

Action Construction Equipment Ltd.

Corporate & Regd. Office

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



Date: August 26, 2020

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 2019-20 and notice convening 26th Annual General Meeting ("AGM") of the Company.

Dear Sir/Madam,

This is to inform you that the 26th Annual General Meeting (AGM) of the Company will be held on Thursday, September 24, 2020 at 11:30 AM IST 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 2019-20, 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 2019-20 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**



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Customer Care No.: 1800 1800 004 (Toll Free), CIN : L74899HR1995PLC053860

*Nothing beats an **ACE***



ACE

ACE

26th Annual Report

2019-20



Emerged | Empowered | Energized



Road Equipment



Agri Equipment



Material Handling Equipment



Cranes





CONTENTS

Chairman's Speech	03
Management Discussion and Analysis Report	04
Board's Report	11
Corporate Governance Report	57
Certificate regarding compliance of conditions of Corporate Governance	81
Auditor's Report on Standalone Financial Statements	83
Standalone Balance Sheet	91
Standalone Statement of Profit and Loss	92
Standalone Cash Flows Statement	94
Notes to the Standalone Financial Statements	96
Auditor's Report on Consolidated Financial Statements	137
Consolidated Balance Sheet	144
Consolidated Statement of Profit and Loss	145
Consolidated Cash Flow Statement	147
Notes to the Consolidated Financial Statements	149
Notice to the Shareholders (26 th AGM)	191

Chairman's Speech



Dear Members,

I am writing you at a time when the nation is grappling with a global pandemic. While simultaneously gearing itself for a phased reopening of the economy and preparing for life beyond Covid-19. Further, simmering tensions along northern borders has precipitated an anti-China sentiment within the country. I believe this is a great opportunity for the Indian Industry to minimize our external dependencies and enhance self-reliance.

Global Economy

It has been several months since the pandemic engulfed the world and there is a lot of uncertainty with respect to the extent of economic contraction due to this crisis and the subsequent pace of recovery. As the world emerges from the current crisis, the next few years are likely to be marked by lack of buoyancy in growth, subdued inflation, a cautious trend in project investments, heightened risks of de-globalisation and political uncertainty.

Indian Economy

COVID-19 struck India, at a time when the underlying economic conditions were subdued on account of heightened global uncertainty and stress in the domestic financial system. COVID-19 and the associated lockdowns across countries has triggered a once-in-a-century crisis for the society and the economy in 2020. This is a defining period in human and business history: one that will test the resilience of individuals, corporations and nations.

Against this backdrop, a stringent national lockdown to slow the spread of the pandemic started in the last week of March 20 and remained active to varying degrees in different geographies through most of Q1 of FY21. Approx. 80 % of the India's GDP originates from the districts which were classified as red and orange zones during the lockdown, where economic activity remained severely constrained. India's GDP is likely to contract in FY21 and the contraction will be more severe in Q1.

Responding to this challenge, both the Reserve Bank of India and Government of India announced several policy measures to provide relief to the affected sections of the economy, to reduce the possibility of business failures and to support the process of recovery.

In these turbulent and dynamic times, ACE near term focus is to see through the turbulence – by conservation of cash, maintaining its leadership position in the Crane business, safety of its team and assets and strengthening its business relationship.

Performance 2019-2020

After witnessing a healthy revenue growth of 23% in FY19, we exhibited a decline in revenue in this financial year. The demand was sluggish during H1FY20 and was further exacerbated by the general economic slowdown. The second half of the fiscal witnessed extended monsoons, low capital expenditure on infrastructure and road activities, along with financial stress in the NBFC and housing sectors. The improving demand since December 2019 could not be sustained due to the outbreak of COVID-19.

Despite de-growth across all the four sectors we operate in, we at ACE were able to increase our EBITA and PAT margins with strategic focus and optimized resources.

Tough times can be overwhelming. There are some who gets intimidated and wait for storms to subside. Yet there are others who resolve to fight despite the odds. They continue to seek challenges. They keep pushing harder and remain persistent. This is what we, at ACE did in FY20. The nature of disruption was such that even the most robust players felt the heat. Starting from the liquidity crisis to slowing macro economy, weak economic sentiments, tough real estate scenario, and finally the outbreak of COVID-19 pandemic. The going only got tougher.

At ACE, we stood our ground. We persistently handled the pressure of short-term without losing sight of the long-term. We strengthened our market position while undertaking initiatives for the betterment of all stakeholders.

Outlook

Covid 19 pandemic and its fallout make it difficult to forecast the future with degree of certainty. While we are hopeful that 2nd half of FY 2020-21 will have better economic and business activity in terms of good liquidity, revival of construction activities, return of migrant labours and restoration of supply chain, it would be premature to predict the Company's business outcomes for FY 2020-21. We are putting enormous efforts to mitigate the impact of the pandemic and remain positive.

Given the fog of uncertainty all around, it is hard to predict the outcome. In these conditions Companies with quality leadership, sound business fundamentals and a track record of winning in turbulent times, will emerge as champions.

Given your Company's inherent strengths and financial stability, I am confident that ACE will emerge stronger from this global crisis.

We all are passing through a crisis of unprecedented magnitude, and I would like to thank the ACE team, our customers, vendors and other stakeholders for the confidence and trust they have reposed on us. I also thank my fellow board members for the invaluable support in guiding the Company.

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

MANAGEMENT DISCUSSION AND ANALYSIS

❖ INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Economy has been exhibiting lackluster growth in the face of global volatility amidst weak manufacturing domestic demand and global trade bottoming out and a broad-based shift towards accommodative monetary policy. Real GDP has slowed down from 6.10 % in FY 2018-19 to 4.20% in FY 2019-20 due to slow down in private consumption, lower tax collections and a sharp slowdown in credit growth.

To overcome the slowdown, various reforms were announced by the Government in FY 2019-20 viz reduction in corporate tax rates, a scheme to provide one time partial credit guarantee to public sector banks for purchase of pooled assets of financially sound non-banking financial companies (NBFC), re-capitalisation of public sector banks, relaxation of external commercial guidelines for affordable housing, setting up of a Realty Fund for stalled housing projects, merger of public sector banks and revised priority sector lending norms for exports.

Private sector investments continued to be muted in the area of industrial capex and building infrastructure. The Government announced National Infrastructure Pipeline (NIP) of projects worth Rs 100 lakh crs plus up to FY 25, with a focus on energy, road, railways, and urban infrastructure and irrigation projects to provide a much needed productivity boost to the Indian economy and fulfill India's aspiration to become a USD 5 trillion economy by 2025. The NIP, coupled with other pro-business policy initiatives, is expected to lead to a rebound of domestic demand in the medium and long term.

However, the last quarter of FY 2019-20 was marked by an unprecedented global crisis-the rapid spread of the novel coronavirus disease of 2019 (COVID-19) across continents, millions infected, and lockdowns in most of the affected nations-that struck a severe blow even to the strongest economies. The impact of the crisis, which has both health and economic aspects, could mean a sharp contraction in the global economy. The IMF has projected a global growth rate of -3% for 2020. However, if the pandemic fully recedes in the second half of 2020, the global economy is projected to grow by 5.8% in 2021, supported by fiscal stimulus in several nations.

However, the COVID-19 outbreak has posed fresh challenges to the growth projections and its future impact cannot be ascertained with certainty.

COVID-19 OUTBREAK AND UPDATE

The pandemic and the nationwide lockdown that it triggered have given both demand and supply shocks to the economy with wide ramifications on revenue collections and economic growth. It is likely to take quite some time for the consequent stress in the economy to be relieved and for growth to revive.

The crisis has prompted the Government to announce a series



of monetary and fiscal relief packages designed to inject liquidity into the system and provide relief to stressed sectors. While these stimulus measures will provide relief to the affected people and some industries, the slowdown in economic activity is expected to significantly lower India's GDP growth in FY 2020-21.

Global supply chains have also been threatened by the pandemic. Governments around the world have been quick to respond to the crisis by implementing meaningful stimulus measures through a combination of fiscal and monetary easing, increased health spending and direct support to cover losses in incomes and revenues. Sustained efforts from Governments, focused on these measures could soften the economic impact of the Corona virus. Against this backdrop, the Company has undertaken a series of measures to mitigate the crisis, which includes securing the safety and livelihood of its staff, curtailing and reducing overheads at all operating levels, enhancing liquidity on its Balance Sheet by controlling working capital requirements through a mix of judicious cash flow planning and measured project execution.

COVID-19 has impacted our operations and the industry as a whole and it will take some time to regain normalcy. We remain fully committed to uphold our social responsibility towards helping prevent the infection spread further, while ensuring business continuity.

❖ OUTLOOK

The mid to long term outlook for the Indian construction equipment industry is positive. India construction equipment market is projected to cross \$ 4.7 billion by 2025, on account of anticipated growth in construction industry, increasing foreign investments, and rising number of smart city projects in the country. However, the COVID-19 pandemic and the ensuing lockdown, has brought the entire economy to a standstill. With

a large portion of cities under a lockdown and uncertainties around full resumption of economic activities the impact on GDP is expected to be significant negative growth for FY2021, an all-time low in many years. As restrictions slowly ease, and the economy at large, adapts to operating and living in a post-COVID era, it is expected that there will be some recovery in the second fiscal half, albeit slow, and not to pre-COVID levels.

The global construction equipment market size was estimated at USD 124.7 billion in 2019 and it is anticipated to expand at a CAGR of 4.3% from 2020 to 2027. Increasing investments by governments across the world for developing public infrastructure has been one of the prime factors driving the market demand for construction equipments. Furthermore, the growing population in emerging economies such as India has resulted in increased residential and commercial construction activities. Thus, the market is anticipated to grow steadily in the near future.

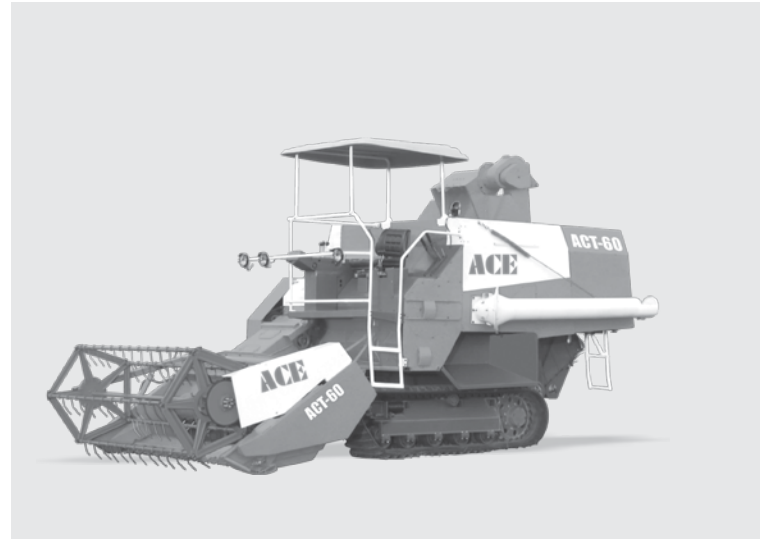
Some of the Growth drivers for construction in India which are positive for the Construction Equipment (CE) industry are:

- Infrastructure development needs;
- Government impetus on affordable housing, smart cities and regional connectivity;
- Rapid pace of urbanization and industrialization;
- Rise in Public Private Partnerships (PPP);
- Sustained foreign investment.

With the Indian government proposing significant spend on infrastructure, there are multiple opportunities for the construction equipment industry on the horizon. ACE will continue to pursue a three-pronged approach to increase profitability: quality and cost excellence; exhaustive product range; and after-sales customer support and digitalization. The Company will expand its network of distributors, dealers and stockiest. It will concentrate on maximizing value in its existing geographies leveraging high-end cranes; and enhance its export.

On the agri side, the Company expects a relatively quicker recovery on account of good rainfall season, steady rabi and pre-monsoon kharif sowing. Farm loan waivers, direct cash transfers scheme and increased budgetary allocation and important reforms in the Agri Sector announced by Government focused on improving the state of agriculture in India in the mid to long term.

The Covid-19 pandemic and its fallout makes it difficult to forecast the future with any degree of certainty. While we are hopeful that the 2nd half of FY 2020-21 will herald better economic and business activity in terms of tendering, good liquidity and revival of labour and supply chains, it would be premature to predict the Company's business outcomes for FY 2020-21. The company



is putting in enormous efforts to mitigate the impact of the pandemic, and register enhanced performance in FY 2021-22.

❖ OPPORTUNITIES

- 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 and ACE is optimistic about capturing the upcoming opportunities.
- National Infrastructure project pipeline of ₹ 111 lakh crore over a period of six year which will lead to public spends in the area of metro rail networks, power transmission distributions and urban infrastructure would also provide the necessary boost to the demand for construction equipment industry in the years to come.
- Your company continues to focus on various strategies and initiatives to overcome the existing challenges. These include consolidation of new generation cranes in the targeted market segments. ACE continues to maintain its market leadership position and is well positioned to achieve growth in terms of volumes and market share through better service levels and by providing the best of technology at an affordable price.
- India being the world's largest tractor market with a growing rural economy, presents a good opportunity for players in farm mechanization space. Hence going forward, the competitive intensity in the farm mechanization space is expected to increase, leading to new product launches and product offerings at high value points. Also, the customer expectations of performance, quality and technology are increasing with time. Staying ahead of competition by

offering products with modern technology and features will be the focus of your company.

- Indian agriculture is characterized by high degree of manual work and low productivity. At the same time, demand for farm labour is cyclic and there is shortage of farm labour in the peak season. In this scenario, the key to raising farm productivity is to increase the level of mechanization and improve farming practices. This scenario, coupled with Government focus on improving the state of agriculture, is generating multiple opportunities in the space of farm mechanization, dissipation of agri know how and crop solutions.
- We believe that our proactive steps in providing best solutions to our customers and implementation of our strategies have prepared us for growth as demand picks up once the consumer sentiments improve with the expected revival of the infrastructure industry.

❖ THREATS

- High-end construction equipment is facing challenges, in terms of imports from low-cost countries that are expanding their distribution centers and after-sales network in India. Foreign players are expected to drive competition against Indian construction equipment exports in the developed markets. Although these multi-national imports have been considered to be a threat, quality consciousness among Indian consumers will curb large-scale imports.
- Continued threat of raw material price volatility translating into pressure on margins during a rapid increase in raw material prices.
- Weak currency resulting in pressure on margins.
- Any change in the government policy or its budgetary allocation to the infrastructure sector will have a major impact on Company's business.



- Owing to trade tensions and a general air of protectionism globally are likely to lead to possible slowdown in global trade and can curb the economic momentum.
- Any outbreak of pandemic resulting into lockdowns and disruption in the supply chain.
- Unforeseen business losses.

❖ RISKS AND CONCERN

The Company's ability to foresee and manage business risks is crucial in achieving favorable results. 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:

- **Inefficient cost structure** : The risk associated with the Company's exposure to fluctuations in price of key commodities, including electricity, oil and steel.
- **Impact on business continuity due to extraordinary events**: Inability to recover from and continue uninterrupted operations due to extraordinary events in the operating environment, such as outbreak of an epidemic/pandemic or contagious disease (like COVID-19), other natural calamities, fire, etc.
- **Confidential information and IT systems** : Failure of information systems to adequately protect the critical data and infrastructure from theft, corruption, unauthorized usage, viruses or sabotage.
- **Impact of monsoons & other external factors** : Impact on the Company's performance due to inadequate monsoons, decline in soil fertility and other external factors, such as economic slowdown, adverse government policies, etc.
- **Resource Risks** : This risk refers to the timely availability of resources-particularly raw material, spare parts, fuel and labor. It also includes the risk that the raw material prices might move adversely, variations in prices of steel and other commodities. Rising material costs affect profitability and competitiveness.
- **Risks from Competition** : In recent years, India's liberalized regime has created opportunities and also increased competition in the construction equipment business,



which has seen significant interest of foreign players, mean overseas companies winning work at the expense of local players or partnering with them. New competitors entering the market and the current competitors pricing more aggressively intensifies the highly competitive condition that already exists.

- **Risks from Suppliers :** A construction equipment company relies on innumerable third parties for timely supply of specified raw materials, components, equipment and services. Some events could result in the complete or partial failure of supplies or in supplies not being delivered on time. Supply disruptions may also be the result of excessive dependence on a single supplier.
- **Foreign Currency Risks :** Exchange rate fluctuations may have an adverse impact on the Company.
- **Cyclical nature of the Industry :** The Company's growth is linked to those of the crane industry, which is cyclical in nature. The demand for crane has a significant impact on the demand and prices of the products manufactured by the Company. A fall in the demand and / or prices would adversely impact the financial performance of the Company.

❖ **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 decreased to ₹ 1,156.20 crores as against ₹ 1,342.49 crores in the previous year - a decline of 13.88%.
- Profit before Interest, Depreciation, Amortization, Exceptional Items & Tax for the current year is ₹ 95.87 crores against ₹ 107.62 crores in the previous year-a decline of 10.92%.
- Profit before Tax (PBT) and Profit After Tax (PAT) for the current year are ₹ 68.20 crores and ₹ 52.64 crores respectively against ₹ 84.34 crores and ₹ 56.16 crores in the previous year - a decline of 19.14% and 6.27% respectively.
- Earnings per share is ₹ 4.58 for the year under review.

❖ SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

- The Cranes division revenues decreased by 14.06% to ₹ 828.69 crores in the year ended March 31, 2020 as against ₹ 964.29 crores in the year ended March 31, 2019. EBIT increased by 4.16% to ₹ 92.95 crores in the year ended March 31, 2020 as against ₹ 89.24 crores in year ended March 31, 2019.
- Construction Equipment division revenues increased by 25.51% to ₹ 100.65 crores in the year ended March 31, 2020 as against ₹ 80.19 crores in the year ended March 31, 2019. EBIT decreased by 99.00% to ₹ 0.02 crores in the year ended March 31, 2020 as against ₹ 2.00 crores in the year ended March 31, 2019.
- Material Handling revenues decreased by 11.44% to ₹ 83.58 crores in the year ended March 31, 2020 as against ₹ 94.38 crores in the year ended March 31, 2019. EBIT decreased by 29.04% to ₹ 8.16 crores in the year ended March 31, 2020 as against ₹ 11.50 crores in the year ended March 31, 2019.
- Agri Equipment revenues decreased by 29.64% to ₹ 143.28 crores in the year ended March 31, 2020 as against ₹ 203.63 crores in the year ended March 31, 2019. EBIT

decreased by 160.44% to ₹ (4.11) crores in the year ended March 31, 2020 as against ₹ 6.80 crores in year ended March 31, 2019.

❖ MATERIAL DEVELOPMENTS IN HUMAN RELATIONS / INDUSTRIAL RELATIONS

Our human capital comprises the passion, commitment and winning attitude of our people, which is reflected in our transformational growth and which will take us to the next orbit of growth and our vision is to create a values-driven organization by providing an aspirational environment to deliver exceptional performance to our stakeholders through agility, innovation and excellence.

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, 2020 are 1115.

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 FY2019-20 and helped create a collaborative, healthy and productive work environment.

❖ DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

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

S.No.	Particulars	FY 2020	FY 2019	% Change
1.	Debtors Turnover	39	37	5%
2.	Inventory Turnover	124	79	57%
3.	Interest Coverage Ratio	5.65	8.32	32%
4.	Current Ratio	1.05	1.14	8%
5.	Debt Equity Ratio	0.18	0.10	80%
6.	Operating Profit Margin (%)	5.90%	6.28%	6%
7.	Net Profit Margin (%)	4.55%	4.18%	9%
8.	Return on Net worth (%)	11.97%	13.30%	10%

❖ RISK MANAGEMENT AND GOVERNANCE

Risk is an integral 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 includes economic environment and market leadership, inflation and steel prices.

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.

❖ CAUTIONARY STATEMENT

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 and are based on our best estimate of the current environment. 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 26th Annual Report on the business and operation of the Company together with Audited Statement of Accounts for the financial year ended March 31, 2020.

FINANCIAL RESULTS

The Company's financial performance for the year ended March, 2020 is summarized below:

(₹ in Crores)

PARTICULARS	FY 2019-20	FY 2018-19
Revenue from operations	1,156.20	1,342.49
Other Income	4.03	9.71
Total Income	1,160.23	1,352.20
Profit Before Depreciation, Finance costs, Exceptional Items and Tax	95.87	107.62
Less: Depreciation and amortization expenses	13.01	11.75
Less: Finance Costs	14.66	11.52
Profit before exceptional items and Tax	68.20	84.34
Less: Exceptional items	–	–
Profit Before Tax	68.20	84.34
Less: Tax expense	15.56	28.18
Profit After Tax	52.64	56.16
Other Comprehensive income for the year (net of tax)	(0.14)	(0.01)
Total Comprehensive income for the year	52.50	56.15

FINANCIAL PERFORMANCE OVERVIEW (STANDALONE BASIS)

The brief highlights of the Company's performance (standalone) during the financial year 2019-20:

- Total revenue from operations decreased to ₹ 1,156.20 crores as against ₹ 1,342.49 crores in the previous year - a decline of 13.88%.
- Profit before Interest, Depreciation, Amortization, Exceptional Items & Tax for the current year is ₹ 95.87 crores against ₹ 107.62 crores in the previous year-a decline of 10.92%.
- Profit Before Tax (PBT) and Profit After Tax (PAT) for the current year are ₹ 68.20 crores and ₹ 52.64 crores respectively against ₹ 84.34 crores and ₹ 56.16 crores in the previous year - a decline of 19.14% and 6.27% respectively.
- Earnings per share is ₹ 4.58 for the year under review.

OVERVIEW AND STATE OF COMPANY'S AFFAIRS

2019-20 was a year of contrasting global economic scenarios. Marred by trade wars and weakening economic scenarios all over the world, the global economic outlook remained weak during the initial months. This was worsened by the slow growth in the manufacturing sectors, which were either hit by a recession or close to it, across many countries.

The domestic economy also witnessed a slowdown in FY20 as the GDP rate was pegged at 4.20 %. This was primarily on account of weak demand across sectors, tightening of credit, and the lingering effect of the previous policy measures. Several steps were taken to address the situation, including monetary easing by the Reserve Bank of India throughout the fiscal year; introduction of reforms to improve the ease of doing business; steps to liberalise FDI; lower corporate tax rates and disinvestment plans among other measures.

The Construction industry after witnessing a healthy demand growth in 2018-19, exhibited a slow down with de-growth.

Apart from the general economic slowdown, demand was sluggish during H1FY20 post the general elections in April-May 2019. H1FY20 witnessed extended monsoons, low capital expenditure on infrastructure and road activities, along with financial stress in the NBFC and the housing sectors. Though the demands started showing some signs of improvement since December 2019, the momentum could not be sustained due to the outbreak of COVID-19 pandemic. This severely impacted the construction activities, which consequently resulted in the Industry witnessing de-growth for the year.

Just when the sector was reviving, the world was hit by COVID-19 pandemic. With no cure presently available, the virus has become one of the biggest threats to the global economy. India has been no exception to the impact of COVID-19, which spread across the country rapidly.

The economic fallout of and the subsequent recovery from COVID-19 will depend on multiple factors, such as recovery driven by containment efforts, supply chain disruptions, impact of lockdowns etc. The continued spread of COVID-19 could adversely affect workforces, customers, economies and financial markets globally, potentially leading to further economic downturn.

Increase in Government spends on health and public welfare, weak demand for infrastructure activities, weak real estate and overall slow down in the economic activities is expected to reflect in the subdued performance of your Company in the current financial year. Nevertheless, given your Company's capabilities, it is confident of its ability to weather the storm and come out stronger.

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, 2020.



AMOUNTS TRANSFERRED TO RESERVES

During the year under review, your Company has transferred to the Capital Redemption Reserve out of retained earnings with reference to the following:

(₹ in Crore)

1.	Buy Back of equity shares	0.77
2.	Redemption of preference share	6.04

DIVIDEND

The Board of Director has approved an Interim Dividend of ₹ 0.50 i.e. (25%) per equity share for the financial year ended March 31, 2020 in their meeting held on March 14, 2020 which resulted in an outflow of ₹ 6.84 Crores (including Corporate Dividend Tax of ₹ 1.17 Crore).

SHARE CAPITAL AND BUY BACK OF EQUITY SHARES

The paid up Equity Share Capital of the Company as at March 31, 2020 stood at ₹ 22.70 crores. During the year 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 equity shares as per details given below:

Particulars	Details
Aggregate No. of Equity shares bought back	38,39,804
Total fund utilized for buyback	₹ 33,29,15,446.25
% of maximum buyback Size	97.20%
Highest price at which the shares were bought back	₹ 113.00 per Equity Share
Lowest price at which the shares were bought back	₹ 51.00 per Equity Share
Average price of buyback	₹ 86.70 per Equity Share

Note: "Maximum Buyback Size" and "Maximum Buyback Price" for buyback were ₹ 34,25,00,000/- and ₹ 125/- respectively.

The Buyback commenced on Thursday, May 23, 2019 and closed on Friday, November 22, 2019.

The shareholding pattern of the Company, as on May 16, 2019 (pre-Buyback) and the shareholding pattern of the Company post the completion of the Buyback was as under:

Category of the Shareholder	Pre Buyback		
	No. of Equity Shares	Share capital	% of the existing Equity Capital
Promoter and Promoter group	81871944	163743888	69.78%
Public	35451056	70902112	30.22%
Total	117323000	234646000	100.00%

Category of the Shareholder	Post Buyback		
	No. of Equity Shares	Share Capital	% of the post Buyback Equity Capital
Promoter and Promoter group	81871944	163743888	72.14%
Public	31611252	63222504	27.86%
Total	113483196	226966392	100.00%

Further, during the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

REDEMPTION OF PREFERENCE SHARES

The Company has redeemed all its remaining 60,43,876, 8% cumulative non-participating redeemable preference shares of ₹ 10 each, on April 29, 2019. As on March 31, 2020, the Company has no issued preference shares capital.

CHANGE IN THE ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Pursuant to redemption of preference shares and Buy back of equity shares of the Company, the issued, subscribed and Paid up share capital of the Company has been changed as per details given above. As on March 31, 2020, the issued, Subscribed and Paid up share capital of the Company is Rs. 22.70 Crore.

LISTING OF SHARES

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). The listing fee for the year 2020-21 has already been paid to both the Stock Exchanges.

CREDIT RATING

The Company has entered into an agreement with ICRA Limited for rating on banking facilities; ICRA has assigned the following rating :

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

Further, ICRA limited on April 13, 2020 has placed long term rating on watch with negative implications and reaffirmed short term rating.

MATERIAL CHANGES AND COMMITMENTS, IF ANY

No material changes and commitments affecting the financial



position of the Company occurred between the end of the financial year to which this financial statement relate and the date of this report.

DISCLOSURES RELATING TO SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2020, the company has only one subsidiary i.e. SC Forma SA, Botosani, Romania.

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

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

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

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

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

BOARD OF DIRECTORS

During the year on the recommendation of Board, the members of the Company in their 25th Annual General Meeting held on September 27, 2019 at 11:30 a.m. at Aravali Golf Club, New

Industrial Town (NIT), Faridabad, Haryana-121001 have approved the appointment/re-appointment of following Directors:

- Re-appointment of Mrs. Surbhi Garg (DIN: 01558782) as Whole-Time Director, designated as Executive Director of the Company for next five years w.e.f. April 01, 2020.
- Appointment of Mr. Avinash Parkash Gandhi (DIN:00161107) as an Independent Non-Executive Director of the Company for five years w.e.f. October 01, 2019.

In accordance with the provisions of Companies Act, 2013 (hereinafter referred as "the Act") and Articles of Association of the Company, Mr. Sorab Agarwal (DIN: 00057666), Whole-Time Director of the Company will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

During the year, Dr. Amar Singal, Independent, Non-Executive Director of the Company has resigned from the post of Directorship of the Company w.e.f. March 14, 2020. Detailed reasons for his resignation along with his confirmation that there are no material reasons, other than those provided by him, are provided in his resignation letter dated March 14, 2020 received by the Company and copy of the same is also available on the website of the Company at www.ace-cranes.com.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee of the Company has appointed Dr. Divya Singal (DIN:08722144) as Additional Director (Independent Woman Director) of the Company in their meeting held on March 14, 2020 to hold office w.e.f. April 01, 2020 till the next Annual General Meeting of the Company or last date up to which the Annual General Meeting should have been held, whichever is earlier.

As per the provision of Companies Act, 2013 and SEBI (LODR) Regulations 2015, two consecutive terms of appointment as Independent Director of the following Directors in the Company are going to be completed in the month of September 2020 i.e. September 24, 2020.

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

The Board of Directors, in their meeting held on August 10, 2020, has recommended for appointment/confirmation of following Directors subject to the approval of the shareholders in the ensuing Annual General Meeting (AGM). The brief resumes and other details relating to the Directors who are proposed to be appointed/ re-appointed, as required to be disclosed under the Companies Act, 2013/Listing Regulations is given as **Annexure** to the Notice of the 26th AGM.

1. Dr. Divya Singal (DIN: 08722144), as Independent Non-Executive Director (Independent Woman Director) for a period of 5 years w.e.f. April 01, 2020.

2. Mr. Shrinivas Vashisht (DIN:06572418) as Independent Non-Executive Director for a period of 5 years w.e.f. date of ensuing AGM i.e. September 24, 2020.

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

KEY MANAGERIAL PERSONNELS (KMP)

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

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

NUMBER OF BOARD MEETINGS

During the financial year 2019-20, five (5) Board Meetings were held. For details thereof kindly refer to the Corporate Governance Report forming part of this Annual Report.

ANNUAL GENERAL MEETING

During the financial year 2019-20, 25th Annual General Meeting of the Company was held on September 27, 2019 at 11:30 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001.

COMMITTEES OF THE BOARD

Detailed information on the Board and its Committees is provided in the Corporate Governance Report forming part of this Annual Report.

NOMINATION AND REMUNERATION POLICY

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



DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) Have followed in the preparation of Annual Accounts for the financial year 2019-20, 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, 2020 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 Securities Exchange Board of India (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, integrity etc.

STATUTORY AUDITORS

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

Statutory Auditors' Report

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

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s Vasisht & Associates, Company Secretaries, were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending March 31, 2020.

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 (casual vacancy) as the Cost Auditor of the Company for the year ending March 31, 2020.

Cost audit report for financial year 2019-20 will be filed with the Ministry of Corporate Affairs within stipulated time period.

INTERNAL AUDIT

On the recommendation of the Audit Committee, the Board of Directors of the Company has appointed Mr. Neeraj Govil, Chartered Accountant, as Internal Auditors of the Company for the FY 2019-20, 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 Services. The CSR Committee of the Board of Directors has been formed comprising of three directors with Chairman being Independent Director. CSR Committee has framed and formulated a CSR Policy indicating the activities to be undertaken by the Company, in accordance with schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued under the Act. The same has also been approved and reviewed from time to time by the Board. The CSR policy is available at the website of the Company at www.ace-cranes.com. The Annual Report on CSR Activities, as stipulated under the Act forms an Integral part of this Report and is appended as **Annexure-IV**.

CORPORATE GOVERNANCE

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

A certificate from Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under Schedule V of the Listing Regulations is attached in Corporate Governance Report forming part of Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year as stipulated under Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is separately given and forms part of this Annual Report and provides a more detailed analysis on the performance of individual businesses and their outlook.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

DISCLOSURE ON AUDIT COMMITTEE

The Audit Committee as date of Board's Report comprises of the following Directors: Mr. Subhash Chander Verma (Chairman),

Mr. Vijay Agarwal, Mr. Girish Narain Mehra (IAS Retd.), Mr. Avinash Parkash Gandhi and Mrs. Divya Singal (appointed w.e.f.01.04.2020) 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.

Further, Dr. Amar Singhal, Member of Audit Company has resigned w.e.f. March 14, 2020.

RISK MANAGEMENT

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

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

The details of the Enterprise Risk Management framework with details of the principal risks and the plans to mitigate the same are given in the 'Management Discussion and Analysis Report' which forms part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

The Company has laid down sexual harassment policy pursuant to provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. The objective of this policy is to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith. The Company has zero tolerance on sexual harassment at workplace. During the financial year 2019-20, no complaint was received under this policy.

RESEARCH AND DEVELOPMENT

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

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

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

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

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and

Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure-VI** to this Report.

PUBLIC DEPOSITS

During the year, your Company did not accept any public deposits under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2020.

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 2019- 20 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.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No. MGT – 9 forms part of the Board's Report and is annexed herewith as **Annexure-VIII**.

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 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 in Cranes & Tower Cranes, Award in the CIA World Awards 2020;
- Best Company of the Year 2020 Award;
- Business Leader of the Year 2020 Award;
- Outstanding Employee Engagement Strategy Award-2020;

- Most Innovative HR Award;
- North India Best Employer Award 2019-20;
- Best seller in Mobile Cranes-Equipment India 2019;
- Person of the Year - Mr. Vijay Agarwal (Chairman & Managing Director) - ACE Equipment India 2019;
- Excellence in Engineering Design 2019;
- India's Greatest Brands 2019;
- Future of Workplace & Leadership Award-2019;
- India's Most Trusted Companies Awards 2019;
- Best Company of the Year- Material Handling 2019 at Worldwide Achievers Business Leader's Summit & Awards 2019;
- Ranked 223rd among the Next 500 Companies & Listed as Top Wealth Creators, 2019-Fortune India Magazine;
- Best Training Initiative Award-Infrastructure Sector by National Award for Excellence in Training & Development 2019;
- Brand Excellence-Construction Equipment Industry by National Brand Leadership Congress & Awards.

BUSINESS RESPONSIBILITY REPORT

Pursuant to the provision of regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your company is required to submit Business Responsibility Report (BRR) for the financial year 2019-20 which is annexed as **Annexure-IX**.

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. Bonus shares: Not Issued.
3. Dividend Distribution Policy: Not applicable.

ACKNOWLEDGEMENT

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

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

Place : Faridabad
Date : August 10, 2020

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

Annexure-I of Board's Report

Form AOC-I

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

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

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

S. No.	Details	Particulars
1.	Name of the subsidiary	SC Forma SA, Romania- Subsidiary
2.	The date since when subsidiary was acquired	01.02.2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.01.2019 to 31.12.2019
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	RON, ₹ 16.7257
5.	Share capital	179.89
6.	Reserves & surplus (Inclusive of Revaluation Reserve)	15.05
7.	Total Assets	382.22
8.	Total Liabilities	187.29
9.	Investments	NIL
10.	Turnover	13.94
11.	Profit before taxation	(9.88)
12.	Provision for taxation	NIL
13.	Profit after taxation	(9.88)
14.	Proposed Dividend	NIL
15.	% age of shareholding	89.50%

Notes :

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

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

For and on behalf of the Board of Directors

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

Place : Faridabad
Date : August 10, 2020

Annexure-II of Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2019-20

[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, 2020** 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, 2020 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 made thereunder;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) The Securities and exchange board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and amendments thereof regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018;
- vi) The Employees State Insurance Act, 1948;
- vii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- viii) Employers Liability Act, 1938;

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

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

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

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

We further report that

- The Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- The dissenting members' views were not required to be captured and recorded as part of the minutes as there were no such instance.
- There are adequate systems and process in the company commensurate with the size and operations of the company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has the following specific event/action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above:

The Board of Directors in its meeting held on May 16, 2019, has approved the Buyback of its fully paid-up equity shares of ₹ 2 (Rupees Two) each ("Equity Shares") from open market through the Stock Exchange mechanism as prescribed under the Buyback Regulations and the Companies Act, for an amount not exceeding ₹ 34,25,00,000 and at a price not exceeding ₹ 125 ("Maximum Buyback Price") from the Equity Shareholders of the Company other than the Promoters, Members of the Promoters Group, Person acting in concert and Person who are in control of the Company (the process hereinafter referred to as the Buyback").

The Company has bought back 38,39,804 fully paid-up equity shares of ₹ 2/- each (in Dematerialized Form) from May 23, 2019 to November 22, 2019 and the same has been extinguished pursuant to Regulation 21 read with Regulation 11 of Buyback Regulation;

I further report that the Company has redeemed preference shares as per the terms and conditions of redemption as per the details given below:

On April, 2019, the Company has redeemed all its remaining 60,43,876, 8% Cumulative, Non-Participating Redeemable Preference Shares. As on date, there is no issued Preference Share Capital.

I further report that there were no instance of :-

- (i) Public/ Right/ Preferential Issue of shares/ Debentures / Sweat Equity etc.
- (iv) Foreign technical collaborations

**For VASISHT & ASSOCIATES;
Company Secretaries**

**Sd/-
CS SHOBHIT VASISHT
UDIN : A045412B000321160
Membership No: 45412
C P No: 21476**

**Place: New Delhi
Date: June 05, 2020**

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: New Delhi
Date: June 05, 2020

Sd/-
CS SHOBHIT VASISHT
UDIN : A045412B000321160
Membership No: 45412
C P No: 21476

Annexure-III of Board's Report SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED MARCH 31,2020

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

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

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

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

For the year ended March 31, 2020 ("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, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

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

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

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

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

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar 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 under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

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

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable as there were no observations of the Practicing Company Secretary in the previous reports				

For VASISHT & ASSOCIATES;
Company Secretaries

Sd/-
CS SHOBHIT VASISHT
UDIN : A045412B000321193
Membership No: 45412
C P No: 21476

Place: New Delhi
Date: June 05, 2020

Annexure-IV to Board's Report

Annual Report on the Corporate Social Responsibility (CSR) activities for the financial year 2019-20.

(₹ in Lakhs)

1	A brief outline of the company's CSR Policy including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and the projects or programs.	(a) The CSR Policy of the Company has been uploaded on the website of the Company and can be accessed at www.ace-cranes.com . (b) For the projects or programs under taken by the Company, please refer to CSR section in this Annual Report.
2	Composition of the CSR Committee (Reconstituted w.e.f. 01.04.2020)	1. Dr. Divya Singal, Chairman 2. Mr. Keshav Chandra Agrawal, Member 3. Mrs. Mona Agarwal, Member
3	Average net profit of the company for the last three financial years as per Section 198 of the Companies Act, 2013.	₹ 6537.67 Lakhs
4	Prescribed CSR expenditure (2% of the amount mentioned in item 3 above)	₹ 130.75 Lakhs
5	Details of the CSR to be spent during the financial year	
	-Total amount to be spent for the financial year	₹ 130.75 Lakhs
	-Amount unspent, if any	Nil
	-Manner in which the amount spent during the financial year	Details given below

Note: Dr. Amar Singhal, Chairman of CSR Committee has resigned w.e.f. March 14, 2020.

Details of amount spent on the CSR activities during the financial year 2019-20.

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project/ activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project/ Program (1) Local area/ Other, (2) State and district where projects/ programs were undertaken	Amount outlay (Budget) Project/ Program Wise	Amount spent on the projects/ Programs Sub Heads: (1) Direct Expenditure, (2) Overheads	Cumulative expenditure upto the reporting period i.e. FY 2019-20	Amount spent directly or through implementing agency
1	Health outreach Programme II- "Static, Mobile medical units and camps for primary and preventive healthcare incl. diagnostics"	Clause (I) promoting health care including preventive health care	District Palwal and Faridabad in the state of Haryana	₹ 150.00 Lakhs	₹ 134.40 Lakhs	₹ 134.40 Lakhs	Implementing agency -ACE Emergency Response Service Trust

Responsibility Statement by the CSR Committee

The CSR Committee confirms that the implementation and monitoring of the Corporate Social Responsibility (CSR) policy is in the compliance with the CSR objectives and policy of the Company.

Place : Faridabad
Date : August 10, 2020

Sd/-
Vijay Agarwal
Chairman & Managing Director

Sd/-
Dr. Divya Singal
Chairman CSR Committee

Annexure-V of Board's Report

Form No. AOC-2

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

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

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

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

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

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

Note:

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

For & on behalf of
Action Construction Equipment Limited

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

Date : August 10, 2020
Place: Faridabad

Annexure-VI of Board's Report Particulars of Employees

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

(₹ in Lakhs)

S. No.	Requirement of Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	Details				
		Name of Directors	Remuneration (2019-20)	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	306.00	84.06		
		Mrs. Mona Agarwal	150.88	41.45		
		Mr. Sorab Agarwal	58.79	16.15		
		Mrs. Surbhi Garg	58.88	16.17		
		Mr. Girish Narain Mehra (IAS Retd.)*	1.50	0.41		
		Mr. Subhash Chander Verma*	2.10	0.58		
		Dr. Amar Singhal*	2.25	0.61		
		Mr. Keshav Chandra Agrawal*	1.05	0.69		
		Mr. Avinash Parkash Gandhi* (Appointed w.e.f. 01.10.2019)	1.20	0.33		
2.	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the Financial Year.	Name of Directors	Remuneration (FY 2019-20)	Remuneration (FY 2018-19)	% Change	
		Mr. Vijay Agarwal	306.00	306.09	-0.03	
		Mrs. Mona Agarwal	150.88	150.78	0.07	
		Mr. Sorab Agarwal	58.79	58.73	0.10	
		Mrs. Surbhi Garg	58.88	52.22	12.75	
		Mr. Girish Narain Mehra (IAS Retd.)*	1.50	1.65	-9.09	
		Mr. Subhash Chander Verma*	2.10	1.80	16.67	
		Dr. Amar Singhal*	2.25	1.95	15.38	
		Mr. Keshav Chandra Agrawal*	1.05	0.75	40.00	
		Mr. Avinash Parkash Gandhi* (Appointed w.e.f. 01.10.2019)	1.20	NA	NA	
		Name of Key Managerial Personnel (KMP)				
		Mr. Rajan Luthra	61.56	61.39	0.28	
		Mr. Anil Kumar	6.64	5.72	16.08	
* 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.	5.23%
4.	The Number of permanent employees on the rolls of the Company as on March 31, 2020.	1,115
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 7.25% whereas average percentile increase in the managerial remuneration in the last financial year is 1.51%.
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	The Remuneration paid during the year ended March 31, 2020 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, 2020 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)	306.00	150.88
Nature of employment	Contractual	Contractual
Educational Qualification	BE Mechanical and MBA	Under Graduate
Experience (in years)	49	26
Date of commencement of Employment in ACE	January 13, 1995	January 13, 1995
Age (in Years)	71	64
Previous Employment	Bhartiya Cuttler Hammer Limited, Escorts Limited.	–
% of equity shares	36.78	22.77

Annexure-VII of Board's Report

Disclosure pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

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

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

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

The Company has installed and commissioned PV Solar Power plant of 1636 KWP capacity across various roofs and parking space.

(b) Impact of above measures:

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

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

The Company has already issued additional orders for installation of PV Solar Power plant of 210 KWP capacity.

Further, the Company shall invest in the securities of AMP Solar India Private limited upto Rs. 1.00 Crore for the purchase of upto 3.00 MW Solar Power under the Group Captive Scheme of Haryana Government.

(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, Ballabhgarh, 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 2019-20:

S. No.	Title & Scope of Completed & on-going R&D Project
1	Improvement in 4wd drop box with ACE transmission.
2	New Flywheel housing design for FEL application & export
3	Heavy Duty Front Axle Beam for 50 hp & above Tractor models
4	New Canopy frame for tractor models upto 60hp

5	Side Support Developed for Above 50hp Tractor in Exports
6	Implementation of Magnetic type Oil stainer in Hydraulic (outside Transmission) ease of serviceability.
7	Floor Design Improvement in Floor ACE 6500 4WD, ACE 7500 4WD and ACE 9000 4WD for serviceability of Control valve
8	New Foot Board Design for Tractor Model ACE DI 6565 4WD V2 for Front End Loader Application
9	Attachments for Domestic Market(FEL, FEL with backhoe and Front Dozer)
10	New Mechanical Coupling (Rear Tow Hook) Designed as per AIS -091
11	Constant mesh transmission for 50 /60hp 2WD tractor models
12	60 hp, 75hp engine as per BS-IV with standyne FIE's- LPDMS
13	RGB (Reduction gear Box Transmission) for Crane
14	Highly sensitive Hydraulic lift with EHR/EHC(Electronic Hitch Control) 1200 to 2000Kg- Feature for Export and optional for domestic
15	60 hp, 75 hp tractor with BSIV engine
16	Constant mesh transmission for 50 /60hp 4WD tractor models
17	Development of Forklift 30E
18	New Concept Counter Weight for AF20/25E
19	Wheel Loader ALN 300 with Ashok leyland Engine
20	Barrel handler attachments (4 Drum - Mechanical type)
21	Load Stabilizer 900~1600 for Forklift
22	Truck Crane with lattice boom 45 Ton (Crawler on truck)
23	Self-propelled truck mounted crane 25 Ton, 55 Ton Capacity
24	AF50D with Mechanical Transmission
25	Development of In-house steering axle of 25E
26	Dozer/ Ripper Attachment for motor grader
27	Mid Scarifier Attachment for Motor Grader
28	Canopy design for Motor Grader
29	BS IV Engine(above 50 HP) implementation in Forklift models
30	BS IV Engine(above 50 HP) implementation in Motor Grader models
31	Forklift 30D with 3 cylinder Engine
32	Side sifter Cum Fork positioner for 3.0 Ton
33	Duplex Mast 4.5 STD for 3/5 Ton Forklift
34	Development of Forklift 25E(72Volt) - VA/VE Project
35	Design and development of 20 ton full slew mobile crane (20XW)
36	Heavy recovery attachment for 6x6 HVM
37	TMC O32C knuckle boom crane
38	Design and development of boat crane AB042
39	Design and development of boat crane 502L crane for Defense
40	202L crane for Defense- technical issues and improvements there of
41	Highly sensitive Hydraulic lift with EHR/EHC(Electronic Hitch Control) 1200 to 2000Kg- Feature for Export and optional for domestic
42	Constant mesh transmission for 50 /60hp 4WD tractor models
43	AWP 22M Aerial work platform
44	AWP 27M Aerial work platform

45	F350 Nextgen Crane
46	Development of 30 ton Pick & carry crane (Model-F300)
47	F150-HD 4 wheel drive 15 ton pick & carry new gen crane
48	Orange peel grab
49	BS IV Engine(above 50 HP) implementation in all models (10 models)
50	Development of 20T PNC with 72' boom length
51	Manlift for NX360° Slew Crane
52	F250 Nextgen Crane
53	Alternate Engine in Hydra
54	Manlift with jib with 53' height on Hydra Crane
55	Fully powered boom 58' for Nextgen Crane
56	Free fall winch on FP210
57	18XW with 2 part boom
58	Creep speed with alternative AGB with TATA engine in F210
59	Creep speed with alternative AGB F160
60	F150 4 wheel drive Nextgen Crane with 76HP engine
61	Manlift with jib with 58' height on NXP-150 pick & carry crane
62	Compact Man basket attachment for Pick & Carry Cranes
63	Compensation Fork attachment on Pick & carry crane with 42' boom length
64	Man Basket with jib with 51' height on pick & carry crane
65	Development of 16XW with 72' boom length
66	NX360 degree-150 slew crane

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

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

(iii) Future plan of action:

S. No.	Title & Scope of ongoing & Future R&D Project
1	Constant mesh transmission for Crane
2	26 HP 4WD small Tractor
3	New 550 NG 4WD model with Carraro Front Axle
4	New Fender & floor to be designed with Constant Mesh for 50 /60hp tractor models
5	Big Fuel tank & Fender Mudguard on front Tyre for export models
6	4WD Tractor Model 75/90hp with AC/ Non AC cabin-For Export
7	Development of ROPS for 25-50 hp tractor
8	Development of wiring harness and electrical components to meet upcoming EMC(Electromagnetic compatibility) norms.
9	Development of tractor (modification in silencer, sheet-metal, sealing) to meet upcoming noise level norms.

10	Development of 60HP/ 75HP/ 90HP/ 110HP engine with common rail (CRDI Bharat stage Trem V/EURO V
11	Development of 60hp/ 75hp/ 90hp/ 110HP 4WD Tractor model with common rail (CRDI) Bharat Stage V/EURO V for Export
12	Up gradation of engine 25HP/ 32Hp/ 40HP/ 45HP and 50HP for next emission level -Bharat stage Trem IV
13	Development of 110hp Engine for export
14	Furnace stocker Ram & rotating type attachment
15	Modification in BBC & BC attachments (Forging type joint)
16	Motor Grader 15 Ton with Avtec transmission & Ashok leyland Engine
17	Development of Forklift 60D, 80D, 120D
18	Mast Configuration of Forklift 60D, 80D, 120D
19	BS IV Engine(above 50 HP) implementation in Wheel Loader models
20	Development of Crawler Crane 25 Ton, 80 Ton and 120 Ton capacity and 160 Ton capacity
21	Development of TC 6544, TC 5540T with FSH60 m
22	Development of TC 7060 (Travelling Type)-FSH62 m
23	Mast 3.6m STD/ 3.0m STD – AF100D
24	Development of Forklift 100D - BS-IV
25	Forklift 30D with Premium range Engine (Yanmar/Isuzu)
26	Development of Front Axle & Transmission 3.0 Ton
27	Indigenous use of Front Axle & transmission for 5.0 Ton Forklift
28	Indigenous use of Front Axle & transmission for 10.0 Ton Forklift
29	Self-propelled truck mounted crane 80 Ton Capacity
30	Self-propelled truck mounted crane 25 Ton Capacity with alternate Driveline
31	Motor grader 10/ 12 Ton
32	Design and development of RT 45 Crane
33	Design and development fo TM 602 crane for Defense
34	Design and development fo 5/10 crane for Defense
35	City Cabin Redesign
36	Development of 30 ton Pick & carry crane with 360 degree slew(Model-F300NX)
37	Aesthetic improvement in pick & carry crane (Cabin/Bonnet/Counter weight)
38	TX-130 Nextgen Crane

(iv) Expenditure on Research & Development:

Sr. No	Particulars	Amount (₹ in Lakhs)
1.	Capital Expenditure	10.08
2.	Revenue expenditure (Incl. Salary to R&D Staff and other related expenditures)	1,002.18
Total		1,012.26

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

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

(i) Technology imported with year of import

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

(ii) Absorption of Imported technologies

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

S. No.	Particulars	Amount (₹ in Lakhs)
1	Foreign Exchange earned	4,709.51
2	Foreign Exchange outgo	11,508.32

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

EXTRACT OF ANNUAL RETURN

As on Financial Year Ended on March 31, 2020

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

I	REGISTRATION & OTHER DETAILS:	
i)	CIN	L74899HR1995PLC053860
ii)	Registration Date	January 13, 1995
iii)	Name of the Company	Action Construction Equipment Limited
iv)	Category/Sub-category of the Company	Limited By Shares/Public Indian Non Government Company
v)	Address of the Registered office & contact details	Dudhola Link Road, Dudhola, Palwal, Haryana - 121102, Phone: +911275-280111 (50 Lines), Fax:+91-1275-280133, E-mail : cs@ace-cranes.com.
vi)	Whether listed company	Yes
vii)	Name , Address & Contact details of the Registrar & Transfer Agent, if any	Kfin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Serilingampally, Hyderabad-500008. Phone: +91 040 6716 2222 (Board), Fax:+91 2300 1153 Email: kishore.bv@kfintech.com, einward.ris@kfintech.com
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
	All the business activities contributing 5% or more of the total turnover of the company.	As per Attachment A
III	PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES	
		As per Attachment B
IV	SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PER PERCENTAGE OF TOTAL EQUITY)	
i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoters' Shareholding	As per Attachment E
iv)	Shareholding Pattern of top 15 Shareholders (other than Directors, Promoters and Holders of GDRs and ADR)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V	INDEBTEDNESS	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment H
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
A	Remuneration to Managing Director, Whole-Time Directors and/or Manager	As per Attachment I
B	Remuneration to other Directors	As per Attachment J
C	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment K
VII	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	
		As per Attachment L

ATTACHMENT-A

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company on the basis of Gross Turnover
1	Cranes	291-Manufacture of general purpose machinery	71.67
2	Material Handling	291-Manufacture of general purpose machinery	7.23
3	Construction Equipment	291-Manufacture of general purpose machinery	8.71
4	Agri Equipment	292-Manufacture of special purpose machinery	12.39
Total			100.00

ATTACHMENT-B

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

ATTACHMENT - C

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category -wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (01-04-2019)				NO. OF SHARES HELD AT THE END OF THE YEAR (31-03-2020)				% 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	81871944	0	81871944	69.78	82181305	0	82181305	72.42	2.63
(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)	81871944	0	81871944	69.78	82181305	0	82181305	72.42	2.63
(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)	81871944	0	81871944	69.78	82181305	0	82181305	72.42	2.63
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	3308843	0	3308843	2.82	2877660	0	2877660	2.54	-0.28
(b)	Financial Institutions /Banks	98424	0	98424	0.08	61036	0	61036	0.05	-0.03
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	2515766	0	2515766	2.14	1068505	0	1068505	0.94	-1.20
(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)	5923033	0	5923033	5.05	4007201	0	4007201	3.53	-1.52
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	2681436	0	2681436	2.29	2434038	0	2434038	2.14	-0.14
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹ 1 lakh	16539068	34367	16573435	14.13	16561646	33527	16595173	14.62	0.50
(ii)	Individuals holding nominal share capital in excess of ₹ 1 lakh	8314862	0	8314862	7.09	6632759	0	6632759	5.84	-1.24
(c)	Others									
	Clearing Members	384927	0	384927	0.33	189929	0	189929	0.17	-0.16
	IEPF	15923	0	15923	0.01	22003	0	22003	0.02	0.01
	Non Residents Indians	1290122	0	1290122	1.10	1211392	0	1211392	1.07	-0.03
	NRI Non-Repatriation	265308	0	265308	0.23	207396	0	207396	0.18	-0.04
	Societies	0	10	10	0.00	0	0	0	0.00	0.00
	Trusts	2000	0	2000	0.00	2000	0	2000	0.00	-0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2)	29493646	34377	29528023	25.17	27261163	33527	27294690	24.05	-1.12
	Total B=B(1)+B(2)	35416679	34377	35451056	30.22	31268364	33527	31301891	27.58	-2.63
	Total (A+B)	117288623	34377	117323000	100.00	113449669	33527	113483196	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C)	117288623	34377	117323000	100.00	113449669	33527	113483196	100.00	0.00

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 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			% 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	41428731	35.31	0	41738092	36.78	0	1.47
2	Mrs. Mona Agarwal	25839407	22.02	0	25839407	22.77	0	0.75
3	Mr. Sorab Agarwal	7623650	6.50	0	7623650	6.72	0	0.22
4	Mrs. Surbhi Garg	6930156	5.91	0	6930156	6.11	0	0.20
5	Mrs. Anuradha Garg	50000	0.04	0	50000	0.04	0	0.00

ATTACHMENT-E

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(iii) Change in Promoters' Shareholding

S. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Share holding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning of the year (01-04-2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Vijay Agarwal	41428731	35.31	01.04.2019	0		41428731	35.31
				13.12.2019	44002	Purchase	41472733	36.55
				20.12.2019	10860	Purchase	41483593	36.55
				27.12.2019	38280	Purchase	41521873	36.59
				31.12.2019	24358	Purchase	41546231	36.61
				03.01.2020	13500	Purchase	41559731	36.62
				14.02.2020	6000	Purchase	41565731	36.63
				21.02.2020	30167	Purchase	41595898	36.65
				28.02.2020	29000	Purchase	41624898	36.68
				06.03.2020	62916	Purchase	41687814	36.73
				20.03.2020	5000	Purchase	41692814	36.74
				27.03.2020	34500	Purchase	41727314	36.77
				31.03.2020	10778	Purchase	41738092	36.78
				31.03.2020	0		41738092	36.78
2	Mrs. Mona Agarwal	25839407	22.02	01.04.2019	0		25839407	22.02
				31.03.2020	0		25839407	22.77

3	Mr. Sorab Agarwal	7623650	6.50	01.04.2019	0		7623650	6.50
				31.03.2020	0		7623650	6.72
4	Mrs. Surbhi Garg	6930156	5.91	01.04.2019	0		6930156	5.91
				31.03.2020	0		6930156	6.11
5	Mrs. Anuradha Garg	50000	0.04	01.04.2019	0		50000	0.04
				31.03.2020	0		50000	0.04

Note : Promoters shareholding have been changed due to buy back of equity shares.

ATTACHMENT-F

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

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

S. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Share holding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning of the year (01-04-2019)	% of total shares of the company				No. of shares	% of total shares of the company
1	Chander Bhatia	1500000	1.28	01.04.2019	0		1500000	1.28
				31.03.2020	0		1500000	1.32
2	IIFL Re Organize India Equity Fund	1350000	1.15	01.04.2019	0		1350000	1.15
				31.05.2019	199390	Purchase	1549390	1.32
				21.06.2019	17149	Sale	1532241	1.31
				28.06.2019	34298	Sale	1497943	1.28
				05.07.2019	53826	Sale	1444117	1.23
				12.07.2019	47377	Sale	1396740	1.20
				19.07.2019	43295	Sale	1353445	1.16
				09.08.2019	40198	Sale	1313247	1.13
				16.08.2019	22022	Sale	1291225	1.12
				23.08.2019	35230	Sale	1255995	1.09
				30.08.2019	22015	Sale	1233980	1.07
				06.09.2019	6026	Sale	1227954	1.06
				03.01.2020	40200	Sale	1187754	1.05
				31.03.2020	0		1187754	1.05
3	Dileep Madgavkar	1100000	0.94	01.04.2019	0		1100000	0.94
				31.03.2020	0		1100000	0.97
4	Edelweiss Trusteeship Co Ltd AC- Edelweiss MF AC.	1102469	0.94	01.04.2019	0		1102469	0.94
				10.05.2019	66059	Sale	1036410	0.88
				24.05.2019	58553	Sale	977857	0.83
				31.05.2019	152113	Sale	825744	0.70

				14.06.2019	42756	Purchase	868500	0.74
				21.06.2019	40168	Purchase	908668	0.78
				26.07.2019	48882	Sale	859786	0.74
				23.08.2019	139796	Sale	719990	0.62
				14.02.2020	114589	Purchase	834579	0.74
				28.02.2020	3808	Purchase	838387	0.74
				28.02.2020	3808	Sale	834579	0.74
				06.03.2020	3808	Sale	830771	0.73
				31.03.2020	0		830771	0.73
5	Rajesh Seth	774000	0.66	01.04.2019	0		774000	0.66
				12.07.2019	1400	Purchase	775400	0.67
				16.08.2019	523000	Purchase	1298400	1.12
				16.08.2019	523000	Sale	775400	0.67
				10.01.2020	63750	Purchase	839150	0.74
				27.03.2020	100000	Sale	739150	0.65
				31.03.2020	0		739150	0.65
6	IA All Cap Fund	0	0	01.04.2019	0	0	0	0
				05.04.2019	403163	Purchase	403163	0.34
				12.04.2019	107919	Purchase	511082	0.44
				19.04.2019	59284	Purchase	570366	0.49
				26.04.2019	49555	Purchase	619921	0.53
				03.05.2019	27264	Purchase	647185	0.55
				10.05.2019	7775	Purchase	654960	0.56
				20.12.2019	6550	Sale	648410	0.57
				31.03.2020	136275	Sale	512135	0.45
				31.03.2020	0		512135	0.45
7	Rita Duggal	420050	0.36	01.04.2019	0	0	420050	0.36
				08.11.2019	250	Purchase	420300	0.37
				24.01.2020	10000	Purchase	430300	0.38
				31.03.2020	10000	Purchase	440300	0.39
				31.03.2020	0		440300	0.39
8	Jasmine India Fund	426366	0.36	01.04.2019	0		426366	0.36
				19.07.2019	8112	Purchase	434478	0.37
				31.03.2020	0		434478	0.37
9	Nitin Tandon	393000	0.33	01.04.2019	0		393000	0.33
				31.03.2020	0		393000	0.35
10	Infina Finance Private Ltd.	413100	0.35	01.04.2019	0		413100	0.35
				26.04.2019	4937	Purchase	418037	0.36
				31.05.2019	15000	Purchase	433037	0.37
				07.06.2019	4700	Purchase	437737	0.37
				19.07.2019	20000	Purchase	457737	0.39
				20.03.2020	19950	Sale	437787	0.39
				27.03.2020	43779	Sale	394008	0.35

				31.03.2020	31427	Sale	362581	0.32
				31.03.2020	0		362581	0.32
11	Massachusetts Institute of Technology	0	0.00	01.04.2019	0	0.00	0	0.00
				13.09.2019	46100	Purchase	46100	0.04
				27.09.2019	167900	Purchase	214000	0.19
				30.09.2019	8000	Purchase	222000	0.19
				04.10.2019	42000	Purchase	264000	0.23
				31.03.2020	0	Purchase	264000	0.23
12	Dinkar Dutt	285150	0.24	01.04.2019	0	0	310819	0.26
				31.05.2019	24150	Sale	261000	0.22
				28.06.2019	2700	Sale	258300	0.22
				22.11.2019	15000	Sale	243300	0.21
				31.03.2020	0	0	243300	0.21
13	NRI Vantage Equity Fund	297000	0.25	01.04.2019	0		297000	0.25
				02.08.2019	33546	Sale	263454	0.23
				09.08.2019	36454	Sale	227000	0.20
				31.03.2020	0		227000	0.20
14	India Opportunities Growth Fund Ltd - Pinewood Str	586529	586529	01.04.2019	0		586529	0.50
				05.04.2019	400000	Sale	186529	0.16
				31.03.2020	0		186529	0.16
15	Anand Rathi Share and Stock Brokers	54972	0.05	01.04.2019	0	0	54972	0.05
				05.04.2019	5860	Purchase	60832	0.05
				05.04.2019	61	Sale	60771	0.05
				12.04.2019	3773	Purchase	64544	0.06
				12.04.2019	1281	Sale	63263	0.05
				19.04.2019	2500	Purchase	65763	0.06
				19.04.2019	1275	Sale	64488	0.05
				26.04.2019	54	Purchase	64542	0.06
				26.04.2019	820	Sale	63722	0.05
				03.05.2019	3165	Purchase	66887	0.06
				03.05.2019	687	Sale	66200	0.06
				10.05.2019	5467	Purchase	71667	0.06
				10.05.2019	205	Sale	71462	0.06
				17.05.2019	473	Purchase	71935	0.06
				17.05.2019	5180	Sale	66755	0.06
				24.05.2019	7965	Purchase	74720	0.06
				24.05.2019	1666	Sale	73054	0.06
				31.05.2019	1873	Purchase	74927	0.06
				31.05.2019	9502	Sale	65425	0.06
				07.06.2019	6595	Purchase	72020	0.06

				07.06.2019	2254	Sale	69766	0.06
				14.06.2019	5346	Purchase	75112	0.06
				14.06.2019	1902	Sale	73210	0.06
				21.06.2019	5029	Purchase	78239	0.07
				21.06.2019	8333	Sale	69906	0.06
				28.06.2019	645	Purchase	70551	0.06
				28.06.2019	2250	Sale	68301	0.06
				05.07.2019	2111	Purchase	70412	0.06
				05.07.2019	66	Sale	70346	0.06
				12.07.2019	10748	Purchase	81094	0.07
				19.07.2019	4930	Purchase	86024	0.07
				19.07.2019	1753	Sale	84271	0.07
				26.07.2019	7098	Purchase	91369	0.08
				26.07.2019	900	Sale	90469	0.08
				02.08.2019	18583	Purchase	109052	0.09
				02.08.2019	1000	Sale	108052	0.09
				09.08.2019	24688	Purchase	132740	0.11
				09.08.2019	577	Sale	132163	0.11
				16.08.2019	25	Purchase	132188	0.11
				16.08.2019	25	Sale	132163	0.11
				23.08.2019	48934	Purchase	181097	0.16
				23.08.2019	120	Sale	180977	0.16
				30.08.2019	2297	Purchase	183274	0.16
				30.08.2019	2000	Sale	181274	0.16
				06.09.2019	1968	Sale	179306	0.16
				13.09.2019	58	Purchase	179364	0.16
				13.09.2019	505	Sale	178859	0.15
				20.09.2019	928	Purchase	179787	0.16
				27.09.2019	178393	Purchase	358180	0.31
				27.09.2019	179632	Sale	178548	0.15
				30.09.2019	1814	Sale	176734	0.15
				04.10.2019	201	Purchase	176935	0.15
				11.10.2019	4194	Purchase	181129	0.16
				18.10.2019	4000	Sale	177129	0.15
				25.10.2019	1600	Purchase	178729	0.15
				01.11.2019	200	Purchase	178929	0.16
				01.11.2019	1250	Sale	177679	0.15
				08.11.2019	825	Purchase	178504	0.16
				15.11.2019	500	Sale	178004	0.16
				22.11.2019	335	Purchase	178339	0.16
				22.11.2019	350	Sale	177989	0.16

				29.11.2019	400	Purchase	178389	0.16
				06.12.2019	350	Purchase	178739	0.16
				13.12.2019	725	Sale	178014	0.16
				20.12.2019	490	Purchase	178504	0.16
				27.12.2019	950	Purchase	179454	0.16
				27.12.2019	165549	Sale	13905	0.01
				31.12.2019	860	Purchase	14765	0.01
				31.12.2019	750	Sale	14015	0.01
				03.01.2020	702	Purchase	14717	0.01
				03.01.2020	100	Sale	14617	0.01
				10.01.2020	1879	Sale	12738	0.01
				17.01.2020	9894	Purchase	22632	0.02
				24.01.2020	840	Purchase	23472	0.02
				24.01.2020	9234	Sale	14238	0.01
				31.01.2020	527	Purchase	14765	0.01
				31.01.2020	100	Sale	14665	0.01
				07.02.2020	2406	Purchase	17071	0.02
				14.02.2020	1791	Sale	15280	0.01
				21.02.2020	195	Purchase	15475	0.01
				21.02.2020	450	Sale	15025	0.01
				28.02.2020	1772	Purchase	16797	0.01
				28.02.2020	385	Sale	16412	0.01
				06.03.2020	1879	Purchase	18291	0.02
				06.03.2020	850	Sale	17441	0.02
				13.03.2020	141372	Purchase	158813	0.14
				13.03.2020	100	Sale	158713	0.14
				20.03.2020	24606	Purchase	183319	0.16
				20.03.2020	2800	Sale	180519	0.16
				27.03.2020	900	Purchase	181419	0.16
				27.03.2020	700	Sale	180719	0.16
				31.03.2020	825	Sale	179894	0.16
				31.03.2020	0		179894	0.16

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 (01-04-19 to 31-03-20)	
		No. of shares at the beginning of the year (01-04-2019)	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Vijay Agarwal	41428731	35.31	01.04.2019	0		41428731	35.31
				13.12.2019	44002	Purchase	41472733	36.55
				20.12.2019	10860	Purchase	41483593	36.55
				27.12.2019	38280	Purchase	41521873	36.59
				31.12.2019	24358	Purchase	41546231	36.61
				03.01.2020	13500	Purchase	41559731	36.62
				14.02.2020	6000	Purchase	41565731	36.63
				21.02.2020	30167	Purchase	41595898	36.65
				28.02.2020	29000	Purchase	41624898	36.68
				06.03.2020	62916	Purchase	41687814	36.73
				20.03.2020	5000	Purchase	41692814	36.74
				27.03.2020	34500	Purchase	41727314	36.77
				31.03.2020	10778	Purchase	41738092	36.78
				31.03.2020	0		41738092	36.78
2	Mrs. Mona Agarwal	25839407	22.02	01.04.2019	0		25839407	22.02
				31.03.2020	0		25839407	22.77
3	Mr. Sorab Agarwal	7623650	6.50	01.04.2019	0		7623650	6.50
				31.03.2020	0		7623650	6.72
4	Mrs. Surbhi Garg	6930156	5.91	01.04.2019	0		6930156	5.91
				31.03.2020	0		6930156	6.11
5	Mr. Subhas Chander Verma	15000	0.01	01.04.2019	0		15000	0.01
				31.03.2020	0		15000	0.01
6	Mr. Rajan Luthra	91	0	01.04.2019	0		91	0.00
				31.03.2020	0		91	0.00
7	Mr. Anil Kumar	0	0	01.04.2019	0		0	0.00
				27.08.2019	100	Purchase	100	0.00
				13.09.2019	50	Purchase	150	0.00
				20.09.2019	50	Purchase	200	0.00
				30.09.2019	50	Purchase	250	0.00
				20.03.2020	50	Purchase	300	0.00
				31.03.2020	0		300	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
Indebtness at the beginning of the financial year (April 1, 2019)				
i) Principal Amount	4,719.86	604.39	–	5,324.25
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	30.86	–	–	30.86
Total (i+ii+iii)	4,750.72	604.39	–	5,355.11
Change in Indebtedness during the financial year				
Additions	4,406.39	–	–	4,406.39
Reduction	928.48	604.39	–	1,532.87
Exchange Difference	–	–	–	–
Net Change	3,477.91	(604.39)	–	2,873.52
Indebtedness at the end of the financial year (March 31, 2020)				
i) Principal Amount	8,197.77	–	–	8,197.77
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	24.91	–	–	24.91
Total (i+ii+iii)	8,222.68	–	–	8,222.68

Note:-

Preference share capital classified as debt : Under previous GAAP, preference share capital was considered as equity, however because of specific nature of preference share capital, these are considered as borrowing under Ind AS.

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.	18.00	9.28	4.19	10.88	42.35
(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		306.00	150.88	58.79	58.88	574.55
Ceiling as per the Act		₹ 733.88 Lakhs (being 10 % of the net profits of the Company calculated as per Section 197 & 198 of the Companies Act, 2013).				

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

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Non-Executive Directors					Total
		Mr. Girish Narain Mehra (IAS Retd.)	Dr. Amar Singhal	Mr. Subhash Chander Verma	Mr. Keshav Chandra Agrawal	Mr. Avinash Parkash Gandhi	
1	Independent Directors						
(a)	Fee for attending board / committee meetings	1.50	2.25	2.10	1.05	1.20	8.10
(b)	Commission	-	-	-	-	-	-
(c)	Others, please specify	-	-	-	-	-	-
Total (1)		1.50	2.25	2.10	1.05	1.20	8.10
2	Other Non-Executive Directors						
(a)	Fee for attending board/ committee meetings	-	-	-	-	-	-
(b)	Commission	-	-	-	-	-	-
(c)	Others, please specify.	-	-	-	-	-	-
Total (2)		-	-	-	-	-	-
Total (1+2)		1.50	2.25	2.10	1.05	1.20	8.10
Overall Ceiling as per the Act.		₹ 73.39 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.		61.16	6.64	67.80
(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		61.56	6.64	68.20

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.	2019-20
7.	Sector(s) that the Company is engaged in.	Manufacturing of Construction Equipment
8.	List three key products/services that the Company manufactures/provides (as in balance sheet).	The Company's core business(es) includes manufacturing of four types of heavy equipment – (i) mobile cranes / tower cranes (ii) material handling, (iii) construction equipment and (iv) agri equipment etc.
9.	Total number of locations where business activity is undertaken by the Company.	3
9(a)	Number of International Locations (Provide details of major 5).	NIL
9(b)	Number of National Locations.	ACE conducts its operations through a network of area offices located all over the India.
10.	Markets served by the Company – Local/State/National/International.	National: Across India International: Tanzania, Nigeria, Myanmar, Yaman, Afghanistan, Uganda, South Africa, Nepal, Bangladesh etc.

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

S. No.	Financial details of the company	Details
1.	Paid up Capital (₹)	2269.66 Lakhs
2.	Total Turnover (₹)	115619.75 Lakhs
3.	Total profit after taxes (₹)	5263.81 Lakhs
4.	Total CSR spent (₹)	134.40 Lakhs
5.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.56%
6.	List of activities in which expenditure in 4 above has been incurred:-	Detailed list of CSR activities is mentioned in Annexure –IV of Director' Report of the Company.

SECTION C : OTHER DETAILS :

S. No.	Other details	Details
1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Company has only 1 subsidiary as on March 31, 2020. Subsidiary company is not engaged in BR initiatives process of the Company.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The other entities with whom the Company does business with viz. suppliers, distributors, etc. are not directly included in the BR initiatives of the Company.

SECTION D: BR INFORMATION:

1. Details of Director/Directors responsible for BR.

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

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

(b) Details of the BR head:

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

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

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

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

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

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

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

3. Governance related to BR.

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

The Board of Directors and CSR Committee of the Board shall periodically 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-VI engines.

- (b) Energy Saving :**

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

The Company has installed and commissioned PV Solar Power plant of 1636 KWP capacity across various roofs and parking space.

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

- (c) Underground Water Saving:** Waterless Urinals installed, Installation of rain water harvesting system in the Plant areas to increase in underground water lable, 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 vehicles 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 vehicles.

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: 1115
- 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 1926
- 3. Please indicate the Number of permanent women employees: 17
- 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%
- (b) Permanent Women Employees: 0%
- (c) Casual/Temporary/Contractual Employees: 11%
- (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 are: (1) Health & Wellness (2) Environment & Safety.

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 1636 KWP capacity across various roofs and parking space.
3. The Company shall invest in the securities of AMP Solar India Private limited upto ₹ 1.00 Crore for the purchase of upto 3.00 MW Solar Power under the Group Captive Scheme of Haryana Government.
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 1636 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 2019-20.

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. Medical check-up through company's ACE Emergency Response Services Trust.
- 3. Contributed for the COVID-19 affected people.

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

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

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

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

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

During the year under review, the Company has spend ₹ 134.40 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 Services 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 2019-20, the Company has sold 9,493 total no. of vehicles and during the year (2019-20), total customer cases registered were Ten (10). Total customer cases pending as on March 31, 2020 are 42. 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 2019-20.

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

In the current financial year 2019-20, 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 Securities Exchange Board of India (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 9 (Nine) members, 5 (five) of which are Independent Directors constituting more than half of the Board strength, 4 (Four) are Executive Directors including Chairman & Managing Director.

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

None of the Directors on the Board holds directorships in more than 7 (seven) listed Companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding their directorship and Committee positions (including chairmanship) in other Companies as on March 31, 2020 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 2019-20, five (5) Board Meetings were held i.e. on May 16, 2019, August 05, 2019, November 14, 2019, February 04, 2020 and March 14, 2020.

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, 2020 are given here in below:

Name of Directors	Position in the Company	Attendance at Board Meeting out of Five (5)	Attendance at AGM (27.09.2019)	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	5	Yes	–	1	–	1
Mrs. Mona Agarwal (DIN:00057653)	Whole-Time Director	5	Yes	–	1	–	–
Mr. Sorab Agarwal (DIN:00057666)	Whole-Time Director	5	Yes	–	1	–	1
Mrs. Surbhi Garg (DIN:01558782)	Whole-Time Director	4	No	–	1	–	–
Mr. Girish Narain Mehra (IAS Retd.) (DIN:00059311)	Independent Non-executive	4	Yes	1. Amrit Corp Ltd, (Non Ind.) 2. Bharat Seats Ltd, (Ind.) 3. Subros Ltd, (Ind.)	5	4	3
Mr. Subhash Chander Verma (DIN:00098019)	Independent Non-executive	5	Yes	–	1	1	1

Dr. Amar Singhal* (DIN:00035903)	Independent Non-executive	4	No	–	1	1	1
Mr. Keshav Chandra Agrawal (DIN:00098143)	Independent Non-executive	5	Yes	–	1	–	–
Mr. Avinash Parkash Gandhi (DIN:00161107)#	Independent Non-executive	3	NA	1. Schaeffler India Ltd, (Ind.) 2. Lumax Indus tries Ltd, (Ind.) 3. Minda Corpo ration Ltd, (Ind.) 4. Lumax Auto Technologies Limited, (Ind.)	9	1	6
Dr. Divya Singal (DIN: 08722144)\$	Additional Director (Independent Woman Director)	NA	NA	–	1	1	1

*Resigned w.e.f 14.03.2020

#Appointed w.e.f 01.10.2019

\$Appointed w.e.f. 01.04.2020

Disclosure of relationships between Directors inter-se:

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

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

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

Number of Independent Directorships:

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

Shareholding of Non-Executive Directors:

Number of Equity shares held by non-executive directors as on March 31, 2020 is given below:

S. No.	Name of the Directors	No. of shares held
1	Mr. Subhash Chander Verma	15,000
2	Dr. Divya Singal#	20,500

#Appointed w.e.f. 01.04.2020

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 04, 2020 without the presence of Non-Independent Directors and members of management.

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

S. No.	Name of the Directors	Category	No. of Meeting held during the year	No. of Meeting Attended
1.	Mr. Girish Narain Mehra	Independent	1	1
2.	Mr. Subhash Chander Verma	Independent	1	1
3.	Dr. Amar Singhal*	Independent	1	1
4.	Mr. Keshav Chandra Agrawal	Independent	1	1
5.	Mr. Avinash Parkash Gandhi#	Independent	1	1

*Resigned w.e.f 14.03.2020

#Appointed w.e.f 01.10.2019

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

- Performance of Non-Independent Directors and the Board of Directors as a whole;
- Performance of the Chairman of the Company taking into consideration the views of executive and Non-Executive Directors;
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarization programs for Independent Directors:

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

Key Board qualifications, expertise and attributes:

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

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

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

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

Name of Directors	General management/Governance	Sales & Marketing	International Business experience	Financial Skills	Technical Skills
Mr. Vijay Agarwal, Chairman & Managing Director	Y	Y	Y	Y	Y
Mrs. Mona Agarwal Whole-Time Director	Y	Y	Y	Y	Y
Mr. Sorab Agarwal Whole-Time Director	Y	Y	Y	Y	Y
Mrs. Surbhi Garg Whole-Time Director	Y	Y	Y	–	Y

Mr. Girish Narain Mehra (IAS Retd.) Independent Director	Y	Y	Y	Y	Y
Mr. Subhash Chander Verma (Independent Director)	Y	Y	Y	Y	Y
Mr. Keshav Chandra Agrawal (Independent Director)	Y	Y	–	Y	Y
Mr. Avinash Prakash Gandhi (Independent Director)	Y	Y	Y	Y	Y
Dr. Divya Singal (Independent Director)	Y	–	–	Y	Y

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 2019-20.

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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting. Important decisions taken at the Board / Board Committee meetings are communicated promptly to the concerned departments.

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 2019-20:

S. No.	Name of the Directors	Amount Paid (₹ in Lakhs)
1.	Mr. Girish Narain Mehra	1.50
2.	Mr. Subhash Chander Verma	2.10
3.	Dr. Amar Singhal*	2.25
4.	Mr. Keshav Chandra Agrawal	1.05
5.	Mr. Avinash Parkash Gandhi#	1.20

*Resigned w.e.f 14.03.2020

#Appointed w.e.f. 01.10.2019

(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 2019-20.

(₹ in lakhs)

S. No.	Names of the Directors	Salary & Allowances	Other benefits and perquisites	Stock options, Pension etc.	Total
1	Mr. Vijay Agarwal Chairman & Managing Director	288.00	18.00	—	306.00
2	Mrs. Mona Agarwal Whole-Time Director	141.60	9.28	—	150.88
3	Mr. Sorab Agarwal Whole-Time Director	54.60	4.19	—	58.79
4	Mrs. Surbhi Garg Whole-Time Director	48.00	10.88	—	58.88
Total		532.20	42.35	—	574.55

Note:

During the year, the members of the Company in their 25th Annual General Meeting held on September 27, 2019 have approved the re-appointment of Mrs. Surbhi Garg, Whole Time Director for next five years w.e.f April 01, 2020.

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

Directors are not entitled to any performance linked incentives.

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

The appointments of the Executive Directors are governed by resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate service contracts are 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.

COMMITTEES OF BOARD

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

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



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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

During the year, four meetings were held on May 16, 2019, August 05, 2019, November 14, 2019 and February 04, 2020.

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

S. No.	Name of the Directors	Designation	Category	No. of meetings held during the year	No. of Meeting Attended
1.	Mr. Subhash Chander Verma	Chairman	Independent	4	4
2.	Mr. Girish Narain Mehra	Member	Independent	4	3
3.	Dr. Amar Singhal*	Member	Independent	4	4
4.	Mr. Vijay Agarwal	Member	Executive	4	4
5.	Mr. Avinash Parkash Gandhi#	Member	Independent	4	2

*Resigned w.e.f 14.03.2020

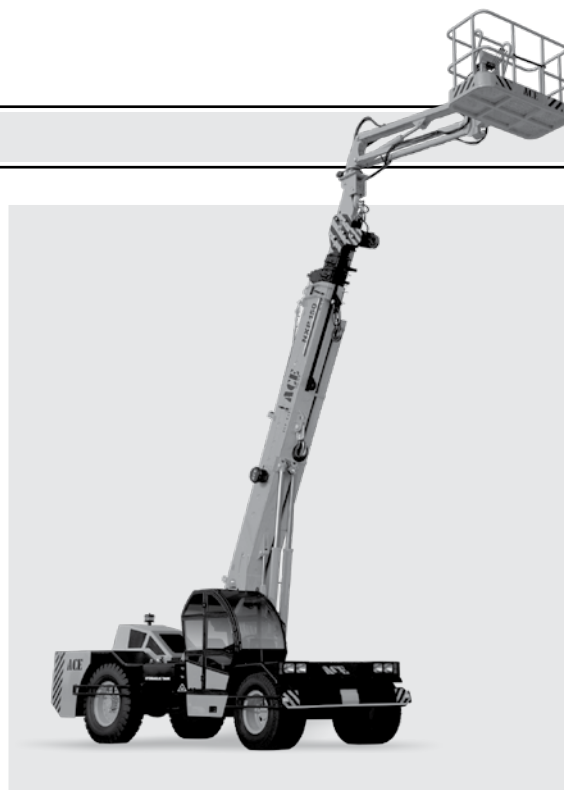
#Appointed w.e.f. 01.10.2019

Due to resignation and appointment of Directors, the Board has re-constituted its Audit Committee w.e.f. April 01, 2020 as under:

S. No.	Name	DESIGNATION	POSITION IN COMMITTEE
1.	Mr. Subhash Chander Verma	Independent Director	Chairman
2.	Mr. Vijay Agarwal	Chairman & Managing Director	Member
3.	Mr. Girish Narain Mehra	Independent Director	Member
4.	Mr. Avinash Parkash Gandhi	Independent Director	Member
5.	Dr. Divya Singal	Additional Director (Independent Woman Director)	Member

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, reappointment, terms of appointment and, if required, the replacement or removal of the statutory auditors, and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other non-audit services rendered by them;
4. Reviewing, with the management, the quarterly/ annual standalone and consolidated financial statements and auditors' report thereon, before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Qualifications in the draft audit report;
 - (h) The investments made by unlisted subsidiary companies.
5. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
6. To mandatorily review the following information:
 - (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 - (c) Management letters/ letters of internal control weaknesses issued by the statutory auditors;
 - (d) Internal audit reports relating to internal control weaknesses;
 - (e) The appointment, removal and terms of remuneration of the chief internal auditor;
 - (f) Statement of deviations:
 - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus /notice in terms of regulation 32(7).
7. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
8. Evaluation of internal financial controls and risk management systems;



9. Reviewing and monitoring of the auditor's independence and performance and effectiveness of audit process;
10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
11. Discussion with internal auditors any significant findings and follow up thereon;
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
15. To direct the Company to establish a vigil mechanism for directors and employees to report genuine concerns to the Audit Committee and to ensure that the vigil mechanism provides adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
16. To review the functioning of the Whistle Blower/ Vigil mechanism;
17. Approval of appointment of CFO after assessing the qualifications, experience & background etc. of the candidate;
18. Scrutiny of inter-corporate loans and investments;
19. Approval or any subsequent modification of transactions of the Company with related parties;
20. Valuation of undertakings or assets of the company, wherever it is necessary;
21. To investigate into any matter or activity within its terms of reference or referred to it by the Board;
22. To call for the comments of the Auditors about internal control systems, the scope of audit, including the observations of the Auditors and also discuss any related issues with the internal and Statutory Auditors and the Management of the Company;

The Chairman of the Audit Committee was present in the last Annual General Meeting held on September 27, 2019.

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

(B) NOMINATION AND REMUNERATION COMMITTEE

The Committee's constitution and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Part D of Schedule II of the Regulation 19(4) of Securities Exchange Board of India (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, three meetings were held i.e. on May 16, 2019, August 05, 2019 and March 14, 2020.

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

S. No.	Name of the Directors	Designation	Category	Total No. of meeting held during the year	No. of Meeting Attended
1.	Dr. Amar Singhal*	Chairman	Independent	3	2
2.	Mr. Girish Narain Mehra	Member	Independent	3	2
3.	Mr. Subhash Chander Verma	Member	Independent	3	3

*Resigned w.e.f 14.03.2020

Due to resignation and appointment of Directors, the Board has re-constituted its Nomination and Remuneration Committee w.e.f. April 01, 2020 as under:

S. No.	Name of the Directors	Designation	Position in Committee
1.	Dr. Divya Singal	Additional Director (Independent Woman Director)	Chairman
2.	Mr. Subhash Chander Verma	Independent Director	Member
3.	Mr. Girish Narain Mehra	Independent Director	Member

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 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;
10. To recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
11. To recommend amendment to Employees Stock Option Scheme of the Company or to recommend any such new Scheme for approval of members of the Company;
12. To exercise all the powers as mentioned in the Employees Stock Option Scheme of the Company to be exercised by the Compensation Committee of the Company;
13. To invite any executive or outsider, at its discretion at the meetings of the Committee;
14. To devise a policy on Board diversity;
15. Whether to extend or continue the term of appointment of the independent directors;
16. Recommend to the Board, all remuneration in whatever form, payable to senior management;
17. To exercise such other powers as may be delegated to it by the Board from time to time;

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

Performance evaluation criteria for independent directors:

The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and

Remuneration Committee and approved by the Board. The evaluation of all directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the year, one meeting was held on May 16, 2019.

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

S. No.	Name of the Directors	Designation	Category	No. of meeting held during the year	No. of Meeting Attended
1.	Dr. Amar Singhal*	Chairman	Independent	1	1
2.	Mr. Subhash Chander Verma	Member	Independent	1	1
3.	Mr. Sorab Agarwal	Member	Executive	1	1

*Resigned w.e.f 14.03.2020

Due to resignation and appointment of Directors, the Board has re-constituted its Stakeholders Relationship Committee w.e.f. April 01, 2020 as under:

S. No.	Name of the Directors	Designation	Position in Committee
1.	Dr. Divya Singal	Additional Director (Independent Woman Director)	Chairman
2.	Mr. Subhash Chander Verma	Independent Director	Member
3.	Mr. Sorab Agarwal	Whole Time Director	Member

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 2019-20 are given below:

S. No.	Nature of Investor Grievance	Total
1.	Complaints pending at the beginning of the year as on April 01, 2019	NIL
2.	Complaints received during the year	
•	Non receipt of dividend	5
•	Non receipt of shares sent for transfer	NIL

•	Non receipt of Annual Report including Investor Grievance received through Statutory Authority	3
•	Non confirmation of dematerialization/re-materialization of shares	NIL
•	Miscellaneous	2
3.	Complaints disposed-off during the year	10
4.	Complaints pending at the end of the year as on March 31, 2020	NIL

Compliance Officer

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

(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board had constituted Corporate Social Responsibility Committee in terms of section 135 of the Companies Act, 2013 and rules made thereunder. The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

During the year, one meeting was held on May 16, 2019.

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

S. No.	Name of the Directors	Designation	Category	No. of Meetings held during the year	No. of Meeting Attended
1.	Dr. Amar Singhal*	Chairman	Independent	1	1
2.	Mrs. Mona Agarwal	Member	Executive	1	1
3.	Mr. Keshav Chandra Agrawal	Member	Independent	1	1

*Resigned w.e.f 14.03.2020

Due to resignation and appointment of Directors, the Board has re-constituted its Corporate Social Responsibility Committee w.e.f. April 01, 2020 as under:

S. No.	Name of the Directors	Designation	Position in Committee
1.	Dr. Divya Singal	Additional Director (Independent Woman Director)	Chairman
2.	Mrs. Mona Agarwal	Whole Time Director	Member
3.	Mr. Keshav Chandra Agrawal	Independent Director	Member

The Committee is entrusted with the following powers:

1. 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;
2. To recommend the amount of expenditure to be incurred on the activities referred in clause (a) above and;
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time;
4. 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) 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, three meetings were held i.e. on July 15, 2019, September 16, 2019 and December 18, 2019.

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

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

(F) BUYBACK COMMITTEE

The Board in its meeting held on Thursday, May 16, 2019 has approved the buyback of equity shares and constituted a committee ("Buyback Committee") and the Buyback Committee has been delegated the authority to take decision for implementation of the buyback of shares.

During the year, two meetings were held i.e. on May 17, 2019 and November 22, 2019.

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

S. No.	Name of the Directors	Designation	No. of Meetings held during the year	No. of Meetings Attended
1.	Mr. Vijay Agarwal	Member	2	2
2.	Mrs. Mona Agarwal	Member	2	2
3.	Mr. Sorab Agarwal	Member	2	2
4.	Mr. Rajan Luthra	Member	2	2

Note : Company Secretary of the Company acts as the Secretary to all the aforesaid Committees of the Board.

GENERAL BODY MEETINGS

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

For the Year	2016-17	2017-18	2018-19
AGM	23rd	24th	25th
Date & Time	29.09.2017 11:30 a.m.	28.09.2018 11:30 a.m.	27.09.2019 11:30 a.m.
Venue	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001.	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001.	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
2016-2017	None
2017-2018	(a) Re-appointment of Mr. Vijay Agarwal (DIN: 00057634) as Chairman & Managing Director of the Company; (b) Re-appointment of Mrs. Mona Agarwal (DIN: 00057653) as Whole-Time Director, Designated as Executive Director of the Company; (c) Re-appointment of Mr. Sorab Agarwal (DIN: 00057666) as Whole-Time Director, Designated as Executive Director of the company.
2018-2019	(a) Re-appointment of Mrs. Surbhi Garg (DIN: 01558782) as Whole-Time Director, Designated as Executive Director of the Company. (b) Appointment of Mr. Avinash Parkash Gandhi (DIN: 00161107) as an Independent Non-Executive Director of the company.

(c) Special Resolution (s) passed last year (2019-20) through Postal Ballot, detail of voting pattern and the procedure thereof:

During the financial year 2019-20, no special resolution has been passed through postal ballot.

(d) Person who conducted the postal ballot exercise:

Not Applicable

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

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

MEANS OF COMMUNICATION

(a) Quarterly Results:

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

(b) Newspaper:

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

(c) Website:

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

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

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

(e) Designated Email ID:

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

(f) SCORES (SEBI Complaints Redressal System):

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

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

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

GENERAL SHAREHOLDER INFORMATION:

1.	Corporate Identification Number (CIN)	L74899HR1995PLC053860
2.	Registered Office	Action Construction Equipment Limited Dudhola Link Road, Dudhola, Distt. Palwal-Haryana-121102.
3.	Forthcoming Annual General Meeting	
	Day & Date	Thursday, September 24, 2020
	Time	11:30 A.M.
	Mode	Through video conferencing ("VC")/other Audio Visual Means ("OAVM")
4.	Dates of book closure	Thursday, September 17, 2020 to Thursday, September 24, 2020 (both days inclusive) for the purpose of Annual General Meeting
5.	Financial Calendar	
	Financial Year	1 st April to 31 st March
	Tentative schedule for declaration of financial results during the financial year 2020-21	
	Quarter ending June 30, 2020	2 nd Week of August, 2020
	Quarter ending September 30, 2020	2 nd Week of November, 2020
	Quarter ending December 31, 2020	2 nd Week of February, 2021
	Quarter and FY ended March 31, 2021	3 rd Week of May, 2021
	Annual General Meeting for the year ending 31 st March, 2021	Last Week of September, 2021

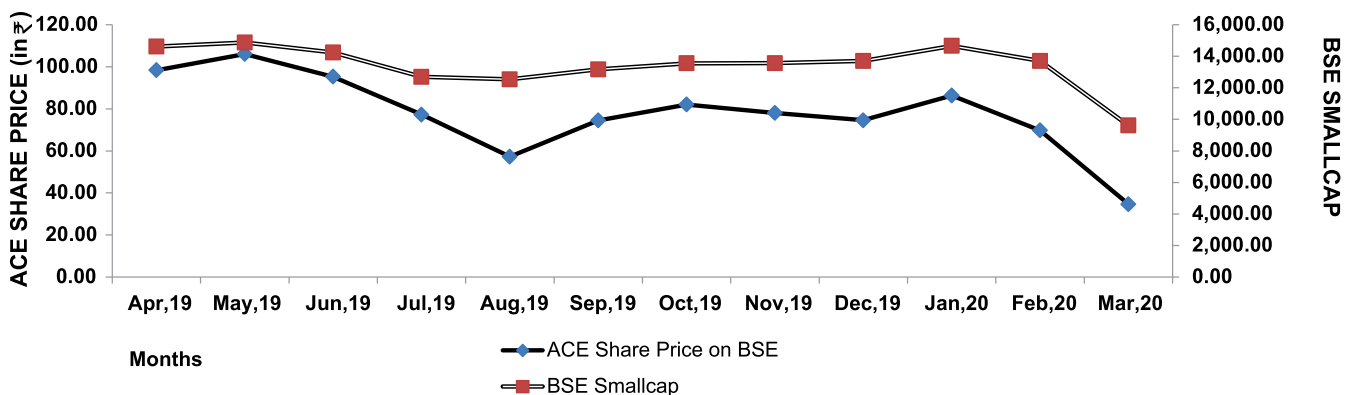
6	Dividend payment date	
	Dividend details	Payment date
	Interim Dividend for FY 2019-20 of Rs. 0.50 (25%) per equity share, approved by the Board of Directors at its meeting held on March 14, 2020.	March 25, 2020
7	Listing details	
	Name of Stock Exchange(s) & Stock Code(s)	Address
	BSE Limited (BSE) – 532762	BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
	National Stock Exchange of India Limited (NSE) – ACE	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
8	ISIN for Depositories	INE731H01025
9	Listing Fees for the financial year 2020 -2021 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) 2019-20	NSE		BSE	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2019	124.20	96.20	124.45	95.95
May, 2019	115.00	88.10	114.95	88.30
June, 2019	107.85	91.90	108.00	92.00
July, 2019	97.95	73.60	97.80	73.55
August, 2019	77.20	48.20	76.25	48.25
September, 2019	79.30	55.10	79.00	55.40
October, 2019	83.90	72.35	84.95	72.50
November, 2019	90.80	74.60	90.85	74.80
December, 2019	78.30	68.00	77.05	67.95
January, 2020	93.95	71.20	93.80	71.30
February, 2020	89.35	66.65	89.25	66.70
March, 2020	72.45	33.25	72.25	34.00

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

Share Price of ACE Vs BSE Smallcap



12. Suspension from trading:

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

13. Registrar and Share Transfer Agent:

Kfin Technologies Private Limited
Formerly Known as "Karvy Fintech Private Limited"
Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District,
Gachibowli Nanakramguda, Serilingampally, Hyderabad - 500 008
Phone: +91 040 6716 2222 (Board), Toll Free No 18004258998
Email: kishore.bv@kfintech.com, einward.ris@kfintech.com
Website : www.kfintech.com

14. Share Transfer System:

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

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

15. Ownership Pattern as on March 31, 2020:

Category	No. of shareholders	No. of shares held	% of total shareholding
Promoters			
Indian Promoters	5	8,21,81,305	72.42
Non Promoters			
Institutional Investors			
Mutual Fund	2	8,30,771	0.73
Foreign Portfolio Investors	6	10,68,505	0.94
Banks/Financial Institutions	1	61,036	0.05
Non-Institutional Investor			
Bodies Corporate	308	20,56,813	1.81
Indian Public*	33,057	2,58,65,978	22.80
Non Resident Indians	434	12,11,392	1.07
NRI Non-Repatriation	174	2,07,396	0.18
Total	33,987	11,34,83,196	100.00

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

Note : As per the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128, dated December 19, 2017, the consolidated no. of shareholder on the basis of PAN are 31,701.

16. Shareholding Pattern by Size as on March 31, 2020 on the basis of Shares held:

S. No.	Category	No. of Shareholders	% to total Shareholders	No of shares	% of total Shares
1	upto 1-5000	33,636	96.02	86,45,896	7.62
2	5001 -10000	693	2.04	25,90,724	2.28
3	10001-20000	339	1.00	25,23,671	2.22

4	20001 -30000	100	0.29	12,52,013	1.10
5	30001 -40000	54	0.16	9,61,663	0.85
6	40001 - 50000	28	0.08	6,35,015	0.56
7	50001 -100000	59	0.17	20,74,965	1.83
8	100001 & ABOVE	81	0.24	9,47,99,249	83.54
Total		33987	100.00	11,34,83,196	100.00

17. Dematerialization of Shares and Liquidity:

As on March 31, 2020, 99.97% of the shareholding is held in dematerialized form as per details mentioned below: Trading in Equity Shares of the Company is permitted only in dematerialized form.

S. No.	Mode of holding	No. of Holders	No. of Shares	% To Total Issued Equity
1	PHYSIC AL	1,314	33,527	0.03
2	NSDL	18,510	9,40,20,609	82.85
3	CDSL	14,163	1,94,29,060	17.12
Total		33,987	11,34,83,196	100.00

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

There are no Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments as on March 31, 2020.

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, Surajkund, Faridabad-121009, Haryana.

21. Address for Correspondence:

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

Investor Correspondence:

a) For Shares held in Physical form

Kfin Technologies Private Limited, formerly known as “Karvy Fintech Private Limited”
 Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda,
 Serilingampally, Hyderabad - 500 008
 Phone: +91 040 6716 2222 (Board)
 Toll Free No. 18004258998
 Fax: +91 2300 1153
 Email: kishore.bv@kfintech.com, einward.ris@kfintech.com
 Website : www.kfintech.com

b) For Shares held in Demat form

Investors concerned Depository Participants and/or Kfin Technologies Private Limited

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

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

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

The Company has not issued any debt instruments and 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, 2020. The Company has entered into an agreement with ICRA Limited for rating on banking facilities; ICRA has assigned the following rating:

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

Further, ICRA limited on April 13, 2020 has placed long term rating on watch with negative implications and reaffirmed short term rating.

OTHER DISCLOSURES

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

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

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

(b) 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.

(c) 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 wrongdoing 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.

(d) 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.

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

As on March 31, 2020, the Company has one foreign subsidiary. The Company has no unlisted material Subsidiary Company as defined in regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(f) 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.

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

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

(h) Certificate from Practicing Company Secretary:

Certificate as required under Part C of Schedule V of Listing Regulations, received from M/s Vasisht & Associates, Company Secretaries, confirming that 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 authority was placed before the Board of Directors at their meeting held on June 15, 2020.

(i) Recommendations of Committees of the Board:

There were no instances during the financial year 2019-20, wherein the Board had not accepted recommendations made by any committee of the Board.

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

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

(k) 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 2019-20 are as under:

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

(l) 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 2019-20 are as follows:

Financial year	Unclaimed dividend transferred (Amount in Rs.)	Number of shares transferred
2011-2012	63,507.00	7,615
Total	63,537.00	7,615

During the financial year 2020-21, the Company would be transferring unclaimed final dividend amount for the financial year ended March 31, 2013 on or before October 31, 2020 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.

Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF:

1. Shareholders are advised to verify their details like address, bank mandate, PAN, status of outstanding dividend(s), etc. from M/s Kfin Technologies Private Limited, Company's Registrar and Transfer Agent, before filing an application with IEPF.
2. Download the Form IEPF-5 from the website of IEPF (<http://www.iepf.gov.in>) for filing the claim for the refund of dividend/shares. Read the instructions provided on the website/instruction kit along with the e-form carefully before filling the form.
3. After filling the form, submit the duly filled form by following the instructions given in the upload link on the website of IEPF. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.
4. Take a print out of the duly filled Form No. IEPF-5 and the acknowledgement issued after uploading the form.
5. Submit an indemnity bond in original, copy of the acknowledgement and self-attested copy of e-form along with other documents as mentioned in the Form No. IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund of dividend from IEPF Authority" / "Claim for shares from IEPF" as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.
6. Claim forms completed in all respects will be verified by the Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

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

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

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

(m) Information w.r.t. unclaimed dividends due for transfer to the Investor Education and Protection Fund (IEPF) is as follows:

S. No.	Financial Year	Last Date for claiming unpaid dividend
1.	Final Dividend 2012-13	30.09.2020
2.	Final Dividend 2013-14	30.08.2021
3.	Final Dividend 2014-15	25.10.2022
4.	Interim Dividend 2015-16	15.04.2023
5.	Final Dividend 2016-17	30.10.2024
6.	Final Dividend 2017-18	31.10.2025
7.	Final Dividend 2018-19	31.10.2026
8.	Interim Dividend 2019-20	21.04.2027

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2013, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company as on September 27, 2019 (previous AGM date) on the Company's website (www.ace-cranes.com) and on the website of the Ministry of Corporate Affairs.

(n) 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.

(o) 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.

(p) 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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations). The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons 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.

(q) None of the Independent Directors of the Company have resigned before the expiry of their tenure except Dr. Amar Singal, Independent Director of the Company. Detailed reasons for his resignation along with his confirmation that there are no material reasons, other than those provided by him, are provided in his resignation letter dated March 14, 2020 received by the Company and same is also available on the website on the Company at www.ace-cranes.com.

(r) 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.

(s) 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:** The Company had appointed Mr. Neeraj Govil, Chartered Accountant as Internal Auditor of the company for FY 2019-20 for conducting the internal audit and he was direct access to the Audit Committee.
- (t) 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.
- (u) 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, 2020 is annexed with it and forms an integral part of the Annual Report.
- (v) 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 and forms an integral part of the Annual Report.
- (w) 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 and forms an integral part of the Annual Report.
- (x) Demat Suspense Account/ Unclaimed Suspense Account:**
- The Company does not have any shares in the demat suspense account or unclaimed suspense account.

For Action Construction Equipment Limited

Place: Faridabad
Date: August 10, 2020

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

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, 2020, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

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

For Action Construction Equipment Limited

**Place: Faridabad
Date: August 10, 2020**

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

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, 2020 and to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (i) significant changes, in the internal control over financial reporting during the year;
 - (ii) significant changes, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Action Construction Equipment Limited

Place: Faridabad
Date: August 10, 2020

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

Sd/-
Rajan Luthra
Chief Financial Officer

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, 2020, as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchange(s).

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

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

**For Vasisht & Associates
Company Secretaries**

**Sd/-
Shobhit Vasisht
Proprietor
UDIN-A045412B000593498
Membership No: 45412
CP: 21476**

**Place: New Delhi
Date: August 10, 2020**

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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 2020 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit including other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Ind AS 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 Ind AS Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Sr. No.	Key Audit Matters	How Our audit addressed the key audit matters
1.	Accuracy, Completeness and disclosure with reference to Ind AS 16 of Property, Plant and Equipment	
	Property, Plant and Equipment including Intangible Assets and Capital Work in Progress represent significant values recorded in the statement of financial position. There are areas where Management judgements impact the carrying value of property, plant and equipment, intangible assets and their respective depreciation and amortization amounts. These include the decision to capitalize or expense costs; the annual asset life review; the timeliness of the capitalization of assets and the use of Management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use. We considered this as a Key Audit Matter due to the materiality in context of the Company's Balance Sheet and the level of judgements and estimates required.	Principal Audit Procedures Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows: <ol style="list-style-type: none"> a) We assessed the Company's process regarding maintenance of records, Valuation and accounting of transactions relating to Property, Plant and Equipment including Intangible Assets and Capital Work in Progress as per the Ind AS 16. b) We tested the controls in place over the property, plant and equipment including intangible assets and Capital Work in Progress, evaluated the appropriateness of capitalisation policies, performed tests of details on costs capitalized. c) We have carried out substantive audit procedures at financial and assertion level to verify the capitalization of asset as Property, Plant and Equipment.

		<p>d) We have verified the maintenance of records and accounting of transactions regarding capital work in progress by carrying out substantive audit procedures at financial and assertion level.</p> <p>e) We have reviewed management judgement pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment in accordance with Schedule II of Companies Act, 2013.</p> <p>f) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Ind AS 23.</p>
2.	Valuation, Accuracy, Completeness and disclosures pertaining to Inventories with reference to Ind AS 2.	
	<p>Inventory constitutes major part of the Company's Current Assets. Inventories are valued at lower of cost and net realizable value. The Company recognizes direct costs relating to procurement of material as part of inventory. The Company recognizes an inventory allowance if inventory items are damaged, if the selling price has declined or if the estimated costs to completion have increased.</p> <p>We considered this a Key Audit Matter because of the;</p> <p>i) Significance of the inventory level.</p> <p>ii) Complexity involved in determining inventory quantities on hand due to the number, location and diversity of inventory storage location</p> <p>iii) Valuation procedure of inventories.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>a) We assessed the Company's process regarding Maintenance of records, Valuation and accounting of transactions relating to Inventory as per the Indian Accounting Standard 2.</p> <p>b) We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation.</p> <p>c) We have carried out substantive audit procedures at financial and assertion level to verify the allocation of overheads to Inventory.</p> <p>d) We critically assessed the Company's inventory provisioning policy, with specific consideration given to warranty materials returned back to inventory and their movement status.</p> <p>e) We have verified the compliance with the standard norms relating to production as framed and timely updated by the management.</p>

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the Implementation Guide on Reporting Standards matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance

with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act read with companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2020 and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Accounting Standards) Rules 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of Section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of the Section 197 read with Schedule V of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

CA Ravi Gulati
Partner
Membership No. 090672
UDIN: 20090672AAAABA5333

Place : Faridabad
Date : 15th June 2020

Annexure-A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind AS Standalone Financial Statements for the year ended March 31, 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified on regular basis. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

- (ii) Physical verification of inventory was conducted by the management at reasonable interval during the year.

In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.

In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and discrepancies noticed on physical verification by the Management have been properly adjusted in books of accounts.

- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to the companies, firms, limited liability partnerships or other parties covered under register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of granting of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause 3 (v) of the order are not applicable.
- (vi) The Company has maintained books of accounts pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the companies Act 2013 and in our the opinion the prescribed accounts and records have been properly made and maintained. We have not however made a detail examination of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, goods & service tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, goods & service tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the company on account of disputes:

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

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

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

CA Ravi Gulati
Partner
Membership No. 090672
UDIN: 20090672AAAABA5333

Place : Faridabad
Date : 15th June 2020

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, 2020 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper

management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our knowledge and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting with respect to these Standalone Financial Statements were operating effectively as at March 31, 2020, 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: 20090672AAAABA5333

Place : Faridabad
Date : 15th June 2020

Standalone Balance Sheet as at March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	39,168.53	32,132.28
Capital work in progress	2	1,821.02	713.58
Investment properties	3	1,222.43	1,251.33
Intangible assets	4	91.17	56.68
Financial assets			
i. Investments	5	2,796.52	2,386.02
ii. Other financial assets	6	144.18	451.54
Other non-current assets	7	1,298.67	6,854.11
Non-current tax assets (Net)		14.30	16.11
Total non-current assets		46,556.82	43,861.65
Current assets			
Inventories	8	27,025.88	21,246.09
Financial assets			
i. Investments	5	647.40	2,665.85
ii. Trade receivables	9	14,725.61	14,398.44
iii. Cash and cash equivalents	10	337.47	843.73
iv. Bank balances other than (iii) above	11	587.95	297.48
v. Other current financial assets	6	230.47	233.65
Other current assets	7	4,794.68	4,739.83
Current tax Assets (Net)		213.33	159.15
Total current assets		48,562.79	44,584.22
Total Assets		95,119.61	88,445.87
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,269.66	2,346.46
Other equity	13	41,984.78	41,372.42
Total Equity		44,254.44	43,718.88
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	2,946.21	3,725.17
Provisions	15	347.58	260.26
Deferred tax liabilities (Net)	16	1,418.46	1,559.10
Total non-current liabilities		4,712.25	5,544.53
Current Liabilities			
Financial liabilities			
i. Borrowings	14	4,466.86	664.86
ii. Trade payables	17		
(a) Total outstanding dues of micro enterprises and small enterprises		4,492.88	1,071.43
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		27,553.38	26,988.82
iii. Other financial liabilities	18	7,085.90	8,030.35
Other current liabilities	19	2,313.93	2,273.99
Provisions	15	134.62	153.01
Current tax liabilities (Net)		105.35	—
Total current liabilities		46,152.92	39,182.46
Total Equity and Liabilities		95,119.61	88,445.87

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

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

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : June 15, 2020

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/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Standalone Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	20	115,619.75	134,248.51
Other income	21	403.12	970.67
Total income		116,022.87	135,219.18
Expenses			
Cost of materials consumed	22	80,964.01	101,160.67
Purchase of stock-in-trade		1,635.08	1,509.37
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(3,149.64)	(4,700.65)
Employee benefits expenses	24	8,561.67	7,503.46
Finance costs	25	1,465.99	1,152.09
Depreciation and amortisation expenses	26	1,301.35	1,175.18
Other expenses	27	18,424.71	18,984.56
Total expenses		109,203.17	126,784.68
Profit before exceptional items and tax		6,819.70	8,434.50
Exceptional items		–	–
Profit before tax		6,819.70	8,434.50
Tax expense	28		
Current tax		1,693.25	2,643.20
Deferred tax		(137.36)	175.12
Profit after tax		5,263.81	5,616.18
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment defined benefit obligation		(17.19)	(2.18)
Income tax relating to these items		3.28	0.74
Other Comprehensive income for the year (net of tax)		(13.91)	(1.44)
Total comprehensive income for the year		5,249.90	5,614.74
Earnings per equity share (Face Value of ₹ 2/- each)	34		
Basic (₹)		4.58	4.79
Diluted (₹)		4.58	4.79

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

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

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : June 15, 2020

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Vijay Agarwal
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Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Standalone Statement of Changes in Equity for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

Balance as at April 1, 2018	2,346.46
Increase/(Decrease) during the year	—
Balance as at March 31, 2019	2,346.46
Increase/(Decrease) during the year	(76.80)
Balance as at March 31, 2020	2,269.66

B) Other equity

Particulars	General Reserve	Capital Redemption Reserve	Capital Reserve	Securities Premium	Retained earnings	Total
Balance as at April 1, 2018	9,925.00	1,313.16	571.96	8,532.73	17,867.58	38,210.43
Profit for the year	—	—	—	—	5,616.18	5,616.18
Other comprehensive income	—	—	—	—	(1.44)	(1.44)
Dividend	—	—	—	—	(586.62)	(586.62)
Tax on Dividend	—	—	—	—	(120.58)	(120.58)
Adjusted on account of merger	—	—	(571.96)	—	(1,173.59)	(1,745.55)
Transferred on redemption of Preference Shares	—	1,104.39	—	—	(1,104.39)	—
Balance as at March 31, 2019	9,925.00	2,417.55	—	8,532.73	20,497.14	41,372.42
Profit for the year	—	—	—	—	5,263.81	5,263.81
Other comprehensive income	—	—	—	—	(13.91)	(13.91)
Dividend	—	—	—	—	(1,144.97)	(1,144.97)
Tax on Dividend	—	—	—	—	(235.35)	(235.35)
Utilised on buyback of equity shares	—	—	—	(3,257.22)	—	(3,257.22)
Transferred on Buyback of Equity Shares	—	76.80	—	—	(76.80)	—
Transferred on redemption of Preference Shares	—	604.39	—	—	(604.39)	—
Balance as at March 31, 2020	9,925.00	3,098.74	—	5,275.51	23,685.53	41,984.78

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 : June 15, 2020

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/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Standalone Statement of Cash Flow for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	6,819.70	8,434.50
Adjustments for		
Depreciation and amortisation expense	1,301.35	1,175.18
Gain on disposal of property, plant and equipment	(105.80)	(42.40)
Loss on disposal of property, plant and equipment	50.34	31.35
Unrealised foreign exchange fluctuation	98.58	10.36
Interest income	(67.94)	(261.68)
(Gain)/ loss on Investments carried at fair value through profit or loss (net)	35.37	(246.92)
Rental income classified as investing cash flows	(93.05)	(103.01)
Finance costs	1,457.07	1,152.09
Finance charges of lease liabilities	8.92	–
Bad Debts Written off	200.33	345.75
Provision for doubtful receivable	165.09	7.59
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(620.31)	2,232.77
(Increase)/Decrease in inventories	(5,779.79)	(6,860.29)
(Increase)/Decrease in other financial assets	(6.14)	81.05
(Increase)/Decrease in other current assets	(53.51)	(1,110.63)
Increase/(Decrease) in trade payables	3,813.79	4,472.84
Increase/(Decrease) in provisions	51.74	(87.34)
Increase/(Decrease) in other financial liabilities	(880.01)	280.70
Increase/(Decrease) in other current liabilities	39.94	(119.14)
Cash generated from operations	6,435.67	9,392.77
Income taxes paid	(1,640.28)	(2,187.93)
Net cash inflow/(outflow) from operating activities	4,795.39	7,204.84
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,546.11)	(2,363.47)
Purchase of Intangible assets	(70.34)	(6.24)
Capital advances and Capital work in progress	4,448.00	(565.74)
Sale /(Purchase) of Investments	1,607.96	(1,064.10)
Proceeds from disposal of property, plant & equipment and Investment Property	450.29	729.52
Fixed deposit having maturity more than 3 months	26.22	(5.16)
Interest income	67.94	261.68
Gain/ (loss) on Investments carried at fair value through profit or loss (net)	(35.37)	246.92
Rental income classified as investing cash flows	93.05	103.01
Net cash inflow/(outflow) from investing activities	(1,958.36)	(2,663.58)
Cash flows from financing activities		
Net proceeds from non-current borrowings	(928.48)	(1,404.29)
Net proceeds from current borrowings	4,406.39	3.04

Standalone Statement of Cash Flow for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payment of lease liabilities	(36.48)	–
Redemption of Preference Shares	(604.39)	(1,104.39)
Interest paid	(1,457.07)	(1,152.09)
Finance charges of lease liabilities paid	(8.92)	–
Dividend and Tax thereon	(1,380.32)	(707.20)
Buy-back of Equity Shares	(3,334.02)	–
Net cash inflow/(outflow) from financing activities	(3,343.29)	(4,364.93)
Net increase/(decrease) in cash and cash equivalents	(506.26)	176.33
Cash and cash equivalents at the beginning of the year	843.73	667.40
Cash and cash equivalents at end of the year	337.47	843.73

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, 2020	As at March 31, 2019
Balances with banks in current accounts	64.91	537.67
Cash on hand	49.62	49.49
Bank/ Term deposits with original maturity less than 3 months	222.94	256.57
	337.47	843.73

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 : June 15, 2020

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/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(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, 2020 were approved by the Board of Directors and authorised for issue on June 15, 2020.

1. 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

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), Companies (Indian Accounting Standards) Rules, 2015 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, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

1.3 Summary of significant accounting policies

a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and services tax (GST) and amounts collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Recognising revenue from major business activities

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date when the outcome of the transaction can be estimated reliably.

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

Income from export incentives/ government grants are recognised at fair value when there is reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Rental Income

Rental income is recognised on a straight-line basis over the term of the lease.

Interest Income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Dividend Income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

b) Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian Rupee and are rounded to two decimal places of Lakhs, which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate on the reporting date. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

d) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives mentioned below:

Asset category	Estimated useful life
Factory Building	10-30 Years
Office Building	60 Years
Plant and Machinery	9-15 Years
Furniture & Fixtures	10 Years
Office Equipment	5-10 Years
Motor Vehicles	8 Years
Computers	3-5 Years
Electric Equipment & Fittings	10 Years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for certain items within these classes of assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

e) Investment properties

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

Recognition and initial measurement

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance cost are recognised in profit or loss when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Subsequent measurement (depreciation and useful lives)

Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The useful lives of investment properties are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to investment properties, or where investment properties has been sold, discarded, demolished or destroyed; depreciation on such investment properties is calculated on a pro rata basis with specific useful life from the month of such addition or, as the case may be, up to the month on which such investment properties has been sold, discarded, demolished or destroyed.

De-recognition

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal . The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

f) Intangible assets

Recognition and initial measurement

Purchased Intangible assets are stated at cost less accumulated amortisation and impairment, if any.

Computer Software and Technical Knowhow

All finite-lived intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Asset category	Estimated useful life
Computer Software	5 Years
Technical Know how	5 Years

g) Leases

Company as a lessee

The Company enters into an arrangement for lease of land, Building, Gas Storage Tank etc. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception.

A contract is, or contains, a lease if the contract conveys the right to –

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(c) direct the use of the identified asset.

The Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term.

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the Right-of-use assets. Where the carrying amount of the Right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss. Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. "Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as finance or operating lease. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

h) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

that instrument at that date as follows:

- (i) at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- (ii) in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below:

h.1) Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

(i) Financial assets at amortised cost

A financial instrument is measured at amortised cost if both the following conditions are met;

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

(ii) Investments in equity instruments of subsidiaries and associates

Investments in equity instruments of subsidiaries and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

(iii) Financial assets at fair value

- **Investments in equity instruments other than above** - All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

- **Mutual funds** - All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

h.2) Financial liabilities

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

i) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

Trade receivables are recognized initially at fair value and subsequent measured at amortized cost using the effective interest method, less provision for impairment.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

j) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

k) Fair value measurement

The Company measures certain financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Refer Note 30 for fair value hierarchy.

l) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

m) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax Laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

directly in equity.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority

n) Investment in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses, if any where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

q) Post-employment, long term and short term employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The group operates the following post-employment scheme:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

Gratuity obligations

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

r) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised and continuously assessed for recoverability. However, when inflow of economic benefits is probable, related asset is disclosed.

s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t) Amounts rounding off

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division III) of the Companies Act, 2013, unless otherwise stated.

1.4. Key accounting estimates and judgements

The preparation of the Company's Financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for Income taxes, Including amount expected to be paid/ recovered for uncertain tax positions.

b) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand or the product or service output of the asset.

c) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 29, 'Employee benefits'.

d) Fair value measurement of financial instruments

When the Fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

1.5 Changes in accounting policies and disclosures

New Accounting Standard adopted by the Company:

The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31st March 2019, except for the adoption of new standard effective as of 1st April, 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. In addition to Ind AS 116 - "Leases", which is applicable for the first time, several other amendments and interpretations apply for the first time from 1st April, 2019, but do not have an impact on the Financial Statements of the Company.

Transition to Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective approach for annual reporting period beginning April 1, 2019 (i.e initial application date) to its leases at the date of initial application without any adjustments to the opening balance of the Retained Earnings. Therefore, the comparative information has not been restated and continues to be reported under Ind AS 17.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low value assets. The Company recognised lease liabilities to make lease

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, 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 asset an amount equal to lease liability.

There is no difference between discounted operating lease commitments as at 31st March, 2019 and the discounted lease liabilities as at 1st April, 2019.

Based on foregoing, as at 1st April, 2019, Right of-Use asset of ₹ 85.95 lakhs was recognised in the balance sheet.

Refer note 35 for detailed impact of adoption of Ind AS 116 “Leases” on the financial statements of the Company.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(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, 2019 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2018	Additions for the Year	Deletions / Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Deletions	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Land	15,884.58	165.26	–	16,049.84	–	–	–	–	15,884.58	16,049.84
Factory Building	5,590.94	701.68	–	6,292.62	2,152.73	165.00	–	2,317.73	3,438.21	3,974.89
Office Building	5,124.52	62.94	8.69	5,178.77	467.89	90.02	5.16	552.75	4,656.63	4,626.02
Plant and Machinery	11,155.01	1,050.73	1,026.34	11,179.40	4,963.88	574.15	336.07	5,201.96	6,191.13	5,977.44
Furnitures & Fixtures	906.95	173.22	–	1,080.17	556.74	64.04	–	620.78	350.21	459.39
Office Equipment	351.99	48.61	–	400.60	219.17	29.56	–	248.73	132.82	151.87
Motor Vehicles	1,559.00	69.53	83.43	1,545.10	743.05	142.01	59.06	826.00	815.95	719.10
Computer	407.92	36.72	0.36	444.28	345.85	27.66	0.06	373.45	62.07	70.83
Electric Equipment & Fittings	249.38	54.78	–	304.16	183.40	17.86	–	201.26	65.98	102.90
Total	41,230.29	2,363.47	1,118.82	42,474.94	9,632.71	1,110.30	400.35	10,342.66	31,597.58	32,132.28

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2020 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2019	Additions for the Year	Deletions / Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation for the year	Deletions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Land	16,049.84	335.99	–	16,385.83	–	–	–	–	16,049.84	16,385.83
Factory Building	6,292.62	366.88	35.64	6,623.86	2,317.73	187.41	3.82	2,501.32	3,974.89	4,122.54
Office Building	5,178.77	5,751.16	–	10,929.93	552.75	90.99	–	643.74	4,626.02	10,286.19
ROU- Office Building	–	113.09	–	113.09	–	41.57	–	41.57	–	71.52
Plant and Machinery	11,179.40	1,431.18	676.88	11,933.70	5,201.96	606.01	393.13	5,414.84	5,977.44	6,518.86
ROU- Plant & Machinery	–	8.48	–	8.48	–	0.64	–	0.64	–	7.84
Furnitures & Fixtures	1,080.17	105.59	1.52	1,184.24	620.78	77.71	0.08	698.41	459.39	485.83
Office Equipment	400.60	43.69	–	444.29	248.73	32.91	–	281.64	151.87	162.65
Motor Vehicles	1,545.10	461.82	141.11	1,865.81	826.00	154.96	71.91	909.05	719.10	956.76
Computer	444.28	19.36	3.39	460.25	373.45	29.88	0.09	403.24	70.83	57.01
Electric Equipment & Fittings	304.16	30.44	–	334.60	201.26	19.84	–	221.10	102.90	113.50
Total	42,474.94	8,667.68	858.54	50,284.08	10,342.66	1,241.92	469.03	11,115.55	32,132.28	39,168.53

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

2 (b) Capital Work-in-progress

Particulars	As at April 1, 2018	Additions	Capitalisation	As at March 31, 2019	Additions	Capitalisation	As at March 31, 2020
Capital work-in-progress	403.68	1,245.32	935.42	713.58	7,454.70	6,347.26	1,821.02

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

Particulars	As at March 31, 2020	As at March 31, 2019
Land	558.14	–
Factory Building	1,215.50	1,216.49
Office Building	6,326.05	356.63
Plant and Machinery	6,518.84	5,977.44
Motor Vehicles	171.25	326.31
	14,789.78	7,876.87

(ii) Capital commitments - Refer Note No. 33.

3. Investment properties

Particulars	As at April 1, 2018	Additions/ Charge for the Year	Disposal	As at March 31, 2019	Additions/ Charge for the Year	Disposal	As at March 31, 2020
Gross carrying value	1,772.45	–	–	1,772.45	–	9.30	1,763.15
Accumulated depreciation	497.45	23.67	–	521.12	23.58	3.98	540.72
Net carrying value	1,275.00			1,251.33			1,222.43

(i) Investment properties Pledged as security (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Net carrying value of Investment properties	–	328.89

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental income	93.05	103.01
Direct operating expenses that generated rental income	14.41	10.90
Direct operating expenses that did not generate rental income	–	–
Profit from leasing of investment properties before depreciation	78.64	92.11
Depreciation	23.58	23.67
Profit from investment properties	55.06	68.44

(iii) 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(iv) Fair value of Investment properties

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of Investment properties	2024.79	2024.79

Estimation of fair value

The company obtains valuation for its investment property. The best evidence of fair value is current prices in an active market for similar properties, which is considered as fair value of investment properties.

In case of valuation of land & building, current prices in an active market for similar properties of the same area and localities have been taken. The rates of which are based on verbal enquiries from the property dealers of the area and localities.

4. Intangible assets

The changes in the carrying value of intangible assets for the year ended March 31, 2019 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2018	Additions for the year	Deletions / Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Deletions	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Computer Software	612.42	6.24	–	618.66	577.75	13.99	–	591.74	34.67	26.92
Technical Know how	220.34	–	–	220.34	163.36	27.22	–	190.58	56.98	29.76
Total	832.76	6.24	–	839.00	741.11	41.21	–	782.32	91.65	56.68

The changes in the carrying value of intangible assets for the year ended March 31, 2020 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2019	Additions for the year	Deletions / Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation for the year	Deletions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Computer Software	618.66	6.75	–	625.41	591.74	14.55	–	606.29	26.92	19.12
Technical Know how	220.34	63.59	–	283.93	190.58	21.30	–	211.88	29.76	72.05
Total	839.00	70.34	–	909.34	782.32	35.85	–	818.17	56.68	91.17

5. Investments

(i) Investments - Non Current

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Investments in subsidiary and associates - Unquoted investment (Measured at cost)		
SC Forma SA	147.76	147.76
ACE Employees Group Gratuity Scheme Trust	0.25	0.25
Namo Metals (Partnership firm)*	502.16	394.98

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

Particulars	As at March 31, 2020	As at March 31, 2019
(b) Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
2000000 Units (P.Y- 2000000 Units) LD525G-SBI Debts Fund Series-C-7-(1190 Days)- Direct Growth**	236.93	217.67
2000000 Units (P.Y- 2000000 Units) LD528G-SBI Debts Fund Series-C-9-(1150 Days)- Direct Growth	236.90	217.29
4239905.706 Units (P.Y- 4239905.706 Units) Nippon India Fixed Horizon Fund - XXXVIII - Series 02 - Direct Growth Plan (TQAG)	438.88	451.21
1000000 Units (P.Y- 1000000 Units) Nippon India Fixed Horizon Fund XXXIX- Series 2 - Direct Growth Plan (FGAG)	118.16	107.42
2000000 Units (P.Y- 2000000 Units) Axis Fixed Term Plan - Series 97 (1116 Days) Growth (WIGPG)	215.85	208.98
1023198.525 Units (P.Y- 1023198.525 Units) LD543G SBI Debts Fund Series C-20 (1100 Days) Direct Growth**	119.36	109.39
5000000 Units (P.Y- 5000000 Units) LD544G SBI Debts Fund Series - C-21 (1100 Days) - Direct Growth**	573.13	531.07
(c) Investment in Debentures - Un-quoted		
Debentures of R V Investements Pvt. Ltd.	207.14	—
	2,796.52	2,386.02
Aggregate amount of quoted investment & market value thereof	1,939.21	1,843.03
Aggregate amount of unquoted investments	857.31	542.99
Aggregate amount of impairment in the value of investments	—	—

*Company has 90% share in Profit & Loss of the partnership firm M/s Namo Metals and balance 10% share of Profit & Loss is held by Mrs. Mona Agarwal. Namo Metals have capital of ₹ 502.27 lakhs as at March 31, 2020 (₹ 392.13 lakhs as at March 31, 2019)

**Mutual funds pledged with State Bank of India

(ii) Investments - Current

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
Nil Units (P.Y- 3293283.279 Units)Reliance Credit Risk Fund - Growth Plan Growth Option (SDGPG)	—	848.95
Nil Units (P.Y- 18840.140 Units) LD72SG-SBI Liquid Fund- Direct Growth	—	551.75
Nil units (P.Y- 26189.77 units) Reliance Ultra Short Duration Fund-Direct Growth Plan (CPAGG)	—	800.41
112083.33 units (P.Y- 1026396.078 units) L465G SBI Dynamic Asset Allocation Fund - Regular Plan - Growth	12.97	137.42
1404616.11 Units (P.Y- 531449.22 Units) ICICI Prudential Balanced Advantage Fund - Growth	429.39	187.81

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

Particulars	As at March 31, 2020	As at March 31, 2019
825789.03 units (P.Y- 484081.92 units) Invesco India Dynamic Equity Fund - Growth	205.04	139.51
	647.40	2,665.85
Aggregate amount of quoted investment & market value thereof	647.40	2,665.85
Aggregate amount of unquoted investments	–	–
Aggregate amount of impairment in the value of investments	–	–

6. Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non-current financial assets (Unsecured, Considered good)		
Security deposits	107.55	91.40
Employee Advances	12.79	15.66
Term deposits with Banks [#]	23.84	344.48
	144.18	451.54
(ii) Current financial assets (Unsecured, Considered good)		
Security deposits	151.53	180.87
Employee Advances	71.58	52.38
Interest receivable on fixed deposits	4.35	0.40
Accrued Interest on Investment in Debentures	3.01	–
	230.47	233.65

7. Other assets

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Other non-current assets		
Capital advances	1,298.67	6,854.11
	1,298.67	6,854.11
(ii) Other current assets		
Advances to Suppliers	3,011.10	2,455.63
Balance with Government Authorities		
Sales Tax Receivable	96.36	91.44
Balance with Excise/ GST Authorities	1,145.95	1,782.16
Duty Drawback Receivable	75.00	81.64
Balance with Custom Authorities	246.85	103.48
Prepaid expenses	146.92	194.55
Others	72.50	30.93
	4,794.68	4,739.83

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Material and Components		
Raw Material and Components	13,631.94	12,912.97
Goods-in-transit	2,745.86	834.68
	16,377.80	13,747.65
Work-in-Progress	4,239.19	2,793.44
Finished Goods	6,408.89	4,705.00
	27,025.88	21,246.09

Note : Working capital facilities are secured by first pari passu charge on entire inventories, for detail refer Note No. 14

9. Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered good	14,725.61	14,398.44
Doubtful	237.65	72.56
	14,963.26	14,471.00
Allowances for doubtful receivables	(237.65)	(72.56)
	14,725.61	14,398.44

Notes:

- i) Receivables due from related parties (refer note no. 32) 421.27 39.29
ii) Working capital facilities are secured by first pari passu charge on entire book debts, for detail refer Note No. 14

10. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks in current accounts	64.91	537.67
Cash on hand	49.62	49.49
Bank/ Term deposits with original maturity less than 3 months	222.94	256.57
	337.47	843.73

11. Other Bank Balances

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits with maturity for more than 3 months but less than 12 months [#]	578.37	291.99
Unclaimed dividend Accounts	9.58	5.49
	587.95	297.48

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

Particulars	As at March 31, 2020	As at March 31, 2019
Deposit pledged with the State Bank of India	225.24	213.42
Deposit pledged against the bank guarantee	211.03	378.44

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

12. Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
a) Authorised Capital:				
Equity shares of ₹ 2/- each	125,000,000	2,500.00	125,000,000	2,500.00
8% Cumulative Non-Participating Redeemable Preference Shares of ₹ 10/- each	30,250,000	3,025.00	30,250,000	3,025.00
Issued, Subscribed and fully paid up:				
Equity shares of ₹ 2/- each	113,483,196	2,269.66	117,323,000	2346.46
b) Reconciliation of number of equity shares Outstanding				
At the beginning of the year	117,323,000	2,346.46	117,323,000	2,346.46
Changes during the year	(3,839,804)	(76.80)	–	–
At the end of the year	113,483,196	2,269.66	117,323,000	2,346.46

c) During the year pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, the provisions of the SEBI (Buy Back of Securities) Regulations, 2018, Article 62 of the Articles of Association of the Company and pursuant to the resolutions passed by the Board of Directors of the Company at their meeting held on May 16, 2019, the Company has bought back 38,39,804 No. of Equity shares of ₹ 2 each in electronic form.

d) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding March 31, 2020

No of Shares				
March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
–	–	–	–	18,383,000

1,83,83,000 equity shares of ₹ 2/- each fully paid up, issued as consideration during the year ended March 31, 2016 pursuant to the scheme of arrangement between ACE TC Rentals Private Limited and Action Construction Equipment Limited.

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.

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	%age	No. of Shares	%age
Mr. Vijay Agarwal / Mrs. Mona Agarwal	41,738,092	36.78%	41,428,731	35.31%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	25,839,407	22.77%	25,839,407	22.02%
Mr. Sorab Agarwal	7,623,650	6.72%	7,623,650	6.50%
Mrs. Surbhi Garg	6,930,156	6.11%	6,930,156	5.91%

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

13. Other Equity

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
General Reserve	(a)	9,925.00	9,925.00
Capital Redemption Reserve	(b)	3,098.74	2,417.55
Securities Premium Reserve	(c)	5,275.51	8,532.73
Retained Earnings	(d)	23,685.53	20,497.14
		41,984.78	41,372.42

Particulars	As at March 31, 2020	As at March 31, 2019
a) General reserve		
Balance at the beginning of the year	9,925.00	9,925.00
Transferred from retained earnings	–	–
Balance at the end of the year	9,925.00	9,925.00
b) Capital Redemption Reserve		
Balance at the beginning of the year	2,417.55	1,313.16
Transferred from retained earnings on Buyback of Equity Shares	76.80	–
Transferred from retained earnings on redemption of Preference Shares	604.39	1,104.39
Balance at the end of the year	3,098.74	2,417.55
c) Securities Premium Reserve		
Balance at the beginning of the year	8,532.73	8,532.73
Premium paid on buyback of equity shares	(3,257.22)	–
Balance at the end of the year	5,275.51	8,532.73
d) Retained earnings		
At the beginning of the year	20,494.43	17,863.43
Net profit for the year	5,263.81	5,616.18
Transferred to CRR on redemption of Preference Shares	(604.39)	(1,104.39)
Transferred to CRR on Buyback of Equity Share	(76.80)	–
Payment of equity dividend and tax thereon	(1,380.32)	(707.20)
Adjusted on account of Merger	–	(1,173.59)
	23,696.73	20,494.43
Other comprehensive income (net of tax)		
Re-measurements of defined employee benefit plans		
At the beginning of the year	2.71	4.15
Changes during the year	(13.91)	(1.44)
	(11.20)	2.71
Balance at the end of the year	23,685.53	20,497.14

Nature and purpose of other reserves

a) General reserve

It is the portion of net profit transferred to general reserve before declaring dividend pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Other Equity (Contd.)

b) Capital redemption reserve

It is created on redemption of preference shares and buyback of equity shares, out of current year profits.

c) Securities premium reserve

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

14. Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non-current Borrowings		
Secured		
Term Loans from Banks in ₹	3,703.42	4,580.27
Term Loans from NBFC	27.49	79.12
Lease Liability	85.08	–
	3,815.99	4,659.39
Current maturity of long term loans	(826.74)	(934.22)
Current maturity of lease liability	(43.04)	–
	2,946.21	3,725.17
(ii) Current Borrowings		
Secured		
Cash Credit	1,666.50	60.47
Short term loans	2,265.10	–
Working Capital Demand Loan	535.26	–
Unsecured		
8% Cumulative Non-Participating Redeemable Preference Shares	–	604.39
	4,466.86	664.86

Notes:-

a) There have been no breach of covenants mentioned in the loan agreements during the reporting period.

b) Detail of Preference shareholder

Particulars	As at March 31, 2020	As at March 31, 2019
Mrs. Surbhi Garg	–	604.39

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Detail of Borrowings

Sl. No.	Nature of Loans	Repayment terms	Security offered	Rate of Interest	As at March 31,2020	As at March 31,2019
1.	Rupee Loan from ICICI Bank Ltd.	Repayable in 122 equated monthly installments, including interest	Exclusive charge on the assets financed out of this loan.	8.70%	2,562.98	2,786.68
2.	Rupee Loan from Kotak Mahindra Bank Ltd.	Repayable in 60 equated monthly installments, including interest	Exclusive charge by way of equitable mortgage over property situated at industrial unit at Plant IV Prithla Dhatir Road, Village Dudholla, Palwal and Subservient charge on all existing and future current assets of the company.	9.00%	1,121.06	1,618.65
3.	Commercial Equipment Loan from ICICI Bank Ltd., HDFC Bank Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Commercial equipment financed out of these loan.	8.50%	–	116.93
4.	Vehicle loan from HDFC Bank Ltd., ICICI Bank, Kotak Mahindra Prime Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Vehicle financed out of this loan.	8.50%	46.87	130.14
5.	Vehicle loan from Daimler Financial Services India Pvt.Ltd.	Repayable in equated monthly installments as per the schedule	Exclusive Hypothecation on the Vehicle financed out of this loan.	9.80%	–	6.99
6.	8% Cumulative Non-Participating Redeemable Preference Shares	Repayable at the option of company's management, within 20 years from the date of issue	Nil	8.00%	–	604.39
7.	Working capital facilities from various banks	Repayable on demand	Secured by way of hypothecation of the Company's entire inventory and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivable, both present & future and Plant & Machinery on pari passu basis and First charge by the way of equitable mortgage of 1425 Sq. Yards Land situated at Lakkarpur and office No. 403, Pinnacle Tower Situated at Surajkund, Faridabad on pari passu basis.	9.00%	4,466.86	60.47

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

15. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non-Current Provisions		
Provision for Leave entitlement	222.06	183.63
Provision for Gratuity	125.52	76.63
	347.58	260.26
(ii) Current Provisions		
Provision for warranty	101.30	119.90
Provision for Leave entitlement	33.32	33.11
	134.62	153.01

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. The company expect to incur the related expenditures over the next year.

Movement in Provisions

Particulars	Provision for Leave Entitlements	Provision for Warranty
Provision at April 1, 2018	199.18	193.63
Additional provisions recognised	216.74	119.90
Amount utilised during the year	(199.18)	(193.63)
Provision at March 31, 2019	216.74	119.90
Additional provisions recognised	255.38	101.30
Amount utilised during the year	(216.74)	(119.90)
Provision at March 31, 2020	255.38	101.30

16. Deferred tax liabilities (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
Depreciation on Property, Plant and Equipment and intangible asset	1,545.82	1,685.51
	1,545.82	1,685.51
Deferred tax Assets		
Provision for employee benefits	67.55	101.06
Provision for doubtful debts	59.81	25.35
	127.36	126.41
Deferred tax liabilities (Net)	1,418.46	1,559.10

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(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
As at April 1, 2018	1519.12	(103.30)	(31.10)
Charged/(Credited):			
-to profit and loss	166.39	2.98	5.75
-to other comprehensive income	–	(0.74)	–
As at March 31, 2019	1,685.51	(101.06)	(25.35)
Charged/(Credited):			
-to profit and loss	(139.69)	36.79	(34.46)
-to other comprehensive income	–	(3.28)	–
As at March 31, 2020	1,545.82	(67.55)	(59.81)

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.

17. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Dues to Micro and Small Enterprises*	4,492.88	1,071.43
Dues to enterprises other than Micro and Small Enterprises	27,553.38	26,988.82
	32,046.26	28,060.25

*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. There are no interests due or outstanding on the same.

18. Other current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of long term debts	826.74	934.22
Current maturity of lease liability	43.04	–
Unclaimed Dividends	9.58	5.49
Security deposits	882.95	739.72
Employee benefits	666.14	632.11
Others Payables	4,657.45	5,718.81
	7,085.90	8,030.35

19. Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from customers	1,567.26	1,677.80
Statutory Liabilities	244.18	265.52
Deferred revenue	481.49	330.67
Other Current Liabilities	21.00	–
	2,313.93	2,273.99

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

20. Revenue from operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products	113,991.84	132,509.91
Sale of Services	124.62	145.31
Hiring Charges	1,251.79	1,317.37
Export Incentives	201.79	121.97
Other operating revenue	49.71	153.95
	115,619.75	134,248.51

21. Other income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income	67.94	261.68
Rental income	93.05	103.01
Profit on Sale of property, plant and equipment	105.80	42.40
Gain on Investments carried at fair value through profit or loss (net)	–	246.92
Gain on foreign currency transactions (Net)	–	136.49
Miscellaneous income	136.33	180.17
	403.12	970.67

22. Cost of materials consumed

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock of Raw material	13,747.65	11,588.01
Add: Purchases (net of returns)	85,229.24	104,829.68
Less: Closing stock of Raw material	(16,377.80)	(13,747.65)
Less: Purchase of Stock-in-trade	(1,635.08)	(1,509.37)
	80,964.01	101,160.67

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock		
Work-in progress	2,793.44	722.51
Finished goods	4,705.00	2,075.28
	7,498.44	2,797.79
Closing Stock		
Work-in progress	4,239.19	2,793.44
Finished goods	6,408.89	4,705.00
	10,648.08	7,498.44
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	(3,149.64)	(4,700.65)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

24. Employee benefits expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	7,496.93	6,795.69
Contribution to provident and other funds	356.82	317.99
Staff welfare expenses	707.92	389.78
	8,561.67	7,503.46

25. Finance costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Working Capital facilities	1,166.13	1,014.50
Interest on Term Loans	8.65	52.11
Interest on Other Loans	282.29	85.48
Finance Charges of lease Liability	8.92	—
	1,465.99	1,152.09

26. Depreciation and amortisation expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment	1,199.71	1,110.30
Amortisation of intangible assets	35.85	41.21
Depreciation of Investment Property	23.58	23.67
Depreciation on ROU Assets	42.21	—
	1,301.35	1,175.18

27. Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Manufacturing Expenses	5,056.98	5,131.74
Repairs & Maintenance - Building	214.30	177.17
Repairs & Maintenance - Plant & Machinery	409.65	535.19
Power & Fuel	516.39	660.41
Freight & Forwarding Charges	3,775.45	3,975.95
Selling Expenses	1,973.10	1,440.55
Commission on Sales	1,410.75	2,029.52
Rent	106.61	151.44
Rates & Taxes	86.15	52.47
Insurance	162.38	97.10
Travel & conveyance	1,572.31	1,620.65
Communication Expenses	252.40	318.60
Auditors remuneration*	23.40	17.06
Vehicle Expenses	176.69	164.53
Bad Debts Written off	200.33	345.75
Provision for doubtful receivable	165.09	7.59
Loss on Investments carried at fair value through profit or loss (net)	35.37	—
Loss on foreign currency transactions (Net)	66.53	—
Corporate Social Responsibility (CSR) expense**	134.40	85.10
Miscellaneous Expenses	2,086.43	2,173.74
	18,424.71	18,984.56

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

*Auditor's Remuneration (excluding taxes) Includes

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit Fees	16.00	14.00
Tax audit fees	3.00	1.25
Certification	1.20	0.26
Cost audit fees	1.00	0.70
Secretarial audit fees	0.60	0.85
GST audit fees	1.60	–
	23.40	17.06

**CSR Expenditure

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gross amount required to be spent by the company during the year	130.75	80.37
Amount spent during the year for promoting health care	134.40	85.10

28. Income tax expense

(a) Income tax expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
Current tax on profit for the year	1,735.83	2,068.28
MAT Credit entitlement	–	510.48
Adjustment of current tax of prior periods	(42.58)	64.44
	1,693.25	2,643.20
Deferred tax		
Decrease/(increase) in deferred tax assets	2.33	8.73
(Decrease)/increase in deferred tax liabilities	(139.69)	166.39
	(137.36)	175.12
	1,555.89	2,818.32

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income tax expense	6,819.70	8,434.50
Statutory Income Tax rate	25.168%	34.944%
Income tax expense at the statutory tax rate	1,716.38	2,947.35
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Income exempt from tax	(43.98)	(57.47)
Tax on expense not eligible for deduction	105.59	80.24
Weighted deduction on Research and development expenditure	–	(257.06)
Adjustments for current tax of prior periods	(42.58)	64.44
Effect of Income which is taxed at special rates	(11.93)	(17.70)
Other items	(167.59)	58.52
Income tax expense	1,555.89	2,818.32

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Income tax expenses (contd.)

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%

29. Employee Benefits

(A) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees’ last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Amount recognized in the balance sheet is as under:		
Present value of defined benefit obligation	629.87	543.82
Fair value of plan assets with LIC	504.35	467.19
Net defined benefit obligation	125.52	76.63
(ii) Amount recognized in the statement of profit and loss is as under:		
Current Service cost	91.07	82.94
Net interest cost	3.48	3.60
Amount recognized in the statement of profit and loss	94.55	86.54
(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 start of the year	543.82	468.99
Current service cost	91.07	82.94
Interest cost	39.50	34.28
Actuarial loss/(gain) recognized during the year	17.09	5.23
Benefits paid	(61.61)	(47.62)
Present value of defined benefit obligation as at the end of the year	629.87	543.82
(iv) Movement in the plan assets recognized in the balance sheet is as under:		
Fair Value of plan assets at beginning of year	467.19	363.36
Expected return on plan assets	36.02	30.68
Employer’s contribution	62.86	117.72
Benefit paid	(61.62)	(47.62)
Actuarial gain/(loss) on plan assets	(0.10)	3.05
Fair Value of plan assets at the end of the year	504.35	467.19
Actual return on plan assets	35.92	33.73
(v) Breakup of actuarial (gain)/loss:		
Actual (gain)/loss arising from change in financial assumption	21.58	(3.02)
Actual (gain)/loss arising from experience adjustment	(4.38)	5.20
Total actuarial (gain)/loss	17.20	2.18

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (contd.)

(vi) Actuarial assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Attrition Rate	20.00% P.a.	20.00% P.a.
Imputed rate of Interest (D)	6.76% P.a.	7.70% P.a.
Imputed rate of Interest (IC)	7.70% P.a.	7.70% P.a.
Salary escalation	10.00% P.a.	10.00% P.a.
Return on plan asset	7.70% P.a.	7.70% P.a.
Remaining working life	22.12 Years	22.47 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 Mortality (2012-14) Ultimate table on March 31, 2020 (Indian Assured Lives Mortality (2012-14) Ultimate table on March 31, 2019).

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, 2020	As at March 31, 2019
Present Value of obligation at the end of the year	629.87	543.82
Impact of the change in discount rate		
Impact due to increase of 1.00%	(22.79)	(18.56)
Impact due to decrease of 1.00%	24.80	20.13
Impact of the change in salary increase rate		
Impact due to increase of 1.00%	22.34	18.37
Impact due to decrease of 1.00%	(21.19)	(17.60)

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, 2020	As at March 31, 2019
Compensated absences (unfunded)		
Current	33.32	33.11
Non-Current	222.06	183.63
	255.38	216.74

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (contd.)

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.

30. Financial Instruments

A) Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets measured at fair value		
Investments measured at fair value through profit and loss	2,586.61	4,508.88
Financial assets measured at amortised cost		
Trade receivables	14,725.61	14,398.44
Cash and cash equivalents	337.47	843.73
Other Bank balances	587.95	297.48
Other financial assets	374.65	685.19
	16,025.68	16,224.84
Financial liabilities measured at amortised cost		
Borrowings	8,282.85	5,324.25
Trade payables	32,046.26	28,060.25
Other financial liabilities	6,216.12	7,096.13
	46,545.23	40,480.63

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, 2020	As at March 31, 2019
Investments measured at fair value through profit and loss		
Level 1	2,586.61	4,508.88
Level 2	–	–
Level 3	–	–
	2,586.61	4,508.88

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

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 market risk, liquidity risk and credit 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

Since the company deals with only high rated banks and financial institutions, credit risk in respect of cash & cash equivalents, bank balances and bank deposits is evaluated as very low. In respect of advances and security deposits also credit risk is considered low because the company is in possession of underlying asset.

Expected credit losses for trade receivables under simplified approach

The company recognize lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables (other than those where default criteria are met)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)		
Gross sale in respect of customers where no specific default is occurred	115,368.25	133,972.59
Expected loss rate	0.21%	0.05%
Expected Credit loss (loss allowance provision)	237.65	72.56
Receivable due from customers where specific default has accrued	–	–

Reconciliation of loss allowance provision - Trade receivables

Particulars	₹ in lakhs
Loss allowance as at April 1, 2018	64.97
Additional loss recognised	353.34
Bad debts written off	(345.75)
Expected credit loss as at March 31, 2019	72.56
Additional loss recognised	365.42
Bad debts written off	(200.33)
Expected credit loss as at March 31, 2020	237.65

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

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, 2020				
Borrowings	5,336.64	2,330.13	616.08	8,282.85
Trade payables	32,046.26	–	–	32,046.26
Other financial liabilities	6,216.12	–	–	6,216.12
	43,599.02	2,330.13	616.08	46,545.23
As at March 31, 2019				
Borrowings	1,599.08	2,313.23	1,411.94	5,324.25
Trade payables	28,060.25	–	–	28,060.25
Other financial liabilities	7,096.13	–	–	7,096.13
	36,755.46	2,313.23	1,411.94	40,480.63

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, 2020	As at March 31, 2019
Financial Assets	941.39	2,089.26
Financial Liabilities	2,730.96	322.56
Net exposure to foreign currency risk	(1,789.57)	1,766.70

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at March 31, 2020	As at March 31, 2019
USD sensitivity		
INR/USD increase by 150 bps*	(35.61)	38.35
INR/USD decrease by 150 bps*	35.61	(38.35)

*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, 2020	As at March 31, 2019
Financial Assets	3.92	8.11
Financial Liabilities	—	1.71
Net exposure to foreign currency risk	3.92	6.40

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, 2020	As at March 31, 2019
Euro sensitivity		
INR/Euro increase by 200 bps*	0.09	0.17
INR/Euro decrease by 200 bps*	(0.09)	(0.17)

*Holding all other variables constant

C.4) Interest Rate Risk

There is no material interest risk relating to the Company's financial liabilities

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. There is no significant impact on its financial statements.

31. Capital Management

The Company's capital management objectives are:

- To ensure the companies 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, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Capital Management (contd.)

(a) Debt to equity ratio

Particulars	As at March 31, 2020	As at March 31, 2019
Net debt	7,945.38	4,480.52
Total equity	44,254.44	43,718.88
Net debt to equity ratio	17.95%	10.25%

(b) Dividends (excluding dividend tax)

(i) Equity shares

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Final dividend for the preceding financial year of ₹ 0.50/- (PY ₹ 0.50/-) per fully paid equity share	577.55	586.62
Interim dividend for the current financial year of ₹ 0.50/- (PY Nil) per fully paid equity share	567.42	–
	1,144.97	586.62

(ii) Payment of interim dividend for financial Year 2019-20

The Board of Director has approved an Interim Dividend of ₹ 0.50 i.e. (25%) per equity share for the financial year ended March 31, 2020 in their meeting held on March 14, 2020 which resulted in an outflow of ₹ 684.05 Lakhs (including Corporate Dividend Tax of ₹ 116.63 Lakhs).

32. Related party transactions

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

A. Name of Related Parties

a) Subsidiaries

SC Forma SA

b) Associate Firm

Namo Metals

c) 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. Girish Narain Mehra (IAS Retd.)	Independent Director
Major General (Retd.) Dr. K. C. Agrawal	Independent Director
Mr. Subhash Chander Verma	Independent Director
Dr. Amar Singhal	Independent Director (Resigned w.e.f 14.03.2020)
Mr. Avinash Parkash Gandhi	Independent Director (Appointed w.e.f 01.10.2019)
Mr. Rajan Luthra	Chief Financial Officer
Mr. Anil Kumar	Company Secretary & Compliance Officer

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

d) Enterprises owned or significantly influenced by Key Management Personnel or their relatives

VMS Equipment Pvt Ltd.

Rotadrill India Pvt Ltd.

Reachall India Pvt Ltd.

ACE Emergency Response Service Trust

ACE Employees Group Gratuity Scheme Trust

B. Transactions with related party

(i) Transactions with Subsidiaries, Associates and significantly influenced enterprises

Nature of Transaction	For the year	VMS Equipment Pvt Ltd.	Rotadrill India Pvt. Ltd.	Reachall India Pvt. Ltd.	Namo Metals	ACE Emergency Response Trust	Total
Sale of Goods	2019-20	1,232.13	273.00	–	–	–	1,505.13
	2018-19	813.59	–	–	–	–	813.59
Purchase of Goods	2019-20	7.35	–	–	–	–	7.35
	2018-19	50.00	–	–	–	–	50.00
Rent Received	2019-20	4.44	0.20	0.20	–	1.10	5.94
	2018-19	2.24	–	–	–	1.06	3.30
Donation Paid	2019-20	–	–	–	–	182.40	182.40
	2018-19	–	–	–	–	167.30	167.30
Investment in Equity	2019-20	–	–	–	107.47	–	107.47
	2018-19	–	–	–	80.95	–	80.95

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 Transaction	As at March 31, 2020	As at March 31, 2019
VMS Equipment Pvt Ltd.	Amount Receivable	98.65	39.29
Rotadrill India Pvt. Ltd.	Amount Receivable	322.38	–
Reachall India Pvt. Ltd.	Amount Receivable	0.24	–
		421.27	39.29

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

(iii) Transactions with Key management personnel

Name of Party/ Nature of Transaction	For the year	Short-term employee benefits	Dividend paid	Redemption of preference shares	Licence Fee Paid	Service rendered	Total
Mr. Vijay Agarwal	2019-20	306.00	415.66	–	56.40	–	778.06
	2018-19	306.09	303.69	500.00	56.40	–	1,166.18
Mrs. Mona Agarwal	2019-20	150.88	258.39	–	–	–	409.27
	2018-19	150.78	172.32	–	–	–	323.10
Mr. Sorab Agarwal	2019-20	58.79	76.24	–	–	–	135.03
	2018-19	58.73	84.09	604.39	–	–	747.21
Mrs. Surbhi Garg	2019-20	58.88	69.30	604.39	26.40	–	758.97
	2018-19	52.22	83.00	–	26.40	–	161.62
Mr. Girish Narain Mehra (IAS Retd.)	2019-20	–	–	–	–	1.50	1.50
	2018-19	–	–	–	–	1.65	1.65
Major General (Retd.) Dr. K. C. Agrawal	2019-20	–	–	–	–	1.05	1.05
	2018-19	–	–	–	–	0.75	0.75
Mr. Subhash Chander Verma	2019-20	–	–	–	–	2.10	2.10
	2018-19	–	–	–	–	1.80	1.80
Dr. Amar Singhal	2019-20	–	–	–	–	2.25	2.25
	2018-19	–	–	–	–	1.95	1.95
Mr. Avinash Parkash Gandhi	2019-20	–	–	–	–	1.20	1.20
	2018-19	–	–	–	–	–	–
Mr. Rajan Luthra	2019-20	61.56	–	–	–	–	61.56
	2018-19	61.39	–	–	–	–	61.39
Mr. Anil Kumar	2019-20	6.64	–	–	–	–	6.64
	2018-19	5.72	–	–	–	–	5.72

33. Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Guarantees	2,276.04	2,160.36
Letter of Credits	6,553.16	4,763.43
Claim against the Company, not acknowledged as Debts	803.99	819.27
Sales Tax, Excise & Income Tax Matters, pending before Assessing Appellate Authorities, not acknowledged as liability	3,415.22	3,218.16
	13,048.41	10,961.22

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, 2020

(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, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	900.77	1,358.34

(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, 2020	As at March 31, 2019
Within one year	27.43	127.63
Later than one year but not later than five years	25.61	56.81
Later than five years	–	–

34. Earnings per share (EPS)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit after tax for the year	5,263.81	5,616.18
Weighted average number of equity shares outstanding during the year	114,927,557	117,323,000
Basic earnings per share (in ₹)	4.58	4.79
Diluted earnings per share (in ₹)	4.58	4.79

35. Leases

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use 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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Leases (contd.)

The carrying value of Right of Use assets recognised on the date of transition and the movements thereof during the year ended March 31, 2020 :

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Particulars	Category of ROU asset		Total
	Office Building	Plant & Machinery	
Balance as at April 1, 2019	–	–	–
ROU assets recognised as on, April 1, 2019 on adoption of Ind AS 116	85.95	-	85.95
Additions during the year	27.14	8.48	35.62
Depreciation for the Year	(41.57)	(0.64)	(42.21)
Balance as at March 31, 2020	71.52	7.84	79.36

The carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

Particulars	Amount
Transition impact on account of adoption of Ind AS 116 “Leases”	85.95
Addition during the year	35.62
Finance Cost accrued during the year	8.92
Interest accrued but not due as on March 31, 2020	(0.06)
Payment of lease liabilities	(45.35)
Balance as at March 31, 2020	85.08
Current maturities of Lease Liabilities (refer Note 18)	43.04
Non-Current Lease Liability (refer note 14)	42.04

Impact on the Statement of Profit and Loss for year ended 31st March, 2020

Particulars	Amount
Depreciation expense of Right-of-Use assets	42.21
Interest on Lease Liabilities	8.92
Total	51.13

Rental expense recorded for Short-Term Leases was Rs. 106.61 lakhs for the year ended March 31, 2020. (Refer Note 27)

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

The maturity analysis of undiscounted lease liabilities is disclosed in Note 33 (c).

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Impact of COVID-19

The 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

36. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the “Suppliers” regarding their status under the Act.

Particulars	As at March 31, 2020	As at March 31, 2019
(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	4,492.88	1071.43
Interest due on above	–	–
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the suppliers beyond the appointed day during the period.	–	–
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	–	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

37. Segment information

The company’s operating segments are established on the basis of those components of the company which are evaluated regularly by the executive committee in deciding how to allocate resources and in assessing performances. The company has four(4) operating and reporting segments as given below:

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

(a) Segment Revenue and Results

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Segment revenue (Net)		
(i) Cranes	82,868.65	96,429.29
(ii) Construction Equipment	10,065.31	8,018.66
(iii) Material Handling	8,358.18	9,437.57
(iv) Agri Equipment	14,327.61	20,362.99
Total Segment Revenue	115,619.75	134,248.51

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment information (Contd.)

Segments results		
(i) Cranes	9,294.81	8,923.93
(ii) Construction Equipment	1.65	199.68
(iii) Material Handling	8,16.11	1,149.76
(iv) Agri Equipment	(411.45)	679.55
	9,701.12	10,952.92
Finance costs	(1,465.99)	(1,152.09)
Other Unallocated Expenses	(1,415.43)	(1,366.33)
Total Segment results	6,819.70	8,434.50

(b) Segment Assets and Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Segment assets		
(i) Cranes	67,441.09	60,428.65
(ii) Construction Equipment	10,198.24	7,276.61
(iii) Material Handling	2,866.78	3,596.83
(iv) Agri Equipment	5,803.82	6,836.51
Total segment assets	86,309.93	78,138.60
Unallocated	8,809.68	10,307.27
Total assets as per the balance sheet	95,119.61	88,445.87
Segment liabilities		
(i) Cranes	29,431.97	26,241.03
(ii) Construction Equipment	5,384.90	2,583.25
(iii) Material Handling	1,510.51	1,784.77
(iv) Agri Equipment	4,816.20	7,234.59
Total segment liabilities	41,143.58	37,843.64
Unallocated	53,976.03	50,602.23
Total liabilities as per the balance sheet	95,119.61	88,445.87

Segment revenue, segment results, segment assets and segment liabilities includes the respective amount identifiable for each operating segment.

The company is mainly engaged in the business in India and exports are not material. Hence in the context of Ind AS 108 segment identified above are the only reportable segments.

38 Previous year figures have been re-grouped/reclassified wherever necessary, to conform to current year's classification.

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

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : June 15, 2020

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/-
Subhash Chander Verma
Independent Director
DIN: 00098019

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 Ind AS Financial Statements of Action Construction Equipment Limited (herein referred to as “the Holding Company”) and its subsidiary (the Holding Company & its subsidiary together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (herein referred to as “the Consolidated Ind As Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on the separate financial statements of the subsidiary referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit including other comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Consolidated Ind AS Financial Statements’ section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS 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 Consolidated Financial Statements for the financial year ended March 31, 2020. 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 Ind AS 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 Ind AS Consolidated Financial Statements. The results of our audit procedures including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS Consolidated Financial Statements.

Sr. No.	Key Audit Matters	How Our audit addressed the key audit matters
1.	Accuracy, Completeness and disclosure with reference to	Ind AS 16 of Property, Plant and Equipment
	Property, Plant and Equipment including Intangible Assets and Capital Work in Progress represent significant values recorded in the statement of financial position. There are areas where Management judgements impact the carrying value of property, plant and equipment, intangible assets and their respective depreciation and amortization amounts. These include the decision to capitalize or expense costs; the annual asset life review; the timeliness of the capitalization of assets and the use of Management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use. We considered	Principal Audit Procedures Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows: <ol style="list-style-type: none"> We assessed the Company’s process regarding maintenance of records, Valuation and accounting of transactions relating to Property, Plant and Equipment including Intangible Assets and Capital Work in Progress as per the Ind AS 16. We tested the controls in place over the property, plant and equipment including intangible assets and Capital Work in Progress, evaluated the appropriateness of capitalisation policies, performed tests of details on costs capitalized.

	<p>this as a Key Audit Matter due to the materiality in context of the Company's Balance Sheet and the level of judgements and estimates required.</p>	<p>c) We have carried out substantive audit procedures at financial and assertion level to verify the capitalization of asset as Property, Plant and Equipment.</p> <p>d) We have verified the maintenance of records and accounting of transactions regarding capital work in progress by carrying out substantive audit procedures at financial and assertion level.</p> <p>e) We have reviewed management judgement pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment in accordance with Schedule II of Companies Act, 2013.</p> <p>f) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Ind AS 23.</p>
<p>2.</p>	<p>Valuation, Accuracy, Completeness and disclosures pertaining to Inventories with reference to Ind AS 2.</p>	
	<p>Inventory constitutes major part of the Company's Current Assets. Inventories are valued at lower of cost and net realizable value. The Company recognizes direct costs relating to procurement of material as part of inventory. The Company recognizes an inventory allowance if inventory items are damaged, if the selling price has declined or if the estimated costs to completion have increased.</p> <p>We considered this a Key Audit Matter because of the;</p> <p>i) Significance of the inventory level.</p> <p>ii) Complexity involved in determining inventory quantities on hand due to the number, location and diversity of inventory storage location</p> <p>iii) Valuation procedure of inventories.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>a) We assessed the Company's process regarding Maintenance of records, Valuation and accounting of transactions relating to Inventory as per the Indian Accounting Standard 2.</p> <p>b) We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation.</p> <p>c) We have carried out substantive audit procedures at financial and assertion level to verify the allocation of overheads to Inventory.</p> <p>d) We critically assessed the Company's inventory provisioning policy, with specific consideration given to warranty materials returned back to inventory and their movement status.</p> <p>e) We have verified the compliance with the standard norms relating to production as framed and timely updated by the management.</p>

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 Report of the Directors and the following Annexures thereon namely Management Discussion and Analysis, Report on the Corporate Governance, Annual report on Corporate Social responsibility Activities, Form AOC-1, Form AOC-2, Conservation of energy, Technology Absorption and exchange Earnings and outgo but does not include the consolidated Ind AS financial Statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements our responsibility is to read the other information with the unaudited financial information for the period January 01, 2020 to March 31, 2020 in respect of the foreign subsidiary whose financial year ending is December 31, 2019 to the extent it relates to the entity and in doing so place reliance on these 3 months period unaudited financial information as submitted by the Management and to consider whether the other information is materiality inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from the unaudited financial information as submitted by the Management. If based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the Implementation Guide on Reporting Standards matters stated in section 134(5) of the Act, with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Boards of Directors of the companies included in the Group are also responsible for overseeing the Group financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are independent auditor to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the directions, supervisions and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated Ind AS financial statements which have been audited by another auditor such other auditor remain responsible for the directions, supervision and performance except for a period of 3 months unaudited financial information provided by the Management and for such Management remains responsible for the directions, supervision and performance of the 3 months unaudited financial information as submitted by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated Ind AS financial statements of which we are the independent auditors regarding among other matters the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

Other Matter

- We did not audit the financial information of subsidiary "SC Forma SA" included in the financial statements whose financial information reflects total assets of ₹ 392.58 lacs as at March 31, 2020 and total income of ₹ 14.98 lacs which includes revenue from operations of ₹ 3.21 lacs and other income of ₹ 11.77 lacs, total net loss after tax ₹ 16.73 lacs for the year ended March 31, 2020 and net cash outflow of ₹ 0.66 lacs for the year ended March 31, 2020 as considered in the financial statements. In respect of the said foreign subsidiary whose financial year is ending on December 31, 2019 has been audited by other auditor and 3 months financial information are unaudited and 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 this subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these 3 months unaudited financial information are not material to the Group.

Our opinion is not modified in respect of these matter.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary referred to in other matters section above, we report to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books of accounts and unaudited financial information of the 3 months of the subsidiary provided by the Management.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statements of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and on the report of the statutory auditor of the subsidiary company and 3 months unaudited financial information of its subsidiary as submitted by the Management of the Holding Company, none of the directors of the Group is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such internal financial controls over the financial reporting with reference to these Consolidated Ind As financial statements of the Holding company, refer to our separate Report in “Annexure A” of this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act as amended In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Consolidated Ind AS financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements;
 - (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2020.

For BRAN & ASSOCIATES
Chartered Accountants
Firm’s Registration No.014544NS

CA Ravi Gulati
Partner
Membership No.090672
UDIN: 20090672AAAABB4317

Place : Faridabad

Date : 15th June 2020

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, 2020 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting

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

Opinion

In our opinion, to the best of our knowledge and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 number: 014544N

CA Ravi Gulati
Partner
UDIN: 20090672AAAABB4317

Place : Faridabad
Date : 15th June 2020

Consolidated Balance Sheet as at March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	39,892.01	32,746.70
Capital work in progress	2	1,935.13	827.69
Investment properties	3	1,222.43	1,251.33
Intangible assets	4	91.24	56.75
Financial assets			
i. Investments	5	2,146.60	1,843.28
ii. Other financial assets	6	144.96	452.32
Other non-current assets	7	1,298.67	6,854.11
Non-current tax assets (Net)		14.30	16.11
Total Non-Current Assets		46,745.34	44,048.29
Current Assets			
Inventories	8	27,068.56	21,288.77
Financial assets			
i. Investments	5	647.40	2,665.85
ii. Trade receivables	9	14,732.70	14,411.29
iii. Cash and cash equivalents	10	339.00	844.90
iv. Bank balances other than (iii) above	11	587.95	297.48
v. Other current financial assets	6	230.47	233.65
Other current assets	7	4,795.18	4,740.57
Current tax Assets (Net)		213.33	159.15
Total Current Assets		48,614.59	44,641.66
Total Assets		95,359.93	88,689.95
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,269.66	2,346.46
Other equity	13	41,994.21	41,408.32
Equity attributable to the owners of Action Construction Equipment Limited		44,263.87	43,754.78
Non-Controlling Interests		30.21	29.00
Total Equity		44,294.08	43,783.78
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	14	2,946.21	3,725.17
Provisions	15	347.58	260.26
Deferred tax liabilities (Net)	16	1,418.46	1,559.10
Total Non-Current Liabilities		4,712.25	5,544.53
Current Liabilities			
Financial liabilities			
i. Borrowings	14	4,466.86	664.86
ii. Trade payables	17		
(a) Total outstanding dues of micro enterprises and small enterprises		4,492.88	1,071.43
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		27,557.07	26,990.82
iii. Other financial liabilities	18	7,274.38	8,205.20
Other current liabilities	19	2,322.44	2,276.32
Provisions	15	134.62	153.01
Current tax liabilities (Net)		105.35	–
Total Current Liabilities		46,353.60	39,361.64
Total Equity and Liabilities		95,359.93	88,689.95

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

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

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : June 15, 2020

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/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	20	115,622.96	134,252.68
Other income	21	414.89	970.67
Total income		116,037.85	135,223.35
Expenses			
Cost of materials consumed	22	80,964.01	101,161.89
Purchase of stock-in-trade		1,635.08	1,509.37
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(3,149.64)	(4,700.65)
Employee benefits expenses	24	8,569.33	7,510.73
Finance costs	25	1,465.99	1,152.09
Depreciation and amortisation expenses	26	1,301.35	1,175.27
Other expenses	27	18,448.79	18,994.04
Total expenses		109,234.91	126,802.74
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		6,802.94	8,420.61
Share of net profit of associates accounted for using equity method		–	–
Profit before exceptional items and tax		6,802.94	8,420.61
Exceptional items		–	–
Profit before tax		6,802.94	8,420.61
Tax expense:	28		
Current tax		1,693.25	2,643.20
Deferred tax		(137.36)	175.12
Profit after tax		5,247.05	5,602.29
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment defined benefit obligation		(17.19)	(2.18)
Income tax relating to these items		3.28	0.74
Other Comprehensive income for the year (net of tax)		(13.91)	(1.44)
Total comprehensive income for the year		5,233.14	5,600.85
Profit attributable to:			
Owners		5,248.84	5,604.08
Non-Controlling Interest		(1.79)	(1.79)
Other Comprehensive income attributable to:			
Owners		(13.91)	(1.44)
Non-Controlling Interest		–	–
Total Comprehensive income attributable to:			
Owners		5,234.93	5,602.64
Non-Controlling Interest		(1.79)	(1.79)
Earnings per equity share (Face Value of ₹ 2/- each)	34		
Basic (in ₹)		4.57	4.78
Diluted (in ₹)		4.57	4.78

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

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

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : June 15, 2020

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/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

Balance as at April 1, 2018	2,346.46
Increase/(Decrease) during the year	—
Balance as at March 31, 2019	2,346.46
Increase/(Decrease) during the year	(76.80)
Balance as at March 31, 2020	2,269.66

B) Other equity

Particulars	General Reserve	Capital Redemption Reserve	Capital Reserve	Securities Premium	Retained earnings	Total
Balance as at April 1, 2018	9,925.00	1,313.16	571.96	8,532.73	15,525.30	35,868.15
Profit for the year	—	—	—	—	5,604.08	5,604.08
Other comprehensive income	—	—	—	—	(1.44)	(1.44)
Dividend	—	—	—	—	(586.62)	(586.62)
Tax on Dividend	—	—	—	—	(120.58)	(120.58)
Adjusted on account of merger	—	—	(571.96)	—	1,446.96	875.00
Transferred on redemption of Preference Shares	—	1,104.39	—	—	(1,104.39)	—
Goodwil written off	—	—	—	—	(230.00)	(230.00)
Translation of foreign Currency Loans/Investments	—	—	—	—	(0.27)	(0.27)
Balance as at March 31, 2019	9,925.00	2,417.55	—	8,532.73	20,533.04	41,408.32
Profit for the year	—	—	—	—	5,248.84	5,248.84
Other comprehensive income	—	—	—	—	(13.91)	(13.91)
Dividend	—	—	—	—	(1,144.97)	(1,144.97)
Tax on Dividend	—	—	—	—	(235.35)	(235.35)
Utilised on buyback of equity shares	—	—	—	(3,257.22)	—	(3,257.22)
Transferred on Buyback of Equity Shares	—	76.80	—	—	(76.80)	—
Transferred on redemption of Preference Shares	—	604.39	—	—	(604.39)	—
Translation of foreign currency investments	—	—	—	—	(11.50)	(11.50)
Balance as at March 31, 2020	9,925.00	3,098.74	—	5,275.51	23,694.96	41,994.21

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 : June 15, 2020

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/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Consolidated Statement of Cash Flow for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	6,802.94	8,420.61
Adjustments for		
Depreciation and amortisation expense	1,301.35	1,175.27
Gain on disposal of property, plant and equipment	(105.80)	(42.40)
Loss on disposal of property, plant and equipment	50.34	31.35
Unrealised foreign exchange loss	90.08	10.61
Interest income	(67.94)	(261.68)
(Gain)/ loss on Investments carried at fair value through profit or loss (net)	35.37	(246.92)
Rental income classified as investing cash flows	(93.05)	(103.01)
Finance costs	1,457.07	1,152.09
Finance charges of lease liabilities	8.92	–
Bad Debts Written off	200.33	348.27
Provision for doubtful receivable	165.09	7.59
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(614.55)	2,229.56
(Increase)/Decrease in inventories	(5,779.79)	(6,858.96)
(Increase)/Decrease in other financial assets	(6.14)	81.05
(Increase)/Decrease in other current assets	(53.27)	(1,109.02)
Increase/(Decrease) in trade payables	3,815.48	4,474.81
Increase/(Decrease) in provisions	51.74	(87.34)
Increase/(Decrease) in other financial liabilities	(866.38)	286.96
Increase/(Decrease) in other current liabilities	46.12	(116.81)
Cash generated from operations	6,437.91	9,392.03
Income taxes paid	(1,640.28)	(2,187.93)
Net cash inflow/(outflow) from operating activities	4,797.63	7,204.10
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,655.17)	(2,446.57)
Purchase of Intangible assets	(70.34)	(6.24)
Capital advances and Capital work in progress	4,448.00	(565.74)
Sale /(Purchase) of Investments	1,715.14	(983.15)
Proceeds from disposal of property, plant & equipment and Investment Property	450.29	729.52
Fixed deposit having maturity more than 3 months	26.22	(5.16)
Interest income	67.94	261.68
Gain on Investments carried at fair value through profit or loss (net)	(35.37)	246.92
Rental income classified as investing cash flows	93.05	103.01
Net cash inflow/(outflow) from investing activities	(1,960.24)	(2,665.73)

Consolidated Statement of Cash Flow for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from financing activities		
Net proceeds from non-current borrowings	(928.48)	(1,404.29)
Net proceeds from current borrowings	4,406.39	3.04
Payment of lease liabilities	(36.48)	–
Redemption of Preference Shares	(604.39)	(1,104.39)
Interest paid	(1,457.07)	(1,152.09)
Finance charges of lease liabilities paid	(8.92)	–
Dividend and Tax thereon	(1,380.32)	(707.20)
Buy-back of Equity Shares	(3,334.02)	–
Net cash inflow/(outflow) from financing activities	(3,343.29)	(4,364.93)
Net increase/(decrease) in cash and cash equivalents	(505.90)	173.44
Cash and cash equivalents at the beginning of the year	844.90	671.46
Cash and cash equivalents at end of the year	339.00	844.90

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, 2020	As at March 31, 2019
Balances with banks in current accounts	66.17	538.64
Cash on hand	49.89	49.69
Bank/ Term deposits with original maturity less than 3 months	222.94	256.57
	339.00	844.90

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 : June 15, 2020

Sd/-
Rajan Luthra
Chief Financial Officer

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

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Anil Kumar
Company Secretary

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(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 consolidated financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 15, 2020.

1. 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

Compliance with Ind AS

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 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 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 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 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 Consolidated Financial Statements for the year ended March 31, 2020

(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, value added taxes, goods and services tax (GST) and amounts collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Recognising revenue from major business activities

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date when the outcome of the transaction can be estimated reliably.

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

Income from export incentives/ government grants are recognised at fair value when there is reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Rental Income

Rental income is recognised on a straight-line basis over the term of the lease.

Interest Income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Dividend Income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

b) Foreign currency translation

Functional and presentation currency

The 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 Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate on the reporting date. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

d) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives mentioned below:

Asset category	Estimated useful life
Factory Building	10-30 Years
Office Building	60 Years
Plant and Machinery	9-15 Years
Furniture & Fixtures	10 Years
Office Equipment	5-10 Years
Motor Vehicles	8 Years
Computers	3-5 Years
Electric Equipment & Fittings	10 Years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for certain items within these classes of assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

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 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 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 used and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

f) Intangible assets

Recognition and initial measurement

Purchased Intangible assets are stated at cost less accumulated amortisation and impairment, if any.

Computer Software and Technical Knowhow

All finite-lived intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Asset category	Estimated useful life
Computer Software	5 Years
Technical Know how	5 Years

g) Leases

Company as a lessee

The Company enters into an arrangement for lease of land, Building, Gas Storage Tank etc. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception.

A contract is, or contains, a lease if the contract conveys the right to –

- (a) control the use of an identified asset,

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

- (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 head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

h) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- (i) at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- (ii) in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below:

h.1) Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

(i) Financial assets at amortised cost

A financial instrument is measured at amortised cost if both the following conditions are met;

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

(ii) Investments in equity instruments of subsidiaries and associates

Investments in equity instruments of subsidiaries and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

(iii) Financial assets at fair value

- **Investments in equity instruments other than above** - All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

- **Mutual funds** - All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

h.2) Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest method.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

i) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider .

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

Trade receivables are recognized initially at fair value and subsequent measured at amortized cost using the effective interest method, less provision for impairment.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

j) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

k) Fair value measurement

The Company measures certain financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest (Refer Note 30 for fair value hierarchy).

l) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

m) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax Laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority

n) Investment in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses, if any where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of Profit and Loss.

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

q) Post-employment, long term and short term employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The group operates the following post-employment scheme:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

r) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised and continuously assessed for recoverability. However, when inflow of economic benefits is probable, related asset is disclosed.

s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t) Amounts rounding off

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division III) of the Companies Act, 2013, unless otherwise stated.

1.4. Key accounting estimates and judgements

The preparation of the Company's Financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

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 estimation 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) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost-to-sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent managements best estimate about future developments.

d) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 29, 'Employee benefits'.

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 Changes in accounting policies and disclosures

New Accounting Standard adopted by the Company:

The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31st March 2019, except for the adoption of new standard effective

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

as of 1st April, 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. In addition to Ind AS 116 - "Leases", which is applicable for the first time, several other amendments and interpretations apply for the first time from 1st April, 2019, but do not have an impact on the Financial Statements of the Company.

Transition to Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective approach for annual reporting period beginning April 1, 2019 (i.e initial application date) to its leases at the date of initial application without any adjustments to the opening balance of the Retained Earnings. Therefore, the comparative information has not been restated and continues to be reported under Ind AS 17.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, 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 asset an amount equal to lease liability.

There is no difference between discounted operating lease commitments as at 31st March, 2019 and the discounted lease liabilities as at 1st April, 2019.

Based on foregoing, as at 1st April, 2019, Right-of-Use asset of ₹ 85.95 lakhs was recognised in the balance sheet.

Refer note 35 for detailed impact of adoption of Ind AS 116 "Leases" on the financial statements of the Company.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(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, 2019 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2018	Additions for the Year	Deletions / Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Deletions	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Land	16,415.42	248.36	–	16,663.78	–	–	–	–	16,415.42	16,663.78
Factory Building	5,590.94	701.68	–	6,292.62	2,152.73	165.00	–	2,317.73	3,438.21	3,974.89
Office Building	5,141.90	62.94	8.69	5,196.15	484.70	90.11	5.16	569.65	4,657.20	4,626.50
Plant & Machinery	11,156.72	1,050.73	1,026.34	11,181.11	4,965.59	574.15	336.07	5,203.67	6,191.13	5,977.44
Furnitures & Fixtures	907.07	173.22	–	1,080.29	556.86	64.04	–	620.90	350.21	459.39
Office Equipment	351.99	48.61	–	400.60	219.17	29.56	–	248.73	132.82	151.87
Motor Vehicles	1,559.00	69.53	83.43	1,545.10	743.05	142.01	59.06	826.00	815.95	719.10
Computer	407.92	36.72	0.36	444.28	345.85	27.66	0.06	373.45	62.07	70.83
Electric Equipment & Fittings	249.38	54.78	–	304.16	183.40	17.86	–	201.26	65.98	102.90
Total	41,780.34	2,446.57	1,118.82	43,108.09	9,651.35	1,110.39	400.35	10,361.39	32,128.99	32,746.70

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2020 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2019	Additions for the Year	Deletions / Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation for the year	Deletions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Land	16,663.78	445.05	–	17,108.83	–	–	–	–	16,663.78	17,108.83
Factory Building	6,292.62	366.88	35.64	6,623.86	2,317.73	187.41	3.82	2,501.32	3,974.89	4,122.54
Office Building	5,196.15	5,751.16	–	10,947.31	569.65	90.99	–	660.64	4,626.50	10,286.67
ROU- Office Building	–	113.09	–	113.09	–	41.57	–	41.57	–	71.52
Plant & Machinery	11,181.11	1,431.18	676.88	11,935.41	5,203.67	606.01	393.13	5,416.55	5,977.44	6,518.86
ROU- Plant & Mach.	–	8.48	–	8.48	–	0.64	–	0.64	–	7.84
Furnitures & Fixtures	1,080.29	105.59	1.52	1,184.36	620.90	77.71	0.08	698.53	459.39	485.83
Office Equipment	400.60	43.69	–	444.29	248.73	32.91	–	281.64	151.87	162.65
Motor Vehicles	1,545.10	461.82	141.11	1,865.81	826.00	154.96	71.91	909.05	719.10	956.76
Computer	444.28	19.36	3.39	460.25	373.45	29.88	0.09	403.24	70.83	57.01
Electric Equipment & Fittings	304.16	30.44	–	334.60	201.26	19.84	–	221.10	102.90	113.50
Total	43,108.09	8,776.74	858.54	51,026.29	10,361.39	1,241.92	469.03	11,134.28	32,746.70	39,892.01

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

2 (b) Capital Work-in-progress

Particulars	As at April 1, 2018	Additions	Capitalisation	As at March 31, 2019	Additions	Capitalisation	As at March 31, 2020
Capital work-in-progress	517.79	1,245.32	935.42	827.69	7,454.70	6,347.26	1,935.13

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

Particulars	As at March 31, 2020	As at March 31, 2019
Land	558.14	–
Factory Building	1,215.50	1,216.49
Office Building	6,326.05	356.63
Plant and Machinery	6,518.84	5,977.44
Motor Vehicles	171.25	326.31
	14,789.78	7,876.87

(ii) Capital commitments - Refer Note No. 33.

3. Investment properties

Particulars	As at April 1, 2018	Additions/Charge for the Year	Disposal	As at March 31, 2019	Additions/Charge for the Year	Disposal	As at March 31, 2020
Gross carrying value	1,772.45	–	–	1,772.45	–	9.30	1,763.15
Accumulated depreciation	497.45	23.67	–	521.12	23.58	3.98	540.72
Net carrying value	1,275.00			1,251.33			1,222.43

(i) Investment properties Pledged as security (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Net carrying value of Investment properties	–	328.89

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental income	93.05	103.01
Direct operating expenses that generated rental income	14.41	10.90
Direct operating expenses that did not generate rental income	–	–
Profit from leasing of investment properties before depreciation	78.64	92.11
Depreciation	23.58	23.67
Profit from investment properties	55.06	68.44

(iii) 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(iv) Fair value of Investment properties

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of Investment properties	2,024.79	2,024.79

Estimation of fair value

The group obtains valuation for its investment property. The best evidence of fair value is current prices in an active market for similar properties, which is considered as fair value of investment properties.

In case of valuation of land & building current prices in an active market for similar properties of the same area and localities have been taken. The rates of which are based on verbal enquiries from the property dealers of the area and localities.

4. Intangible assets

The changes in the carrying value of intangible assets for the year ended March 31, 2019 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2018	Additions for the year	Deletions / Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Deletions	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Computer Software	612.49	6.24	–	618.73	577.75	13.99	–	591.74	34.74	26.99
Technical Know how	220.34	–	–	220.34	163.36	27.22	–	190.58	56.98	29.76
Goodwill	230.53	–	230.53	–	–	–	–	–	230.53	–
Total	1,063.36	6.24	230.53	839.07	741.11	41.21	–	782.32	322.25	56.75

The changes in the carrying value of intangible assets for the year ended March 31, 2020 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2019	Additions for the year	Deletions / Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation for the year	Deletions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Computer Software	618.73	6.75	–	625.48	591.74	14.55	–	606.29	26.99	19.19
Technical Know how	220.34	63.59	–	283.93	190.58	21.30	–	211.88	29.76	72.05
Total	839.07	70.34	–	909.41	782.32	35.85	–	818.17	56.75	91.24

5. Investments

(i) Investments - Non Current

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Investments in associates - Unquoted investment carried at cost		
ACE Employees Group Gratuity Scheme Trust	0.25	0.25

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
(b) Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
2000000 Units (PY- 2000000 Units) LD525G-SBI Debts Fund Series-C-7-(1190 Days)- Direct Growth*	236.93	217.67
2000000 Units (PY- 2000000 Units) LD528G-SBI Debts Fund Series-C-9-(1150 Days)- Direct Growth	236.90	217.29
4239905.706 Units (PY- 4239905.706 Units) Nippon India Fixed Horizon Fund - XXXVIII - Series 02 - Direct Growth Plan (TQAG)	438.88	451.21
1000000 Units (PY- 1000000 Units) Nippon India Fixed Horizon Fund XXXIX- Series 2 - Direct Growth Plan (FGAG)	118.16	107.42
2000000 Units (PY- 2000000 Units) Axis Fixed Term Plan - Series 97 (1116 Days) Growth (WIGPG)	215.85	208.98
1023198.525 Units (PY- 1023198.525 Units) LD543G SBI Debts Fund Series C-20 (1100 Days) Direct Growth*	119.36	109.39
5000000 Units (PY- 5000000 Units) LD544G SBI Debts Fund Series - C-21 (1100 Days) - Direct Growth*	573.13	531.07
(c) Investment in Debentures - Un-quoted		
Debentures of R V Investements Pvt. Ltd.	207.14	—
	2,146.60	1,843.28
Aggregate amount of quoted investment and market value thereof	1,939.21	1,843.03
Aggregate amount of unquoted investments	207.39	0.25
Aggregate amount of impairment in the value of investments	—	—

*Mutual funds pledged with State Bank of India

(ii) Investments - Current

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
Nil Units (PY 3293283.279 Units) Reliance Credit Risk Fund - Growth Plan Growth Option (SDGPG)	—	848.95
Nil Units (PY 18840.140 Units) LD72SG-SBI Liquid Fund- Direct Growth	—	551.75
Nil units (PY 26189.77 units) Reliance Ultra Short Duration Fund-Direct Growth Plan (CPAGG)	—	800.41
112083.33 units (PY 1026396.078 units) L465G SBI Dynamic Asset Allocation Fund - Regular Plan - Growth	12.97	137.42
1404616.11 Units (PY 531449.22 Units) ICICI Prudential Balanced Advantage Fund - Growth	429.39	187.81
825789.03 units (PYs 484081.92 units) Invesco India Dynamic Equity Fund - Growth	205.04	139.51
	647.40	2,665.85
Aggregate amount of quoted investment and market value there of	647.40	2,665.85
Aggregate amount of unquoted investments	—	—
Aggregate amount of impairment in the value of investments	—	—

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

6. Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non-current financial assets (Unsecured, Considered good)		
Security deposits	108.33	92.18
Employee Advances	12.79	15.66
Term deposits with Banks [#]	23.84	344.48
	144.96	452.32
(ii) Current financial assets (Unsecured, Considered good)		
Security deposits	151.53	180.87
Employee Advances	71.58	52.38
Interest receivable on fixed deposits	4.35	0.40
Accrued Interest on Investment in Debentures	3.01	–
	230.47	233.65

7. Other assets

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Other non-current assets		
Capital advances	1,298.67	6,854.11
	1,298.67	6,854.11
(ii) Other current assets		
Advances to Suppliers	3,011.10	2,455.63
Balance with Government Authorities		
Sales Tax Receivable	96.79	92.14
Balance with Excise/ GST Authorities	1,145.95	1,782.16
Duty Drawback Receivable	75.00	81.64
Balance with Custom Authorities	246.85	103.48
Prepaid expenses	146.99	194.55
Others	72.50	30.97
	4,795.18	4,740.57

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

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Material and Components		
Raw Material and Components	13,674.62	12,955.65
Goods-in-transit	2,745.86	834.68
	16,420.48	13,790.33
Work-in-Progress	4,239.19	2,793.44
Finished Goods	6,408.89	4,705.00
	27,068.56	21,288.77

Note: Working capital facilities are secured by first pari passu charge on entire inventories, for detail refer Note No. 14

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

9. Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered good	14,732.70	14,411.29
Doubtful	244.39	78.95
	14,977.09	14,490.24
Allowances for doubtful receivables	(244.39)	(78.95)
	14,732.70	14,411.29

Note:

- (i) Receivables due from related parties (Refer Note No. 32) 421.27 39.29
(ii) Working capital facilities are secured by first pari passu charge on entire book debts (Refer Note No. 14)

10. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks in current accounts	66.17	538.64
Cash on hand	49.89	49.69
Bank/ Term deposits with original maturity less than 3 months	222.94	256.57
	339.00	844.90

11. Other Bank Balances

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits with maturity more than 3 months but less than 12 months [#]	578.37	291.99
Unclaimed dividend Accounts	9.58	5.49
	587.95	297.48

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

Particulars	As at March 31, 2020	As at March 31, 2019
Deposit pledged with the State Bank of India	225.24	213.42
Deposit pledged against the bank guarantee	211.03	378.44
	436.27	591.86

12. Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
a) Authorised Capital:				
Equity shares of ₹ 2/- each	125,000,000	2,500.00	125,000,000	2,500.00
8% Cumulative Non-Participating Redeemable Preference Shares of ₹ 10/- each	30,250,000	3,025.00	30,250,000	3,025.00
Issued, Subscribed and fully paid up:				
Equity shares of ₹ 2/- each	113,483,196	2,269.66	117,323,000	2,346.46

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

b) Reconciliation of number of equity shares Outstanding				
At the beginning of the year	117,323,000	2,346.46	117,323,000	2,346.46
Changes during the year	(3,839,804)	(76.80)	–	–
At the end of the year	113,483,196	2,269.66	117,323,000	2,346.46

c) During the year pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, the provisions of the SEBI (Buy Back of Securities) Regulations, 2018, Article 62 of the Articles of Association of the Company and pursuant to the resolutions passed by the Board of Directors of the Company at their meeting held on May 16, 2019, the Company has bought back 38,39,804 No. of Equity shares of ₹ 2 each in electronic form.

d) **Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding March 31, 2020**

No of Shares				
March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
–	–	–	–	18,383,000

1,83,83,000 equity shares of ₹ 2/- each fully paid up, issued as consideration during the year ended March 31, 2016 pursuant to the scheme of arrangement between ACE TC Rentals Private Limited and Action Construction Equipment Limited.

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.

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	%age	No. of Shares	%age
Mr. Vijay Agarwal / Mrs. Mona Agarwal	41,738,092	36.78%	41,428,731	35.31%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	25,839,407	22.77%	25,839,407	22.02%
Mr. Sorab Agarwal	7,623,650	6.72%	7,623,650	6.50%
Mrs. Surbhi Garg	6,930,156	6.11%	6,930,156	5.91%

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

13. Other Equity

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
General Reserve	(a)	9,925.00	9,925.00
Capital Redemption Reserve	(b)	3,098.74	2,417.55
Securities Premium Reserve	(c)	5,275.51	8,532.73
Retained Earnings	(d)	23,694.96	20,533.04
		41,994.21	41,408.32

Particulars	As at March 31, 2020	As at March 31, 2019
a) General reserve		
Balance at the beginning of the year	9,925.00	9,925.00
Transferred from retained earnings	–	–
Balance at the end of the year	9,925.00	9,925.00
b) Capital Redemption Reserve		
Balance at the beginning of the year	2,417.55	1,313.16
Transferred from retained earnings on Buyback of Equity Shares	76.80	–
Transferred from retained earnings on redemption of Preference Shares	604.39	1,104.39
Balance at the end of the year	3,098.74	2,417.55
c) Securities Premium Reserve		
Balance at the beginning of the year	8,532.73	8,532.73
Premium paid on buyback of equity shares	(3,257.22)	–
Balance at the end of the year	5,275.51	8,532.73
d) Retained earnings		
Balance at the beginning of the year	20,530.33	15,521.15
Net profit for the year	5,248.84	5,604.08
Transferred to CRR on redemption of Preference Shares	(604.39)	(1,104.39)
Transferred to CRR on Buyback of Equity Shares	(76.80)	–
Payment of equity dividend and tax thereon	(1,380.32)	(707.20)
Adjusted on account of Merger	–	1,446.96
Goodwill written off	–	(230.00)
Translations of foreign currency loans/ Investments	(11.50)	(0.27)
	23,706.16	20,530.33
Other comprehensive income (net of tax)		
Re-measurements of defined employee benefit plans		
At the beginning of the year	2.71	4.15
Changes during the year	(13.91)	(1.44)
	(11.20)	2.71
Balance at the end of the year	23,694.96	20,533.04

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Other Equity (contd.)

Nature and purpose of other reserves

a) General reserve

It is the portion of net profit transferred to general reserve before declaring dividend pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

b) Capital redemption reserve

It is created on redemption of preference shares and buyback of equity shares, out of current year profits.

c) Securities premium reserve

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

14. Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non-current Borrowings		
Secured		
Term Loans from Banks in ₹	3,703.42	4,580.27
Term Loans from NBFC	27.49	79.12
Lease Liability	85.08	–
	3,815.99	4,659.39
Current maturity of long term loans	(826.74)	(934.22)
Current maturity of lease liability	(43.04)	–
	2,946.21	3,725.17
(ii) Current Borrowings		
Secured		
Cash Credit	1,666.50	60.47
Short term loans	2,265.10	–
Working Capital Demand Loan	535.26	–
Unsecured		
8% Cumulative Non-Participating Redeemable Preference Shares	–	604.39
	4,466.86	664.86

Notes:-

a) There have been no breach of covenants mentioned in the loan agreements during the reporting period.

b) Detail of Preference shareholder

Particulars	As at March 31, 2020	As at March 31, 2019
Mrs. Surbhi Garg	–	604.39

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Borrowing (contd.)

c) Detail of Borrowings

Sl. No.	Nature of Loans	Repayment terms	Security offered	Rate of Interest	As at March 31, 2020	As at March 31, 2019
1.	Rupee Loan from ICICI Bank Ltd.	Repayable in 122 equated monthly installments, including interest	Exclusive charge on the assets financed out of this loan.	8.70%	2,562.98	2,786.68
2.	Rupee Loan from Kotak Mahindra Bank Ltd.	Repayable in 60 equated monthly installments, including interest	Exclusive charge by way of equitable mortgage over property situated at industrial unit at Plant IV Prithla Dhatir Road, Village Dudholla, Palwal and Subservient charge on all existing and future current assets of the company.	9.00%	1,121.06	1,618.65
3.	Commercial Equipment Loan from ICICI Bank Ltd., HDFC Bank Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Commercial equipment financed out of these loan.	8.50%	–	116.93
4.	Vehicle loan from HDFC Bank Ltd., ICICI Bank, Kotak Mahindra Prime Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Vehicle financed out of these loan.	8.50%	46.87	130.14
5.	Vehicle loan from Daimler Financial Services India Pvt.Ltd.	Repayable in equated monthly installments as per the schedule.	Exclusive Hypothecation on the Vehicle financed out of this loan.	9.80%	–	6.99
6.	8% Cumulative Non-Participating Redeemable Preference Shares	Repayable at the option of company's management, within 20 years from the date of issue	Nil	8.00%	–	604.39
7.	Working capital facilities from various banks	Repayable on demand	Secured by way of hypothecation of the Company's entire inventory and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivable, both present & future and Plant & Machinery on pari passu basis and First charge by the way of equitable mortgage of 1425 Sq. Yards Land situated at Lakkarpur and office No. 403, Pinnacle Tower Situated at Surajkund, Faridabad on pari passu basis	9.00%	4,466.86	60.47

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

15. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non-Current Provisions		
Provision for Leave entitlement	222.06	183.63
Provision for Gratuity	125.52	76.63
	347.58	260.26
(ii) Current Provisions		
Provision for warranty	101.30	119.90
Provision for Leave entitlement	33.32	33.11
	134.62	153.01

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. The company expect to incur the related expenditures over the next year.

Movement in Provisions

Particulars	Provision for Leave Entitlements	Provision for Warranty
Provision at April 1, 2018	199.18	193.63
Additional provisions recognised	216.74	119.90
Amount utilised during the year	(199.18)	(193.63)
Provision at March 31, 2019	216.74	119.90
Additional provisions recognised	255.38	101.30
Amount utilised during the year	(216.74)	(119.90)
Provision at March 31, 2020	255.38	101.30

16. Deferred tax liabilities (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
Depreciation on Property, plant and equipment and intangible assets	1,545.82	1,685.51
	1,545.82	1,685.51
Deferred tax Assets		
Provision for employee benefits	67.55	101.06
Provision for doubtful debts	59.81	25.35
	127.36	126.41
Deferred tax liabilities (Net)	1,418.46	1,559.10

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred tax liabilities (Net) (contd.)

Movement in deferred tax liabilities (Net)

Particulars	Property, plant, equipment and intangible assets	Provision for employees benefit	Provision for doubtful debts
As at April 1, 2018	1,519.12	(103.30)	(31.10)
Charged/(Credited):			
-to profit and loss	166.39	2.98	5.75
-to other comprehensive income	–	(0.74)	–
As at March 31, 2019	1,685.51	(101.06)	(25.35)
Charged/(Credited):			
-to profit and loss	(139.69)	36.79	(34.46)
-to other comprehensive income	–	(3.28)	–
As at March 31, 2020	1,545.82	(67.55)	(59.81)

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 Remeasured its Deferred Tax Liability based on the rate prescribed in the said section.

17. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Dues to Micro and Small Enterprises*	4,492.88	1,071.43
Dues to enterprises other than Micro and Small Enterprises	27,557.07	26,990.82
	32,049.95	28,062.25

*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. There are no interests due or outstanding on the same.

18. Other current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of long term debts	826.74	934.22
Current maturity of lease liability	43.04	–
Unclaimed Dividends	9.58	5.49
Security deposits	882.95	739.72
Employee benefits	666.14	632.11
Others Payables	4,845.93	5,893.66
	7,274.38	8,205.20

19. Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from customers	1,567.26	1,677.80
Statutory Liabilities	252.69	267.85
Deferred revenue	481.49	330.67
Other Current Liabilities	21.00	–
	2,322.44	2,276.32

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

20. Revenue from operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products	113,993.27	132,511.47
Sale of Services	124.62	145.31
Hiring Charges	1,251.79	1,317.37
Export Incentives	201.79	121.97
Other operating revenue	51.49	156.56
	115,622.96	134,252.68

21. Other income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income	67.94	261.68
Rental income	93.05	103.01
Profit on Sale of property, plant and equipment	105.80	42.40
Gain on Investments carried at fair value through profit or loss (net)	–	246.92
Gain on foreign currency transactions (Net)	–	136.49
Miscellaneous income	148.10	180.17
	414.89	970.67

22. Cost of materials consumed

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock of Raw material	13,790.33	11,632.02
Add: Purchases (net of returns)	85,229.24	104,829.57
Less: Closing stock of Raw material	(16,420.48)	(13,790.33)
Less: Purchase of Stock-in-trade	(1,635.08)	(1,509.37)
	80,964.01	101,161.89

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock		
Work-in progress	2,793.44	722.51
Finished goods	4,705.00	2,075.28
	7,498.44	2,797.79
Closing Stock		
Work-in progress	4,239.19	2,793.44
Finished goods	6,408.89	4,705.00
	10,648.08	7,498.44
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	(3,149.64)	(4,700.65)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

24. Employee benefits expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	7,504.42	6,802.80
Contribution to provident and other funds	356.99	318.15
Staff welfare expenses	707.92	389.78
	8,569.33	7,510.73

25. Finance costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Working Capital facilities	1,166.13	1,014.50
Interest on Term Loans	8.65	52.11
Interest on Other Loans	282.29	85.48
Finance Charges of lease Liability	8.92	–
	1,465.99	1,152.09

26. Depreciation and amortisation expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment	1,199.71	1,110.39
Amortisation of intangible assets	35.85	41.21
Depreciation of Investment Property	23.58	23.67
Depreciation on ROU Assets	42.21	–
	1,301.35	1,175.27

27. Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Manufacturing Expenses	5,057.59	5,131.74
Repairs & Maintenance - Building	214.33	177.26
Repairs & Maintenance - Plant & Machinery	409.65	535.19
Power & Fuel	516.83	660.79
Freight & Forwarding Charges	3,775.45	3,975.95
Selling Expenses	1,973.10	1,440.89
Commission on Sales	1,413.97	2,029.85
Rent	106.61	151.44
Rates & Taxes	93.68	55.89
Insurance	162.47	97.22
Travel & conveyance	1,572.34	1,620.65
Communication Expenses	252.91	319.64
Auditors remuneration*	23.40	17.06
Vehicle Expenses	176.69	164.53
Bad Debts Written off	200.33	348.27
Provision for doubtful receivable	165.09	7.59
Loss on Investments carried at fair value through profit or loss (net)	35.37	–
Loss on foreign currency transactions (Net)	66.53	–
Corporate Social Responsibility (CSR) expense**	134.40	85.10
Miscellaneous Expenses	2,098.05	2,174.98
	18,448.79	18,994.04

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit Fees	16.00	14.00
Tax audit fees	3.00	1.25
Certification	1.20	0.26
Cost audit fees	1.00	0.70
Secretarial audit fees	0.60	0.85
GST audit fees	1.60	–
	23.40	17.06

****CSR Expenditure**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gross amount required to be spent by the company during the year	130.75	80.37
Amount spent during the year for promoting health care	134.40	85.10

28. Income tax expense

(a) Income tax expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
Current tax on profit for the year	1,735.83	2,068.28
MAT Credit entitlement	–	510.48
Adjustment of current tax of prior periods	(42.58)	64.44
	1,693.25	2,643.20
Deferred tax		
Decrease/(increase) in deferred tax assets	2.33	8.73
(Decrease)/increase in deferred tax liabilities	(139.69)	166.39
	(137.36)	175.12
	1,555.89	2,818.32

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income tax expense	6,819.70	8,420.61
Statutory Income Tax rate	25.168%	34.944%
Income tax expense at the statutory tax rate	1,716.38	2,942.50
Tax effect of items not deductible/(taxable) in calculating taxable income:		
Income exempt from tax	(43.98)	(57.47)
Tax on expense not eligible for deduction	105.59	80.24
Weighted deduction on Research and development expenditure	–	(257.06)
Adjustments for current tax of prior periods	(42.58)	64.44
Effect of Income which is taxed at special rates	(11.93)	(17.70)
Other items	(167.59)	63.37
Income tax expense	1,555.89	2,818.32

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%

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

29. Employee Benefits

(A) Gratuity

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Amount recognized in the balance sheet is as under:		
Present value of defined benefit obligation	629.87	543.82
Fair value of plan assets with LIC	504.35	467.19
Net defined benefit obligation	125.52	76.63
(ii) Amount recognized in the statement of profit and loss is as under:		
Past Service cost	–	–
Current Service cost	91.07	82.94
Net interest cost	3.48	3.60
Amount recognized in the statement of profit and loss	94.55	86.54
(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 start of the year	543.82	468.99
Current service cost	91.07	82.94
Past service cost	–	–
Interest cost	39.50	34.28
Actuarial loss/(gain) recognized during the year	17.09	5.23
Benefits paid	(61.61)	(47.62)
Present value of defined benefit obligation as at the end of the year	629.87	543.82
(iv) Movement in the plan assets recognized in the balance sheet is as under:		
Fair Value of plan assets at beginning of year	467.19	363.36
Expected return on plan assets	36.02	30.68
Employer's contribution	62.86	117.72
Benefit paid	(61.62)	(47.62)
Actuarial gain/(loss) on plan assets	(0.10)	3.05
Fair Value of plan assets at the end of the year	504.35	467.19
Actual return on plan assets	35.92	33.73
(v) Breakup of actuarial (gain)/loss:		
Actual (gain)/loss arising from change in financial assumption	21.57	(3.02)
Actual (gain)/loss arising from experience adjustment	(4.38)	5.20
Total actuarial (gain)/loss	17.19	2.18

(vi) Actuarial assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Attrition Rate	20.00%	20.00% P.a.
Imputed rate of Interest (D)	6.76%	7.70% P.a.
Imputed rate of Interest (IC)	7.70%	7.70% P.a.
Salary escalation	10.00%	10.00% P.a.
Return on plan asset	7.70%	7.70% P.a.
Remaining working life	22.12	22.47 Years

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (Contd.)

Gratuity payable to the employees on death or resignation or on retirement or at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table on March 31, 2020 (Indian Assured Lives Mortality (2012-14) Ultimate table on March 31, 2019).

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, 2020	As at March 31, 2019
Present Value of obligation at the end of the year	629.87	543.82
Impact of the change in discount rate		
Impact due to increase of 1.00%	(22.79)	(18.56)
Impact due to decrease of 1.00%	24.80	20.13
Impact of the change in salary increase rate		
Impact due to increase of 1.00%	22.34	18.37
Impact due to decrease of 1.00%	(21.19)	(17.60)

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 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, 2020	As at March 31, 2019
Compensated absences (unfunded)		
Current	33.32	33.11
Non-Current	222.06	183.63
	255.38	216.74

C) Defined contribution plans

The group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

D) Other employee benefits

The group has taken an Insurance Policy for medical benefits in respect of its working employees. The Insurance Policy for on-roll employees is partially funded by the group.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

30 Financial Instruments

A) Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets measured at fair value		
Investments measured at fair value through profit and loss	2,586.61	4,508.88
Financial assets measured at amortised cost		
Trade receivables	14,732.70	14,411.29
Cash and cash equivalents	339.00	844.90
Other Bank balances	587.95	297.48
Other financial assets	375.43	685.97
	16,035.08	16,239.64
Financial liabilities measured at amortised cost		
Borrowings	8,282.85	5,324.25
Trade payables	–	28,062.25
Other financial liabilities	6,404.60	7,270.98
	14,687.45	40,657.48

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, 2020	As at March 31, 2019
Investments measured at fair value through profit and loss		
Level 1	2,586.61	4,508.88
Level 2	–	–
Level 3	–	–
	2,586.61	4,508.88

Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statement as at the Balance Sheet date.

C) Financial Risk Management

The group's activities expose it to market risk, liquidity risk and credit risk. The group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

C.1) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The group considers the probability of default upon initial recognition of 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 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

Since the group deals with only high rated banks and financial institutions, credit risk in respect of cash & cash equivalents, bank balances and bank deposits is evaluated as very low. In respect of advances and security deposits also credit risk is considered low because the group is in possession of underlying asset.

Expected credit losses for trade receivables under simplified approach

The group recognize lifetime expected credit losses on trade receivables using a simplified approach, wherein group has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables (other than those where default criteria are met)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)		
Gross sale in respect of customers where no specific default is occurred	115,369.68	133,974.15
Expected loss rate	0.21%	0.06%
Expected Credit loss (loss allowance provision)	244.04	78.95
Receivable due from customers where specific default has accrued	—	—

Reconciliation of loss allowance provision - Trade receivables

Particulars	₹ in lakh
Loss allowance as at April 1, 2018	71.38
Additional loss recognised	353.32
Bad debts written off	(345.75)
Expected credit loss as at March 31, 2019	78.95
Additional loss recognised	365.42
Bad debts written off	(200.33)
Expected credit loss as at March 31, 2020	244.04

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Particulars	Less than 1 year	1-5 Years	More than 5 Years	Total
As at March 31, 2020				
Borrowings	5,336.64	2,330.13	616.08	8,282.85
Trade payables	–	–	–	–
Other financial liabilities	6,404.60	–	–	6,404.60
	11,741.24	2,330.13	616.08	14,687.45
As at March 31, 2019				
Borrowings	1,599.08	2,313.23	1,411.94	5,324.25
Trade payables	28,062.25	–	–	28,062.25
Other financial liabilities	7,270.98	–	–	7,270.98
	36,932.31	2,313.23	1,411.94	40,657.48

C.3) Market Risk

The group 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 group's investments are predominantly held in fixed deposits and debt mutual funds. Mark to market movements in respect of the group's investments that are held at amortised cost are temporary and get recouped through fixed coupon accruals. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

The group also invests in mutual fund schemes of leading 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 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, 2020	As at March 31, 2019
Financial Assets	941.39	2,089.26
Financial Liabilities	2,730.96	322.56
Net exposure to foreign currency risk	(1,789.57)	1,766.70

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, 2020	As at March 31, 2019
USD sensitivity		
INR/USD increase by 150 bps*	(35.61)	38.35
INR/USD decrease by 150 bps*	35.61	(38.35)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

*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, 2020	As at March 31, 2019
Financial Assets	3.92	8.11
Financial Liabilities	–	1.71
Net exposure to foreign currency risk	3.92	6.40

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, 2020	As at March 31, 2019
Euro sensitivity		
INR/Euro increase by 200 bps*	0.09	0.17
INR/Euro decrease by 200 bps*	(0.09)	(0.17)

*Holding all other variables constant

C.4) Interest Rate Risk

There is no material interest risk relating to the group's financial liabilities.

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 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. There is no significant impact on its consolidated financial statements.

31. Capital Management

The group's capital management objectives are

- To ensure the companies 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, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt to equity ratio

Particulars	As at March 31, 2020	As at March 31, 2019
Net debt	7,943.85	4,479.35
Total equity	44,294.08	43,783.78
Net debt to equity ratio	17.93%	10.23%

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Capital Management (contd.)

(b) Dividends (excluding dividend tax)

(i) Equity shares

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Final dividend for the preceding financial year of ₹ 0.50/- (PY ₹ 0.50/-) per fully paid equity share	577.55	586.62
Interim dividend for the current financial year of ₹ 0.50/- (PY Nil) per fully paid equity share	567.42	–
	1,144.97	586.62

(ii) Payment of interim dividend for financial Year 2019-20

The Board of Director has approved an Interim Dividend of ₹ 0.50 i.e. (25%) per equity share for the financial year ended March 31, 2020 in their meeting held on March 14, 2020 which resulted in an outflow of ₹ 684.05 Lakhs (including Corporate Dividend Tax of ₹ 116.63 Lakhs).

32. Related party transactions

The group's related party transactions and outstanding balance are with its Key management and others 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. Girish Narain Mehra (IAS Retd.)	Independent Director
Major General (Retd.) Dr. K. C. Agrawal	Independent Director
Mr. Subhash Chander Verma	Independent Director
Dr. Amar Singhal	Independent Director (Resigned w.e.f 14.03.2020)
Mr. Avinash Parkash Gandhi	Independent Director (Appointed w.e.f 01.10.2019)
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.
 ACE Emergency Response Service Trust
 ACE Employees Group Gratuity Scheme Trust

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

B. Transactions with related party

(i) Transactions with significantly influenced enterprises

Nature of Transaction	For the year	VMS Equipment Pvt Ltd.	Rotadrill India Pvt. Ltd.	Reachall India Pvt. Ltd.	ACE Emergency Response Trust	Total
Sale of Goods	2019-20	1,232.13	273.00	–	–	1,505.13
	2018-19	813.59	–	–	–	813.59
Purchase of Goods	2019-20	7.35	–	–	–	7.35
	2018-19	50.00	–	–	–	50.00
Rent Received	2019-20	4.44	0.20	0.20	1.10	5.94
	2018-19	2.24	–	–	1.06	3.30
Donation Paid	2019-20	–	–	–	182.40	182.40
	2018-19	–	–	–	167.30	167.30

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 Transaction	As at March 31, 2020	As at March 31, 2019
VMS Equipment Pvt Ltd.	Amount Receivable	98.65	39.29
Rotadrill India Pvt. Ltd.	Amount Receivable	322.38	–
Reachall India Pvt. Ltd.	Amount Receivable	0.24	–
		421.27	39.29

(iii) Transactions with Key management personnel

Name of Party/ Nature of Transaction	For the year	Short-term employee benefits	Dividend paid	Redemption of preference shares	Licence Fee Paid	Service rendered	Total
Mr. Vijay Agarwal	2019-20	306.00	415.66	–	56.40	–	778.06
	2018-19	306.09	303.69	500.00	56.40	–	1,166.18
Mrs. Mona Agarwal	2019-20	150.88	258.39	–	–	–	409.27
	2018-19	150.78	172.32	–	–	–	323.10
Mr. Sorab Agarwal	2019-20	58.79	76.24	–	–	–	135.03
	2018-19	58.73	84.09	604.39	–	–	747.21
Mrs. Surbhi Garg	2019-20	58.88	69.30	604.39	26.40	–	758.97
	2018-19	52.22	83.00	–	26.40	–	161.62
Mr. Girish Narain Mehra (IAS Retd.)	2019-20	–	–	–	–	1.50	1.50
	2018-19	–	–	–	–	1.65	1.65
Major General (Retd.) Dr. K. C. Agrawal	2019-20	–	–	–	–	1.05	1.05
2018-19	–	–	–	–	–	0.75	0.75
Mr. Subhash Chander Verma	2019-20	–	–	–	–	2.10	2.10
	2018-19	–	–	–	–	1.80	1.80
Dr. Amar Singhal	2019-20	–	–	–	–	2.25	2.25
	2018-19	–	–	–	–	1.95	1.95
Mr. Avinash Parkash Gandhi	2019-20	–	–	–	–	1.20	1.20
	2018-19	–	–	–	–	–	–
Mr. Rajan Luthra	2019-20	61.56	–	–	–	–	61.56
	2018-19	61.39	–	–	–	–	61.39
Mr. Anil Kumar	2019-20	6.64	–	–	–	–	6.64
	2018-19	5.72	–	–	–	–	5.72

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

33. Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Guarantees	2,276.04	2,160.36
Letter of Credits	6,553.16	4,763.43
Claim against the group, not acknowledged as Debts	803.99	819.27
Sales Tax, Excise & Income Tax Matters, pending before Assessing/ Appellate Authorities, not acknowledged as liability	3,415.22	3,218.16
	13,048.41	10,961.22

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, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	900.77	1,358.34

(c) Non-cancellable operating leases

The group leases Immovable property under non-cancellable operating leases expiring in next five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum undiscounted lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	27.43	127.63
Later than one year but not later than five years	25.61	56.81
Later than five years	—	—

34. Earnings per share (EPS)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to the owners of the company	5,248.84	5,604.08
Weighted average number of equity shares outstanding during the year	114,927,557	117,323,000
Basic earnings per share (in ₹)	4.57	4.78
Diluted earnings per share (in ₹)	4.57	4.78

35. Leases

Effective April 1, 2019, the group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Leases (contd.)

use 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 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, 2020 :

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Particulars	Category of ROU asset		Total
	Office Building	Plant & Machinery	
Balance as at April 1, 2019	–	–	–
ROU assets recognised as at April 1, 2019 on adoption of Ind AS 116	85.95	–	85.95
Additions during the year	27.14	8.48	35.62
Depreciation for the Year	(41.57)	(0.64)	(42.21)
Balance as at March 31, 2020	71.52	7.84	79.36

The carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

Particulars	Amount
Transition impact on account of adoption of Ind AS 116 “Leases”	85.95
Addition during the year	35.62
Finance Cost accrued during the year	8.92
Interest accrued but not due as on March 31, 2020	(0.06)
Payment of lease liabilities	(45.35)
Balance as at March 31, 2020	85.08
Current maturities of Lease Liabilities (refer Note 18)	43.04
Non-Current Lease Liability (refer note 14)	42.04

Impact on the Statement of Profit and Loss for year ended 31st March, 2020

Particulars	Amount
Depreciation expense of Right-of-Use assets	42.21
Interest on Lease Liabilities	8.92
Total	51.13

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Leases (contd.)

Rental expense recorded for Short-Term Leases was Rs. 106.61 lakhs for the year ended March 31, 2020. (Refer Note 27)

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

The maturity analysis of undiscounted lease liabilities is disclosed in Note 33 (c).

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Impact of COVID-19

The group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Group has entered with lessors towards properties used are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

36. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act). Principal amount due to micro and small enterprises Interest due on above	4,492.88 —	1071.43 —
(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.	—	—
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	—	—
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	—	—
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	—	—

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

37. Segment information

The group's operating segments are established on the basis of those components of the group which are equaluted regularly by the executive committee in deciding how to allocate resources and in assessing performances. The group has four (4) operating and reporting segments as given below:

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

Segment information (contd.)

(a) Segment Revenue and Results

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Segment revenue (Net)		
(i) Cranes	82,868.65	96,429.29
(ii) Construction Equipment	10,065.31	8,018.66
(iii) Material Handling	8,358.18	9,437.57
(iv) Agri Equipment	14,327.61	20,362.99
(v) Subsidiaries Business	3.21	4.17
Total Segment Revenue	115,622.96	134,252.68
Segments results		
(i) Cranes	9,294.81	8,923.93
(ii) Construction Equipment	1.65	199.68
(iii) Material Handling	816.11	1,149.76
(iv) Agri Equipment	(411.45)	679.55
(v) Subsidiaries Business	(16.76)	(13.89)
	9,684.36	10,939.03
Finance costs	(1,465.99)	(1,152.09)
Other Unallocated Expenses	(1,415.43)	(1,366.33)
Total Segment results	6,802.94	8,420.61

(b) Segment Assets and Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Segment assets		
(i) Cranes	67,441.09	60,428.65
(ii) Construction Equipment	10,198.24	7,276.61
(iii) Material Handling	2,866.78	3,596.83
(iv) Agri Equipment	5,803.82	6,836.51
Total segment assets	86,309.93	78,138.60
Unallocated	9,050.00	10,551.35
Total assets as per the balance sheet	95,359.93	88,689.95
Segment liabilities		
(i) Cranes	29,431.97	26,241.03
(ii) Construction Equipment	5,384.90	2,583.25
(iii) Material Handling	1,510.51	1,784.77
(iv) Agri Equipment	4,816.20	7,234.59
Total segment liabilities	41,143.58	37,843.64
Unallocated	54,216.35	50,846.31
Total liabilities as per the balance sheet	95,359.93	88,689.95

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment information (contd.)

Segment revenue, segment results, segment assets and segment liabilities includes the respective amount identifiable for each operating segment.

As per Ind AS 108 "Operating segments", the group has reported information on consolidated basis including business conducted through its subsidiaries.

The group is mainly engaged in the business in India and exports are not material. Hence in the context of Ind AS 108 segment identified above are the only reportable segments.

38. Previous year figures have been re-grouped/reclassified wherever necessary, to conform to current year's classification.

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : June 15, 2020

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/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per schedule III of the Companies Act, 2013:

For the financial year 2019-20 :

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss (P&L)		Other Comprehensive Income (OCI)		Total comprehensive Income (TCI)	
	As %age of consolidated net assets	Net Assets	As %age of consolidated P&L	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company Action Construction Equipment Limited	99.91	44,254.44	100.32	5,263.81	100.00	(13.91)	100.32	5,249.90
Direct Subsidiary SC Forma SA	0.09	39.52	(0.32)	(16.73)	–	–	(0.32)	(16.73)
Associates Namo Metals (Partnership Firm)	0.00	0.12	(0.00)	(0.03)	–	–	(0.00)	(0.03)
Total	100.00	44,294.08	100.00	5,247.05	100.00	(13.91)	100.00	5,233.14

For the financial Year 2018-19 :

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	99.85	43,718.88	100.25	5,616.18	100.00	(1.44)	100.25	5,614.74
Indirect Subsidiary SC Forma SA	0.16	67.75	(0.24)	(13.52)	–	–	(0.24)	(13.52)
Associates Namo Metals (Partnership Firm)	(0.01)	(2.85)	(0.01)	(0.37)	–	–	(0.01)	(0.37)
Total	100.00	43,783.78	100.00	5,602.29	100.00	(1.44)	100.00	5,600.85

Form AOC-I forming part of the consolidated financial statements

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

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

S. No.	Details	Particulars
1.	Name of the subsidiary	SC Forma SA, Romania- Subsidiary
2.	The date since when subsidiary was acquired	01.02.2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.01.2019 to 31.12.2019
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	RON, ₹ 16.7257
5.	Share capital	179.89
6.	Reserves & surplus (Inclusive of Revaluation Reserve)	15.05
7.	Total Assets	382.22
8.	Total Liabilities	187.29
9.	Investments	NIL
10.	Turnover	13.94
11.	Profit before taxation	(9.88)
12.	Provision for taxation	NIL
13.	Profit after taxation	(9.88)
14.	Proposed Dividend	NIL
15.	%age of shareholding	89.50%

Notes: There are no subsidiaries which are yet to commence operations.

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

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

For and on behalf of the Board of Directors

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : Faridabad
Date : June 15, 2020

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019



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 Sixth (26th) Annual General Meeting (AGM) of the Members of Action Construction Equipment Limited ("Company") will be held on Thursday, September 24, 2020 at 11:30 AM IST through video conferencing ("VC")/other Audio Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- (a) The audited standalone financial statement of the Company for the financial year ended March 31, 2020 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, 2020 and report of Auditors' thereon.
- 2. To confirm the payment of interim dividend of Rs. 0.50 i.e. (25%) per Equity Share already paid during the year as the Final Dividend for the Financial Year 2019-20.**
- 3. To appoint a Director in place of Mr. Sorab Agarwal (DIN: 00057666) who retires from office by rotation, and being eligible, offers himself for reappointment.**

SPECIAL BUSINESS:

4. To ratify the remuneration of the cost auditors, in this regard, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

(a) For the financial year ending March 31, 2020 (Casual Vacancy).

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration of ₹ 1,00,000/- (Rupees One Lakh Only) plus applicable taxes inclusive of all out of pocket expenses, approved by the Board of Directors, to be paid to M/s Vandana Bansal & Associates, Cost Accountants (Firm Registration No: 100203), appointed (casual vacancy) 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, 2020, be and is hereby ratified."

(b) For the financial year ending March 31, 2021.

"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 ₹ 75,000/- (Rupees Seventy 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, 2021, be and is hereby ratified."

5. Appointment of Dr. Divya Singal (DIN:08722144) as an Independent Non-Executive Director (Independent Woman Director) of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and pursuant to the Regulation 16(1)(b), 17(1) and other applicable provision

of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Divya Singal (DIN:08722144) who has been appointed as an Additional Director of the Company by the Board of Directors w.e.f. April 01, 2020 pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the said Act proposing her candidature for the office of Director, be and is hereby appointed an Independent Non-Executive Director (Independent Woman Director) of the Company to hold office for a first term of five consecutive years effective from April 01, 2020 and whose office shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to perform and execute and to do all such acts, deeds, things, and matters as may be deemed necessary, proper or expedient and for the matters connected herewith or incidental hereto”.

“**RESOLVED FURTHER THAT** Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Rajan Luthra, Chief Financial Officer and Mr. Anil Kumar, Company Secretary of the Company be and is hereby severally authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

6. Appointment of Mr. Shrinivas Vashisht (DIN:06572418) as an Independent Non-Executive Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and pursuant to the Regulation 16(1)(b) and other applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the consent of the members of the Company be and is hereby accorded to appoint Mr. Shrinivas Vashisht (DIN:06572418) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the said Act proposing his candidature for the office of Director, as an Independent Non-Executive Director of the Company to hold office for a first term of five consecutive years with effect from date of ensuing Annual General Meeting (AGM) i.e. September 24, 2020 and whose office shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to perform and execute and to do all such acts, deeds, things, and matters as may be deemed necessary, proper or expedient and for the matters connected herewith or incidental hereto”.

“**RESOLVED FURTHER THAT** Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Rajan Luthra, Chief Financial Officer and Mr. Anil Kumar, Company Secretary of the Company be and is hereby severally authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

**By Order of the Board of Director
For Action Construction Equipment Limited**

Place: Faridabad
Date: August 10, 2020
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, Haryana, India
CIN : L74899HR1995PLC053860
Email : cs@ace-cranes.com

Sd/-
Anil Kumar
Company Secretary
M. No. ACS: 37791

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (collectively "MCA 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 26th 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 and May 05, 2020 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 Central Depository Services (India) Limited (CDSL) 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 CDSL.
3. As per the provisions under the MCA Circulars, Members attending the 26th 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 26th 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 26th 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, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 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 CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.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 asa.pcs123@gmail.com with a copy to cs@ace-cranes.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. In order to enable the Company to comply with MCA 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 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.**
10. The Register of Members and the Share Transfer books of the Company will remain closed from **Thursday, September 17, 2020 to Thursday, September 24, 2020 (both days inclusive)** for the purpose of Annual General Meeting. **Cut-off date** for e-voting will be **Thursday, September 17, 2020.**
11. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed **Thursday, September 17, 2020 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.

12. 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.
13. 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.
14. 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.
15. 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).
16. 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 the 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.
17. The Company has transferred the unpaid or unclaimed dividends upto FY 2011-12 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 lying with the Company as on September 27, 2019 (date of the previous Annual General Meeting) on the website of the Company at www.ace-cranes.com in the Investors Relation section. The said details have also been uploaded/filed with the Ministry of Corporate Affairs.
- 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 2011-12) has not been paid or claimed by the members for 7 (seven) consecutive years or more, to IEPF Authority.
18. As the 26th AGM is being held through VC/OAVM, the **route map** is not annexed to this Notice.
19. 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 24, 2020. Members seeking to inspect such documents can send an email to cs@ace-cranes.com.
- 20. 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 26th 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.

- ii. The process and manner for Remote e-Voting are as under:

Instruction for Voting:

- (i) The voting period begins on **Sunday, September 20, 2020 (9:00 a.m.) and ends on Wednesday, September 23, 2020 (5:00 p.m.)**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Thursday, September 17, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the time of AGM.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant 'Action Constructon Equipment Limited' on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the **cut-off date** i.e. **Thursday, September 17, 2020** only shall be entitled to avail the facility of Remote e-Voting as well as voting during the AGM. A person who is not the member on cut-off date should treat this notice for information purpose only.
- (xxi) The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. **Thursday, September 17, 2020**.
- (xxii) Facility to join the e-AGM shall be opened 30 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like 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 Company email id at cs@ace-cranes.com / kishore.bv@kfintech.com
2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), 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 Company email id at cs@ace-cranes.com / kishore.bv@kfintech.com

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders/viewers/Attendee to download the software/app of cisco WebEx in advance & ready to connect fast for meeting.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number,

email id, mobile number at cs@ace-cranes.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@ace-cranes.com. These queries will be replied to by the company suitably by email. The Company reserves the right to restrict the number of questions and number of speakers depending upon availability of time as appropriate for smooth conduct of the AGM.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Members can also ask questions from the Auditors of the Company. The questions can be emailed at cs@ace-cranes.com with special mention of 'question for auditors'. The query(ies) will be forwarded to the respective Auditors for their response.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are 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 available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders 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.

Note for Non – Individual Shareholders and Custodians.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at e-mail asa.pcs123@gmail.com and to the Company at the email address viz; cs@ace-cranes.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

21. 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.
22. 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 17, 2020** may obtain the login ID and password by sending an email to cs@ace-cranes.com or kishore.bv@kfintech.com or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DP ID and Client ID No.

23. 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.
24. 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 countersign the same and declare the result of the voting forthwith.
25. The results declared alongwith the Scrutinizer's Report shall be placed on Company's website at www.ace-cranes.com and on the website of CDSL at www.cdslindia.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.
26. 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.
27. 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, KFin Technologies Private Limited, Selenium, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032. Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily send their email address at cs@ace-cranes.com.
28. The details of the Directors seeking appointment/ re-appointment at the 26th AGM are provided in **Annexure-A** 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.
29. 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.
30. 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.
31. 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.
32. 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.
33. In term of section 152 of the Act, Mr. Sorab Agarwal, retire by rotation at the Meeting and being eligible, offer himself for re- appointment.
34. The Requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is omitted by Companies (Amendment) Act, 2017 vide notification dated May 7, 2018 issued by the Ministry of Corporate affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditor, who was appointed in the Annual General Meeting, held on September 29, 2017.

**By Order of the Board of Director
For Action Construction Equipment Limited**

Place : Faridabad
Date : August 10, 2020
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, Haryana, India
CIN: L74899HR1995PLC053860
Email: cs@ace-cranes.com

Sd/-
Anil Kumar
Company Secretary
M. No. ACS: 37791

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 4 (a) & 4(b)

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 appointment (casual vacancy) 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, 2020 at an annual remuneration of ₹ 1,00,000 (Rupees One Lakh Only) plus applicable taxes inclusive of all out of pocket expenses subject to the deduction of applicable taxes.

Further, pursuant to provision of Section 148 of the Companies Act, 2013 read with the rules made thereunder, the company is also required to have the audit of its cost records for the Financial Year 2020-21 as well, therefore 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, 2021 at an annual remuneration of ₹ 75,000 (Rupees Seventy 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 appointment/re-appointment as Cost Auditors of the Company. They have experience in the field of cost audit.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 4(a) and 4(b) of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020 and March 31, 2021.

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(a) & 4(b) of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 4 (a) & 4 (b) of the notice for approval by the members.

ITEM NO. 5:

The Board of Directors on the recommendation of the Nomination and Remuneration Committee appointed Dr. Divya Singal (DIN:08722144) as additional Director (Independent Woman Director) of the Company with effect from April 01, 2020. In accordance with Section 161(1) of the Companies Act, 2013, Dr. Divya Singal holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company.

Section 149 of the Companies Act, 2013 ('the Act') and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director can hold office for a term up to five consecutive years on the Board.

In accordance with the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 ("Act") and any other applicable provisions of the Act and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors in its meeting held on August 10, 2020, has appointed Dr. Divya Singal (DIN:08722144) as Independent Non-Executive Director (Independent Woman Director) of the Company subject to approval of the shareholders of the Company to hold office for a first term of five consecutive years effective from April 01, 2020 and whose office shall not be liable to retire by rotation."

The Company has received declaration from her stating that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has informed that she is not disqualified under Section 164(2) of the Act. She has also given her consent to act as Director of the Company, if so appointed by the members.

The Company has received requisite notice in writing from a member proposing the appointment of Dr. Divya Singal (DIN:08722144) as a candidate for the office of Director of the Company.

Brief Profile of Dr. Divya Singal:

Dr. Divya Singal aged 59 years is a MBBS, DGO, FICOG, DIP ENDOSCOPY (FRANCE). She is Gynecologist, Infertility specialist & Laparoscopic Surgeon and president of 3HGyne forum, Secretary of Delhi Gyne forum (north) and president of PTA, Apee Jay school, Pitampura, New Delhi.

The Board of Directors are of the opinion that Dr. Divya Singal, is a person of integrity and possesses relevant expertise and experience and is eligible for the position of an Independent Director of the Company and fulfills the conditions specified by the Companies Act, 2013 including Rules framed thereunder and the Listing Regulations and that she is independent of the management of the Company. The Board considers that her association as Director will be of immense benefit and will be in the best interest of the Company.

The brief resume of her Directorships, nature of their expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as **Annexure-A**.

Based on the disclosures received from Dr. Divya Singal, it is confirmed that she is neither related to any existing Director of the Company nor debarred from accessing the capital markets and/ or restrained from holding any position/ office of director in a company pursuant to any order of the Securities and Exchange Board of India or any other such authority.

In terms of Section 149 and other applicable provisions of the Act and Rules made thereunder, the approval of members is sought by way of an ordinary resolution for the appointment of Dr. Divya Singal as Independent Non-Executive Director (Independent Woman Director) of the Company to hold office for a first term of five consecutive years effective from April 01, 2020 and whose office shall not be liable to retire by rotation."

A copy of the draft letter for the appointment of Dr. Divya Singal as an Independent Director setting out the terms and conditions will be available for inspection electronically.

Save and except Dr. Divya Singal, being an appointee Director and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval of the members.

ITEM NO. 6:

Section 149 of the Companies Act, 2013 ('the Act') and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director can hold office for a term up to five consecutive years on the Board.

In accordance with the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 ("Act") and any other applicable provisions of the Act and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors in its meeting held on August 10, 2020, has appointed Mr. Shriniwas Vashisht (DIN:06572418) as Independent Non-Executive Director of the Company subject to approval of the shareholders of the Company to hold office for a first term of five consecutive years with effect from date of ensuing Annual General Meeting (AGM) i.e. September 24, 2020 and whose office shall not be liable to retire by rotation."

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has informed that he is not disqualified under Section 164(2) of the Act. He has also given his consent to act as Director of the Company, if so appointed by the members.

The Company has received requisite notice in writing from a member proposing the appointment of Mr. Shriniwas Vashisht (DIN:06572418) as a candidate for the office of Director of the Company.

Brief Profile of Mr. Vashisht:

Mr. Shriniwas Vashisht aged 64 was born and brought up at Sonapat (Haryana). He did his M.A (Public Admn.) from Punjab University, Chandigarh and L.L.B. from Delhi University. He joined Indian Police Service in the year 1981 and was allotted to Haryana cadre.

During his career in Indian Police Service, exceeding 34 years, Sh. Vashisht handled very challenging assignments including Director General of Police, Haryana from October 2012 to January 2015 and promoted professionalism and ethics in the force. He also remained

posted as Director General, State Vigilance Bureau, Haryana and achieved significant results in eradication of corruption. He retired from IPS in Nov.2015. Sh. Vashisht has been decorated with Police Medal for Meritorious Service and President's Police medal for Distinguished Service.

Expertise of Sh. Shrinivas Vashisht ranges from civil and criminal investigation, intelligence to counter terrorism and crowd control at the state and national level and managing police force of more than 50,000 men.

Post his retirement, he also served as Chief Governance Coordinator, Gurgaon and is currently advising corporates and late stage startups/ founders on managing and reducing risk in large people organizations - both external (litigation, law enforcement) and internal (criminal risk, screenings). He specializes in dealing with ongoing situations.

Mr. Shrinivas Vashisht does not hold by himself or for any other person on a beneficial basis, any shares in the Company i.e. Action Construction Equipment Limited.

In the opinion of the Board, Mr. Shrinivas Vashisht fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Non-Executive Director of the Company and is independent of the management.

The Board of Directors is of the opinion that Mr. Shrinivas Vashisht is a person of integrity, possess relevant expertise and vast experience. Accordingly, it is felt that his background, experience and association as Independent directors would be beneficial and in the best interest of the Company.

The brief resume of his Directorships, nature of their expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as **Annexure-A**.

Based on the disclosures received from Mr. Shrinivas Vashisht, it is confirmed that he is neither related to any existing Director of the Company nor debarred from accessing the capital markets and/or restrained from holding any position/office of director in a company pursuant to any order of the Securities and Exchange Board of India or any other such authority.

In terms of Section 149 and other applicable provisions of the Act and Rules made thereunder, the approval of members is sought by way of an ordinary resolution for the appointment of Mr. Shrinivas Vashisht as Independent Non-Executive Director of the Company to hold office for a first term of five consecutive years with effect from date of ensuing Annual General Meeting (AGM) i.e. September 24, 2020 and whose office shall not be liable to retire by rotation."

A copy of the draft letter for the appointment of Mr. Shrinivas Vashisht as an Independent Director setting out the terms and conditions will be available for inspection electronically.

Save and except Mr. Shrinivas Vashisht, being an appointee Director and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 6 of the Notice for approval of the members.

ANNEXURE-A

Name of Directors	Dr. Divya Singal	Mr. Shriniwas Vashisht
DIN	08722144	06572418
Date of Birth (Age)	21.03.1961 (59)	08.11.1955 (64)
Date of first appointment on Board	01.04.2020	10.08.2020 (Board Meeting date)
Qualification	MBBS, DGO, FICOG, DIP ENDOSCOPY (FRANCE)	M.A. (Public Admn.) and L.L.B.
Relationship with Directors/KMP	None	None
Experience/Expertise in specific functional area	<p>Dr. Divya Singal aged 59 years is a MBBS, DGO, FICOG, DIP ENDOSCOPY (FRANCE). She is Gynecologist, Infertility specialist & Laparoscopic Surgeon and president of 3HGyne forum, Secretary of Delhi Gyne forum (north) and president of PTA, Apee Jay school, Pitampura, New Delhi.</p>	<p>Mr. Shriniwas Vashisht aged 64 was born and brought up at Sonapat (Haryana). He did his M.A (Public Admn.) from Punjab University, Chandigarh and L.L.B. from Delhi University. He joined Indian Police Service in the year 1981 and was allotted to Haryana cadre.</p> <p>During his career in Indian Police Service, exceeding 34 years, Sh. Vashisht handled very challenging assignments including Director General of Police, Haryana from October 2012 to January 2015 and promoted professionalism and ethics in the force. He also remained posted as Director General, State Vigilance Bureau, Haryana and achieved significant results in eradication of corruption. He retired from IPS in Nov.2015. Sh. Vashisht has been decorated with Police Medal for Meritorious Service and President's Police medal for Distinguished Service.</p> <p>Expertise of Sh. Shriniwas Vashisht ranges from civil and criminal investigation, intelligence to counter terrorism and crowd control at the state and national level and managing police force of more than 50,000 men.</p> <p>Post his retirement, he also served as Chief Governance Coordinator, Gurgaon and is currently advising corporates and late stage startups/founders on managing and reducing risk in large people organizations - both external (litigation, law enforcement) and internal (criminal risk, screenings). He specializes in dealing with ongoing situations.</p>
Terms and Conditions of appointment/ re-appointment	Not liable to retire by rotation, more particulars given in sample letter of appointment of independent Directors uploaded on website of the Company at www.ace-cranes.com	Not liable to retire by rotation, more particulars given in sample letter of appointment of independent Directors uploaded on website of the Company at www.ace-cranes.com
Details of Remuneration last drawn (FY-2019-20)	NA	NA

Membership of the Committees of Board of Directors of Company	Audit Committee, Member N & R Committee, Chairman S R C Committee, Chairman C S R Committee, Chairman	None
Directorship in other Companies	None	None
Membership of the Board committee of other companies in which he/she is a Director	None	None
No. of Board meeting attended during the year (FY 2019-20)	NA	NA
No. of shares held in the Company (As on March 31, 2020)	20,500 no. of equity shares of ₹ 2 each.	NIL

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. Girish Narain Mehra (IAS Retd.)**
Independent Director
- **Mr. Subhash Chander Verma**
Independent Director
- **Mr. Keshav Chandra Agrawal**
Independent Director
- **Mr. Avinash Parkash Gandhi**
Independent Director
- **Dr. Divya Singal**
Independent Women Director

Chief Financial Officer (CFO)

Mr. Rajan Luthra

Company Secretary & Compliance Officer

Mr. Anil Kumar

Statutory Auditors

M/s BRAN & ASSOCIATES

Chartered Accountants

Registrar and Share Transfer Agent

KFin Technologies Private Limited

Phone : +91-40-23322454, 23320751/52/53

Fax : +91-40-23311968

E-mail : einwards.ris@kfintech.com

Bankers

- ICICI Bank Ltd.
- Standard Chartered Bank
- Axis Bank Ltd.
- State Bank of India
- Indusind Bank
- Citibank N.A.

Stock Exchanges

- BSE Limited
- National Stock Exchange of India Limited

Subsidiary Company

SC FORMA SA, Romania

Registered & Corporate Office

Dudhola Link Road,
Village Dudhola, Palwal-121102,
Haryana, India

Marketing Office

4th floor, Pinnacle Tower, Surajkund,
Faridabad-121009
Haryana

www.ace-cranes.com

UNIT LOCATIONS

- Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh, Distt. Faridabad, Haryana-121004
- Dudhola Link Road, Village Dudhola, Distt. Palwal, Haryana-121102
- 45th Mile Stone, Mathura Road, Prithla, Distt. Palwal, Haryana-121102

RESEARCH & DEVELOPMENT CENTERS

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



Action Construction Equipment Limited

(CIN : L74899HR1995PLC053860)

Reg. & Corp. Office : Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana, India

Ph.: 01275-280111, Fax: 01275-280133

E-mail: cs@ace-cranes.com, Website: www.ace-cranes.com

