76% P.a. | 6.76% P.a. |
| Remaining working life | 21.05 Years | 21.65 Years |

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, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Present Value of obligation at the end of the year | 729.33 | 600.11 |
| Impact of the change in discount rate | | |
| Impact due to increase of 1.00% | (20.41) | (15.13) |
| Impact due to decrease of 1.00% | 21.91 | 16.18 |
| Impact of the change in salary increase rate | | |
| Impact due to increase of 1.00% | 20.22 | 15.66 |
| Impact due to decrease of 1.00% | (19.36) | (15.04) |

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (Contd.)

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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Compensated absences (unfunded) | | |
| Current | 32.60 | 32.46 |
| Non-Current | 227.70 | 185.35 |
| | 260.30 | 217.81 |

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.

31. 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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Financial assets measured at fair value | | |
| Investments measured at fair value through profit and loss | 13,080.30 | 3,143.27 |
| Financial assets measured at amortised cost | | |
| Investments measured at amortised cost | 4,844.00 | — |
| Trade receivables | 18,872.42 | 22,467.76 |
| Cash and cash equivalents | 572.39 | 3,288.70 |
| Other Bank balances | 858.11 | 362.67 |
| Other financial assets | 1,956.38 | 890.33 |
| Sub-total | 27,103.30 | 27,009.46 |
| Total Financial Assets | 40,183.60 | 30,152.73 |
| Financial liabilities measured at amortised cost | | |
| Borrowings | 760.48 | 5,422.07 |
| Lease liabilities | 177.75 | 35.64 |
| Trade payables | 36,105.35 | 33,050.09 |
| Other financial liabilities | 9,446.15 | 8,752.55 |
| Total Financial Liabilities | 46,489.73 | 47,260.35 |

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].

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

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, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Investments measured at fair value through profit and loss | | |
| Level 1 | 13,080.30 | 3,143.27 |
| Level 2 | – | – |
| Level 3 | – | – |
| | 13,080.30 | 3,143.27 |

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 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 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, 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, 2022 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

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, 2022 | As at March 31, 2021 |
|--------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 361.36 | 244.39 |
| Add : Provided during the year | 365.10 | 855.62 |
| Less : Reversal of provisions | – | (244.39) |
| Less : Bad debts written off | (34.98) | (494.26) |
| Balance at the end of the year | 691.48 | 361.36 |

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.

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, 2022 | | | | |
| Borrowings | 760.48 | – | – | 760.48 |
| Lease liabilities | 53.25 | 124.50 | – | 177.75 |
| Trade payables | 36,105.35 | – | – | 36,105.35 |
| Other financial liabilities | 9,446.15 | – | – | 9,446.15 |
| | 46,365.23 | 124.50 | – | 46,489.73 |
| As at March 31, 2021 | | | | |
| Borrowings | 3,408.66 | 1,478.25 | 535.15 | 5,422.06 |
| Lease liabilities | 22.18 | 13.46 | – | 35.64 |
| Trade payables | 33,050.09 | – | – | 33,050.09 |
| Other financial liabilities | 8,752.55 | – | – | 8,752.55 |
| | 45,233.48 | 1,491.71 | 535.15 | 47,260.34 |

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 mutual funds, bonds & debentures. 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Financial Assets | 1,950.79 | 2,773.25 |
| Financial Liabilities | 3,661.98 | 1,666.32 |
| Net exposure to foreign currency risk | (1,711.19) | 1,106.93 |

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, 2022 | As at March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| USD sensitivity | | |
| INR/USD increase by 150 bps* | (33.82) | 22.69 |
| INR/USD decrease by 150 bps* | 33.82 | (22.69) |

*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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Financial Assets | 60.33 | 74.48 |
| Financial Liabilities | — | — |
| Net exposure to foreign currency risk | 60.33 | 74.48 |

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, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Euro sensitivity | | |
| INR/Euro increase by 200 bps* | 1.43 | 1.73 |
| INR/Euro decrease by 200 bps* | (1.43) | (1.73) |

*Holding all other variables constant

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

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, 2022 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.

32. 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 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) Dividend declared and paid during the year:

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Final Dividend of ₹ 0.50 per fully paid equity share for Financial Year 2020-21 (₹ Nil per share for Financial Year 2019-20) | 567.42 | — |
| | 567.42 | — |

(b) Proposed Dividends on equity shares:

Final Dividend recommended by the board of directors for the year ended March 31, 2022 ₹ 0.60 per fully paid equity share of ₹ 2 each (March 31, 2021: ₹ 0.50 per fully paid equity share of ₹ 2 each) subject to approval of shareholders in the ensuing annual general meeting and are not recognised as liability as at reporting date.

33. Related party transactions

The group's related party transactions and outstanding balances with its related parties 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 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

| | |
|---|--|
| Dr. Divya Singal | Independent Director |
| 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. 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) |
| 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
 Reachall India Pvt Ltd.
 Asia Consolidated Pvt. Ltd.
 RSV Combine
 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. | Asia Consolidated Pvt. Ltd. | RSV Combine | ACE Emergency Response Trust | Total |
|-----------------------|--------------|------------------------|---------------------------|--------------------------|-----------------------------|-------------|------------------------------|----------|
| Sale of Goods | 2021-22 | 1,328.90 | – | 501.62 | – | – | – | 1,830.52 |
| | 2020-21 | 1,505.39 | 410.00 | 2,299.30 | – | – | – | 4,214.69 |
| Purchase of Goods | 2021-22 | 4.50 | – | 522.75 | – | – | – | 527.25 |
| | 2020-21 | 52.50 | – | – | – | – | – | 52.50 |
| Rent Received | 2021-22 | 4.44 | 1.20 | 3.60 | 0.27 | 1.00 | 1.22 | 11.73 |
| | 2020-21 | 4.44 | 1.20 | 1.80 | – | – | 1.14 | 8.58 |
| Donation Paid | 2021-22 | – | – | – | – | – | 160.80 | 160.80 |
| | 2020-21 | – | – | – | – | – | 142.84 | 142.84 |

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, 2022 | As at March 31, 2021 |
|-----------------------------|-----------------------|----------------------|----------------------|
| VMS Equipment Pvt Ltd. | Amount Receivable | – | 581.78 |
| Rotadrill India Pvt. Ltd. | Amount Receivable | 14.71 | 484.53 |
| Reachall India Pvt. Ltd. | Amount Receivable | 300.23 | 2,564.24 |
| Asia Consolidated Pvt. Ltd. | Amount Receivable | 0.11 | – |
| | | 315.05 | 3,630.55 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(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 | Rent Paid | Service rendered | Sale of Immovable Property | Purchase of Immovable Property | Total |
|---|--------------|------------------------------|---------------|-----------|------------------|----------------------------|--------------------------------|---------|
| Mr. Vijay Agarwal | 2021-22 | 306.24 | 171.18 | – | – | – | – | 477.42 |
| | 2020-21 | 306.16 | – | 34.35 | – | – | 530.53 | 871.04 |
| Mrs. Mona Agarwal | 2021-22 | 150.78 | 153.29 | – | – | – | – | 304.07 |
| | 2020-21 | 150.73 | – | – | – | 1,160.00 | 150.00 | 1460.73 |
| Mr. Sorab Agarwal | 2021-22 | 58.90 | 38.12 | – | – | – | – | 97.02 |
| | 2020-21 | 58.86 | – | – | – | – | – | 58.86 |
| Mrs. Surbhi Garg | 2021-22 | 52.78 | 34.65 | 26.40 | – | – | – | 113.83 |
| | 2020-21 | 60.56 | – | 20.90 | – | – | – | 81.46 |
| Mr. Girish Narain Mehra (IAS Retd.) | 2021-22 | – | – | – | – | – | – | – |
| | 2020-21 | – | – | – | 0.75 | – | – | 0.75 |
| Major General (Retd.) Dr. K. C. Agrawal | 2021-22 | – | – | – | – | – | – | – |
| | 2020-21 | – | – | – | 0.45 | – | – | 0.45 |
| Mr. Subhash Chander Verma | 2021-22 | – | – | – | – | – | – | – |
| | 2020-21 | – | – | – | 0.90 | – | – | 0.90 |
| Mr. Avinash Parkash Gandhi | 2021-22 | – | – | – | 2.45 | – | – | 2.45 |
| | 2020-21 | – | – | – | 1.75 | – | – | 1.75 |
| Dr. Divya Singal | 2021-22 | – | – | – | 2.30 | – | – | 2.30 |
| | 2020-21 | – | – | – | 2.20 | – | – | 2.20 |
| Mr. Shrinivas Vashisht | 2021-22 | – | – | – | 2.30 | – | – | 2.30 |
| | 2020-21 | – | – | – | 1.30 | – | – | 1.30 |
| Dr. Jagan Nath Chamber | 2021-22 | – | – | – | 2.30 | – | – | 2.30 |
| | 2020-21 | – | – | – | 1.00 | – | – | 1.00 |
| Mr. Rajan Luthra | 2021-22 | 51.23 | – | – | – | – | – | 51.23 |
| | 2020-21 | 55.39 | – | – | – | – | – | 55.39 |
| Mr. Anil Kumar | 2021-22 | 8.09 | – | – | – | – | – | 8.09 |
| | 2020-21 | 6.78 | – | – | – | – | – | 6.78 |

Note :

As at March 31, 2022 and March 31, 2021 the group has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, which are repayable on demand or without specifying any terms or period of repayments.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

34. Contingent liabilities and commitments

(a) Contingent liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Bank Guarantees | 3,039.98 | 3,025.33 |
| Letter of Credits | 7,926.58 | 6,382.61 |
| Claim against the group, not acknowledged as Debts | 941.71 | 967.42 |
| Sales Tax, Excise & Income Tax Matters, pending before Assessing/ Appellate Authorities, not acknowledged as liability | 3,392.94 | 3,415.22 |
| | 15,301.21 | 13,790.58 |

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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) | 514.46 | 729.10 |

(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 follow

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Within one year | 101.61 | 54.39 |
| Later than one year but not later than five years | 92.88 | 29.00 |
| Later than five years | – | – |

35. Earnings per share (EPS)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Profit attributable to the owners of the company | 10,502.19 | 7,983.08 |
| Weighted average number of equity shares outstanding during the year | 11,64,07,640 | 11,34,83,196 |
| Basic earnings per share (in ₹) | 9.02 | 7.03 |
| Diluted earnings per share (in ₹) | 9.02 | 7.03 |

36. Qualified institutional placement (QIP)

During the year ended March 31, 2022, the Holding Company had issued 56,00,000 nos. equity shares of ₹ 2/- each fully paid up at ₹ 242/- per share (including securities premium of ₹ 240/- per share) to qualified institutional buyers on Sep 24, 2021 pursuant to provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"), and pursuant to the resolutions of the Board of Directors of the Holding Company dated July 31, 2021 authorizing Qualified

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Qualified institutional placement (QIP) (contd.)

Institutions Placement Committee (“QIP Committee”), the special resolution dated September 3, 2021, passed by the shareholders of the Holding Company and Section 42 and Section 62 of the Companies Act, 2013, as amended and in-principle approvals granted by BSE Limited and the National Stock Exchange of India Limited (“Stock Exchanges”)

Expenses incurred in relation to QIP paid/provided for amounting to ₹ 378.13 Lacs has been adjusted from Securities Premium Account and the utilisation out of such net amount of ₹ 13,173.87 Lacs till March 31, 2022 is given below. The balance amount of QIP proceeds remains invested in Bonds, Debentures, Mutual Funds and Term Deposits with banks.

| Utilisation of funds | Amount (₹ in Lacs) |
|--|--------------------|
| Amount raised (net) | 13,173.87 |
| Utilised during the period | 3,446.80 |
| Balance Unutilised funds as at the year end | 9,727.07 |

37. 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, 2022 :

The changes in the carrying value of Right-of-Use assets for the year ended March 31, 2022 are as follows:

| Particulars | Category of Right-of-Use assets | | Total |
|---------------------------------------|---------------------------------|-------------------|----------------|
| | Office Building | Plant & Machinery | |
| Balance as at April 1, 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 |
| Additions during the year | 125.49 | 59.18 | 184.67 |
| Depreciation for the year | (31.75) | (4.79) | (36.54) |
| Modification of lease during the year | (2.53) | (4.45) | (6.98) |
| Balance as at March 31, 2022 | 119.25 | 55.24 | 174.49 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Leases (contd.)

The carrying value of lease liability during the year ended March 31, 2022 are as follows:

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Balance at the beginning | 35.64 | 85.08 |
| Addition during the year | 184.67 | 13.26 |
| Finance Cost accrued during the year | 6.81 | 4.93 |
| Modification of lease during the year | (7.68) | (22.75) |
| Interest accrued but not due | (0.70) | (0.12) |
| Payment of lease liabilities | (40.99) | (44.76) |
| Balance at the end | 177.75 | 35.64 |
| Current maturities of Lease Liabilities | 53.25 | 22.18 |
| Non-Current Lease Liabilities | 124.50 | 13.46 |

Impact on the Statement of Profit and Loss for year ended March 31, 2022

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Depreciation expense of Right-of-Use assets | 36.54 | 39.10 |
| Interest on Lease Liabilities | 6.81 | 4.93 |
| Total | 43.35 | 44.03 |

Rental expense recorded for Short-term Leases was ₹ 33.99 lakhs for the year ended March 31, 2022 (₹ 67.51 lakhs for the year ended March 31, 2021) (Refer Note No. 28).

The effect of this adoption is insignificant on earnings per share.

The maturity analysis of undiscounted lease liabilities is disclosed in Note No. 31.

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

38. 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.

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (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 | 869.74 | 3,851.68 |
| Interest due on overdue principal amount out of the above | 7.66 | 5.29 |
| (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. | – | – |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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. (contd.)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (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.

39. 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.

(a) The group has four (4) operating and reporting segments as given below:

- i) Cranes
- ii) Construction Equipment
- iii) Material Handling
- iv) Agri Equipment

(b) There is no transfer of products between operating segments

(c) There are no customers having revenue exceeding 10% of total revenues

(A) Segment Revenue and Results

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------------------------|------------------------------|------------------------------|
| Segment revenue (Net) | | |
| (i) Cranes | 1,10,323.87 | 79,020.91 |
| (ii) Construction Equipment | 17,623.81 | 13,373.03 |
| (iii) Material Handling | 15,205.70 | 10,284.72 |
| (iv) Agri Equipment | 19,803.11 | 20,022.25 |
| (v) Subsidiaries Business | 1.01 | 14.48 |
| Total Segment Revenue | 1,62,957.50 | 1,22,715.39 |
| Segments results | | |
| (i) Cranes | 12,867.15 | 8,724.00 |
| (ii) Construction Equipment | 937.72 | 678.50 |
| (iii) Material Handling | 1,820.05 | 1,273.35 |
| (iv) Agri Equipment | 1,258.34 | 2,405.46 |
| (v) Subsidiaries Business | (16.85) | (36.70) |
| | 16,866.41 | 13,044.61 |
| Finance costs | (1,375.03) | (1,223.28) |
| Other Unallocated Expenses | (1,761.65) | (1,010.19) |
| Total Segment results | 13,729.73 | 10,811.14 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment information (contd.)

(B) Segment Assets and Liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Segment assets | | |
| (i) Cranes | 75,223.70 | 74,334.50 |
| (ii) Construction Equipment | 10,487.83 | 9,673.05 |
| (iii) Material Handling | 4,069.57 | 3,830.99 |
| (iv) Agri Equipment | 12,739.09 | 9,658.04 |
| Total segment assets | 1,02,520.19 | 97,496.58 |
| Unallocated | 25,716.39 | 8,031.95 |
| Total assets as per the balance sheet | 1,28,236.58 | 1,05,528.53 |
| Segment liabilities | | |
| (i) Cranes | 34,663.73 | 31,503.33 |
| (ii) Construction Equipment | 5,175.68 | 4,611.58 |
| (iii) Material Handling | 2,273.26 | 2,665.55 |
| (iv) Agri Equipment | 7,876.16 | 6,949.05 |
| Total segment liabilities | 49,988.83 | 45,729.51 |
| Unallocated | 78,247.75 | 59,799.02 |
| Total liabilities as per the balance sheet | 1,28,236.58 | 1,05,528.53 |

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.

40. Corporate Social Responsibility

As per provisions of section 135 of the Company Act, 2013, the Group has to incur at least 2% of average net profit of the preceding three financial years towards Corporate Social Responsibility (CSR). Accordingly, a CSR committee has been formed carrying out CSR activities as per the schedule VII of the Company Act, 2013. Details are as under

(a) Details of CSR Expenditure

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Contribution to ACE Emergency Response Service Trust for Health services including Ambulance and Pathology Laboratory | 160.80 | 142.84 |
| Contribution to Sarvodya foundation for Health Services | 11.92 | 5.00 |
| Contribution to FIA Charitable Society for Handling of Natural Calamity | 5.00 | – |
| Contribution to Blue Sapphire Healthcare for Health Services | – | 5.00 |
| Amount spent directly by the Company for Health Services | 8.87 | – |
| Total Amount Spent by Company for CSR Activity | 186.59 | 152.84 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Corporate Social Responsibility (contd.)

(b) Details of Excess/Shortage of CSR Expenditure under section 135 (5) of the Act

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Gross amount required to be spent by the group during the year | 172.58 | 152.74 |
| Amount spent during the year for CSR activities | 186.59 | 152.84 |
| Excess/(Shortage) | 14.01 | 0.10 |

(c) The Group has not claimed set off excess amount for future periods.

(d) Related party transactions in relation to CSR with enterprises owned or significantly influenced by Key Management Personnel or their relatives.

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Contribution paid to ACE Emergency Response Service Trust for Health services including Ambulance and Pathology Laboratory | 160.80 | 142.84 |
| Total | 160.80 | 142.84 |

41. Analytical ratio

| Sr. No | Ratio | Numerator | Denominator | As at March 31, 2022 | As at March 31, 2021 | % Change | Explanation for change in the ratio by more than 25% as compared to the previous year |
|--------|--|--|---|----------------------------|----------------------------|-------------|--|
| 1 | Current Ratio (times) | Current Assets | Current Liabilities | 1.40 | 1.20 | 16.86% | Not Applicable |
| 2 | Debt-Equity Ratio (times) | Total Debt (Borrowings) | Shareholders Equity | 0.01 | 0.10 | 90.27% | Reduction in debt |
| 3 | Debt Service Coverage Ratio (times) | Earning available for debt service | DSCR (Finance Costs + Repayment of borrowings) | 4.49 | 3.55 | 26.29% | Reduction in debt |
| 4 | Return on Equity Ratio (%) | Profits after tax | Average Shareholders Equity | 16.43% | 16.51% | (0.48%) | Not Applicable |
| 5 | Inventory turnover ratio (times) | Cost of goods sold | Average Inventory | 3.91 | 3.19 | 22.50% | Not Applicable |
| 6 | Trade receivables turnover ratio (times) | Revenue from Sale of Products and Services | Average Trade receivables | 9.21 | 7.69 | 19.77% | Not Applicable |
| 7 | Trade payables turnover ratio (times) | Net Purchases of raw material and stock-in-trade | Average Trade payables | 4.38 | 3.19 | 37.05% | Early payment of vendor |
| 8 | Net capital turnover ratio (times) | Revenue from Operations | Working Capital (Current Assets - Current Liabilities) | 8.01 | 12.65 | (36.72%) | Increase in current investments |
| 9 | Net profit ratio (%) | Profit after tax | Revenue from Operations | 6.44% | 6.50% | (0.91%) | Not Applicable |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Analytical ratio (contd.)

| Sr. No | Ratio | Numerator | Denominator | As at March 31, 2022 | As at March 31, 2021 | % Change | Explanation for change in the ratio by more than 25% as compared to the previous year |
|--------|----------------------------|---|---|----------------------|----------------------|----------|---|
| 10 | Return on Capital employed | Profit before interest and taxes (EBIT) | Capital Employed [Tangible Net worth + Total Debt + Deferred Tax Liability] | 17.54% | 17.69% | (0.83%) | Not Applicable |
| 11 | Return on investment | Return on Investment during the year | Time weighted average of investments | 7.93% | 12.59% | 36.99% | Market Dynamic |

42. Disclosure in accordance with the requirements under Ind AS 10 'Events after the reporting period'

The foreign subsidiary company SA Forma, Romania has signed an agreement on April 20, 2022 for the transfer of entire property right on land and building situated in Romania for a consideration of 2,386,660 Euro (11,793,680.39 RON). Estimated INR value of the consideration on the agreement date is ₹ 1975.68 lakhs (1 RON = 16.7520 INR).

43. Struck off Companies: Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

| Name of the struck off Company | Nature of transaction with struck off Company | Balance outstanding as at March 31, 2022 (Nos.) | Balance outstanding as at March 31, 2021 (Nos.) | Relation with struck off Company |
|----------------------------------|---|---|---|----------------------------------|
| MNS Logistics Private Limited | Receipt of transportation services | 2.67 | 0.37 | Vendor |
| Rehal Industries Private Limited | Purchase of goods | 0.59 | 0.76 | Vendor |
| Sakha Servies Private Limited | Receipt of services | 0.01 | 0.01 | Vendor |
| Unicon Fincap Private Limited | Unclaimed Dividend | 0.04 | – | Shareholder |

44. Additional regulatory information required by Schedule III of Companies Act, 2013

- (i) **Details of Benami property** : No proceedings have been initiated or are pending against the group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) **Utilisation of borrowed funds and share premium** : The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall.
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

- b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (iii) **Compliance with number of layers of companies:** The group has complied with the number of layers prescribed under the Companies Act, 2013.
- (iv) **Compliance with approved scheme(s) of arrangements:** The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (v) **Undisclosed income:** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (vi) **Details of crypto currency or virtual currency:** The group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vii) **Valuation of PP&E, intangible asset and investment property :** The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (viii) **Satisfaction of charges :** The group does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- (ix) **Wilful defaulter :** The group has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (x) As at March 31, 2022 and March 31, 2021 the group has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, which are repayable on demand or without specifying any terms or period of repayments.
45. Previous year figures have been re-grouped/reclassified wherever necessary, to conform to current year.

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 23, 2022

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, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Disclosure of additional information pertaining to the Holding Company, Subsidiaries and Associates as per schedule III of the Companies Act, 2013:

For the financial year 2021-22 :

| 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 | 100.09 | 75,508.84 | 100.87 | 10,591.36 | 100.00 | (35.31) | 100.87 | 10,556.05 |
| Direct Subsidiaries | | | | | | | | |
| Crane Kraft India Pvt. Ltd | (0.09) | (69.52) | (0.66) | (69.52) | – | – | (0.66) | (69.52) |
| SC Forma SA | (0.02) | (17.96) | (0.35) | (36.57) | – | – | (0.35) | (36.57) |
| Namo Metals (Partnership Firm) | 0.02 | 14.25 | 0.14 | 14.53 | – | – | 0.14 | 14.53 |
| Total | 100.00 | 75,435.61 | 100.00 | 10,499.80 | 100.00 | (35.31) | 100.00 | 10,464.49 |

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) |
| 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 |

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 | | |
|--------|--|---------------------------------------|-----------------------------------|----------------|
| | | SC Forma SA, Romania | Crane Kraft India Private Limited | Namo Metals |
| 1. | Name of the subsidiary | SC Forma SA, Romania | Crane Kraft India Private Limited | Namo Metals |
| 2. | The date since when subsidiary was acquired | February 01, 2007 | December 17, 2021 | April 01, 2010 |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | January 01, 2021 to December 31, 2021 | NA | NA |
| 4. | Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | RON, ₹ 17.1244 | NA | NA |
| 5. | Share capital | 184.17 | 60.00 | 500.78 |
| 6. | Reserves & Surplus | (46.00) | -52.75 | - |
| 7. | Total Assets | 377.32 | 317.88 | 506.33 |
| 8. | Total Liabilities | 239.15 | 309.93 | 5.55 |
| 9. | Investments | NIL | NIL | NIL |
| 10. | Turnover | 0.01 | 247.37 | 24.00 |
| 11. | Profit before taxation | 40.06 | -71.00 | 19.72 |
| 12. | Provision for taxation | NIL | NIL | 5.19 |
| 13. | Profit after taxation | 40.06 | -52.75 | 14.53 |
| 14. | Proposed Dividend | NIL | NIL | NIL |
| 15. | % age of shareholding | 89.52 | 99.9999 | 90 |

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 23, 2022

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



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 Eighth (28th) Annual General Meeting (AGM) of the Members of Action Construction Equipment Limited ("Company") will be held on **Tuesday September 20, 2022 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 statement of the Company for the financial year ended March 31, 2022 and reports of Board of Directors and Auditors' thereon; and
- (b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2022 and report of Auditors' thereon.

and, in this regard, to consider and if thought fit, to pass, with or without modification (s), the following resolutions as an Ordinary Resolutions:

- (a) **"RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2022, and the report of Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."
- (b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2022, and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. To declare a final dividend of ₹ 0.60 i.e. (30%) per equity share for the Financial Year ended March 31, 2022 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT a dividend at the rate of ₹ 0.60/- i.e. (30%) per equity share of face value of ₹ 2/- (Rupees Two) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2022, and the same be paid out of the profits of the Company."

3. To appoint a Director in place of Mrs. Surbhi Garg (DIN: 01558782) who retires from office by rotation, and being eligible, offers herself for reappointment and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Surbhi Garg (DIN: 01558782), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

4. Appointment of Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 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, M/s BSR & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s BRAN & Associates, Chartered Accountants, the Auditors who will complete a tenure of 5 consecutive years at this 28th AGM) for a term of five consecutive years commencing from the conclusion of this 28th Annual General Meeting (AGM) of the Company till the conclusion of the 33rd Annual General Meeting, to be held in the calendar Year 2027 i.e. (FY 2022-23 to 2026-27) at remuneration of ₹ 50,00,000 (Rupees Fifty Lakhs Only) plus applicable taxes exclusive of all out of pocket expenses."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things including revision of remuneration, if any, as may be considered necessary thereto from time to time."

SPECIAL BUSINESS:

5. To ratify the remuneration of the cost auditors for the financial year ending March 31, 2023 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 ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand 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, 2023, 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.

6. Authority for borrowing under section 180(1)(c) of the Companies Act, 2013 and in this regard, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the Special Resolution passed by the members of the Company through postal ballot effected on July 18, 2014 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and all other applicable rules, laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approvals, 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” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board) for borrowing from time to time, by way of loans, credit facilities, debt instruments or in any other forms, any such sum or sums of money (either Indian or foreign currency) from Banks, Financial Institutions, Bodies Corporate, Companies, firms or any one or more persons on such terms and conditions and with or without security as the Board may think fit, notwithstanding that monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital, free reserves and securities premium of the Company, provided that the total amount so borrowed (other than temporary loans from the Company’s bankers in the ordinary course of business) and outstanding at any point of time shall not exceed a sum of ₹ 1000 Crores (Rupees One Thousand Crores Only).”

“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.”

7. Authority for creations of charge under section 180(1)(a) of the Companies Act, 2013 and in this regard, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the Special Resolution passed by the members of the Company through postal ballot effected on July 18, 2014 and pursuant to Section 180(1)(a) and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and all other applicable rules, laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approvals, 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” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, for the purpose of due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings and in such form, manner and with such ranking and on such terms & conditions, as the Board may deem fit, in favour of bank, financial institutions, the Lenders/ Security Trustee etc., provided that the aggregate indebtedness secured by the assets/properties of the Company shall not at any time exceed the aggregate limit of ₹ 1000 Crores (Rupees One Thousand Crores Only);

“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.”

**By Order of the Board of Director
For Action Construction Equipment Limited**

Place: New Delhi
Date: August 10, 2022
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, HR
CIN : L74899HR1995PLC053860
Email : cs@ace-cranes.com

Sd/-
Anil Kumar
Company Secretary
M. No. ACS: 37791

NOTES:

1. In view of the continuing 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 General Circular No. 02/2021 dated January 13, 2021 and Circular No. 02/2022 dated May 05, 2022 (collectively "MCA Circulars"), and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62, dated May 13, 2022, (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 28th 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 and May 05, 2022, 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 and SEBI Circulars, Members attending the 28th 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 28th 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 28th 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, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62, dated May 13, 2022, Notice of the AGM along with the Annual Report 2021-22 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 2021-22 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 retiring by rotation and seeking appointment/ reappointment at the 28th 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 **Tuesday, September 13, 2022 to Tuesday, September 20, 2022** (both days inclusive) for the purpose of Annual General Meeting

- and for determining the entitlement of the shareholders to the dividend for FY 2021-22. **Cut-off date for e-voting will be Tuesday, September 13, 2022.**
12. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed **Tuesday, September 13, 2022** 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 23, 2022 has recommended dividend of ₹ 0.60 i.e. (30%) per equity share for the financial year ended March 31, 2022. 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 September 12, 2022 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 September 12, 2022.
 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.
 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 2013-14 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 2013-14) has not been paid or claimed by the members for 7 (seven) consecutive years or more, to IEPF Authority.

23. As the 28th 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 20, 2022**. 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 28th 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 **Friday, September 16, 2022 at 09:00 A.M. and ends on Monday, September 19, 2022 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. **September 13, 2022** 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. **September 13, 2022**.





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 eVoting 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"> 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 eVoting" 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 style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <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> |
| <p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p> | <p>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.</p> |

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 |
|--|---|
| <p>Individual Shareholders holding securities in demat mode with NSDL.</p> | <p>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.</p> |
| <p>Individual Shareholders holding securities in demat mode with CDSL.</p> | <p>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.</p> |

(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.nsdl.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.nsdl.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.nsdl.com.
 - (b) Physical User Reset Password?”(If you are holding shares in physical mode) option available on www.evoting.nsdl.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 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 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 eVoting 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 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. **September 13, 2022** 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 18, 2022**. 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 MCA and SEBI Circulars 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. Surbhi Garg, retire by rotation at the Meeting and being eligible, offer herself for re- appointment.
39. (i) SEBI vide its Circular dated 3rd November, 2021, has reiterated that it is mandatory for all holders of physical securities to furnish their PAN as well as KYC to the RTA (Registrar and Share Transfer Agent) of the Company in respect of all concerned Folios and the Folios wherein even any one of the PAN, Address with PIN Code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities are not available on or after April 01, 2023, shall be frozen by the RTA. SEBI has introduced Form ISR - 1 alongwith other relevant forms to lodge any request for registering PAN, KYC details or any change/ updation thereof.
- In terms of the aforesaid SEBI Circular, effective from January 01, 2022, any service requests or complaints received from the member, are not processed by RTA till the aforesaid details/ documents are provided to RTA.

Members may also note that SEBI vide its Circular dated January 25, 2022 has mandated listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4.

Relevant details and forms prescribed by SEBI in this regard including the mode of despatch are available on the website of the Company at www.ace-cranes.com for information and use by the Shareholders. You are requested to kindly take note of the same and update your particulars timely.

- (ii) Members who are holding shares in demat mode are requested to notify any change in their residential address, Bank A/c details and/ or email address immediately to their respective Depository Participants.

**By Order of the Board of Director
For Action Construction Equipment Limited**

**Place: New Delhi
Date: August 10, 2022
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, HR
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

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act but as per Regulation 36(5) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations 2015 is mandatory to disclosure.

The Members of the Company at the 23rd Annual General Meeting ('AGM') held on September 29, 2017 approved the appointment of M/s BRAN & Associates ("BRAN"), Chartered Accountants, as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the said AGM. Accordingly, BRAN will complete their present term of five years on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors based on the recommendation of the Audit Committee proposes the appointment of M/s B S R & Co., LLP, Chartered Accountants, (Firm R.N. 101248W/W-100022) (in place of M/s BRAN & Associates, Chartered Accountants, the auditors who will complete a tenure of 5 consecutive years at this 28th AGM), as the Statutory Auditors of the Company. If approved by the members, the appointment of M/s B S R & Co., LLP, as the Statutory Auditors will be for a period of five consecutive years commencing from the conclusion of this 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting i.e. (FY. 2022-23 to 2026-27) at remuneration of ₹ 50,00,000 (Rupees Fifty Lakhs only) plus applicable taxes exclusive of all out of pocket expenses subject to deduction of applicable taxes.

B S R & Co. ('the firm ') was constituted on March 27, 1990 as a partnership firm having firm registration no. 101248W. It was converted into limited liability partnership i.e. B S R & Co. LLP on October 14, 2013 thereby having a new firm registration no. 101248W/W-100022. The registered office of the firm is at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai - 400063. B S R & Co. LLP is a member entity of B S R & Associates, a network registered with the Institute of Chartered Accountants of India. B S R & Co. LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi. B S R & Co. LLP has over 3000 staff and 100+ Partners. B S R & Co. LLP audits various companies listed on stock exchanges in India.

M/s B S R & Co. LLP have confirmed that their appointment, if made, would be within the limits specified under Section 141(3) (g) of the Act and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Besides the audit services, the Company would also obtain certification(s) from the statutory auditors under various statutory regulations and certifications required by clients,

banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors.

The Board of Directors, on the recommendation of audit committee of the Company may alter and vary the terms and conditions of the appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors .

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

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, 2023 at an annual remuneration of ₹ 1,25,000 (Rupees One lakh Twenty Five Thousand 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. 5 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

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. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 5 of the notice for approval by the members.

ITEM NO. 6 & 7

The Shareholders of the Company through process of Postal Ballot effected on July 18, 2014, had inter-alia accorded their consent to the Board of Directors of the Company ("Board") for borrowing monies (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) upto ₹ 500 Crores under Section 180(1)(c) of the Companies

Act, 2013. The shareholders of the Company at the said postal ballot process had also accorded their consent to the Board to create charge on properties or assets of the Company to secure borrowings upto ₹ 500 crores under Section 180(1)(a) of the Companies Act, 2013.

In view of the increase in business activities, keeping in view the future plans of the Company and to fulfill long term strategic and business objectives, the Board of Directors at its meeting held on August 10, 2022 proposed and approved increase in the borrowing limit from ₹ 500 Crores to ₹ 1000 Crores (Rupees One Thousand Crores) pursuant to Section 180 (1)(c) of the Companies Act, 2013 and accordingly, increase the limit for creation of charge to secure the indebtedness upto the aggregate limit of ₹ 1000 Crores (Rupees One Thousand Crores) pursuant to Section 180 (1)(a) of the Companies Act, 2013, subject to the approval of the members of the Company.

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors have the powers to borrow money, where the money to be borrowed, together the monies already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) exceeds aggregate of the paid-up share capital, free reserves and securities premium of the Company, with the consent of the Shareholders of the Company by way of Special Resolution.

Further, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors have the powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company with the consent of the Shareholders of the Company by way of a Special Resolution.

In order to secure the borrowings, the Company may be required to create security by way of mortgage/ charge/ hypothecation on its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over control of the said assets and properties of the Company. Since creation of charge on properties and assets of the Company with the right of taking over the control in certain events of default may be considered to be a sale/ lease/ disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, it is proposed to seek approval of the shareholders of the Company for increasing the existing limits to ₹ 1000 Crores. Accordingly, the approval of the members of the Company is sought for increase in the borrowing limits and to secure such borrowings by the creation of charge on assets/properties of the Company upto ₹ 1000 Crores as stated in the resolutions.

It is, therefore, required to obtain fresh approval of members by Special Resolution under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company and to create charge on the assets over the Company under the Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the Company /their relatives is/are, in anyway, concerned or interested, financially or otherwise, in the resolutions set out at item no. 6 and 7 of the Notice.

The Board recommends the Special Resolutions set out at item no. 6 and 7 of the notice for approval by the members.

ANNEXURE-I

Details of Directors retiring by rotation and seeking appointment/reappointment as required under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings.

| NAME OF DIRECTOR | MRS. SURBHI GARG |
|--|--|
| DIN | 01558782 |
| Date of Birth (Age) | 11.01.1978 (44) |
| Date of first appointment on Board | 12.11.2011 |
| Qualification | Under Graduate |
| Relationship with Directors/KMP | Mr. Vijay Agarwal, Chairman & Managing Director, Mrs. Mona Agarwal and Mr. Sorab Agarwal, Whole-Time Directors of the Company are relatives under clause 77 of section 2 of Companies Act, 2013 read with rules thereof. |
| Experience/Expertise in specific functional area | Associated since 2011 with the Company as a Whole Time Director of the Company. She looks after the Administration & HR functions of the Company. Under her supervision, the Company's administrative affairs are being handled in a skilled manner. She has helped the Company to formulate effective Policies. |
| Terms and Conditions of appointment/re-appointment | She is appointed as WTD of the Company for five years w.e.f April 01, 2020. She is retiring by rotation pursuant to provision of section 152 of the Company Act 2013. |
| Details of Remuneration last drawn | ₹ 52.78 lakhs |
| Membership of the Committees of Board of Directors of Company | None |
| Directorship in other Companies | <ul style="list-style-type: none"> • VMS Equipment Private Ltd. • Rotadrill India Private Ltd. • Reachall India Private Ltd. • Asia Resorts Ltd. • Asia Greens Ltd. |
| Membership of the Board committee of other companies in which he is a Director | None |
| No. of Board meeting attended during the year (FY 2021-22) | Total Meetings held : 4 Total Meetings attended : 4 |
| No. of shares held in the Company (March 31,2022) | 69,30,156 no. of equity shares of ₹ 2 each. |

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. 2022-23
- 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 10% 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:-
 - i. Self-attested copy of PAN;
 - ii. Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;
 - iii. 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
 - iv. 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, 2022. Please note that no communication in this regard, shall be accepted post, 2022.

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 last of the preceding financial years and the aggregate of tax deducted at source in his/her case is ₹ 50,000 or more in the preceding each two financial years.

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.

- (iv) 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 28th 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 including but not limited to statification of the "Principal Purpose Test" provided by such MLI.

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 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.
6. I/We hereby confirm we do/will not have a place of effective management in India and none of the key management and commercial decisions for the conduct of the business in substance are/will be made 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 (upto Sept. 20, 2022)
Chartered Accountants

M/s B S R & Co. LLP (w.e.f. Sept. 20, 2022*)
Chartered Accountants

(*Subject to approval of shareholders)

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

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

PLANT 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



ACTION CONSTRUCTION EQUIPMENT LTD.

(CIN : L74899HR1995PLC053860)

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