

Action Construction Equipment Limited

Corporate & Registered Office

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



Date: September 21, 2022

To,

The Manager Listing
BSE Limited
5th Floor, P.J. Towers,
Dalal Street,
Mumbai-400001

Scrip Code: 532762

The Manager Listing
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai-400051

CM Quote: ACE

Subject: Chairman's Speech at the 28th Annual General Meeting

Dear Sir/Madam,

We are enclosing herewith a copy of the Speech made by Mr. Vijay Agarwal, Chairman & Managing Director in the 28th Annual General Meeting of the Company held on Tuesday, September 20, 2022 through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

This is for your information and records please.

Yours faithfully

For Action Construction Equipment Limited

Anil Kumar
Company Secretary
M.No. ACS:37791

Encl: As Above



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Dear Members,

A very warm Good Afternoon to everyone. It gives me great pleasure to welcome you to the 28th Annual General Meeting of your Company. Like in the previous two years, this AGM too is being hosted on a digital platform. The digital platform enables more shareholders from across the world to participate. I hope that from the next year, we will be able to switch to a hybrid mode.

I would like to thank you for sparing your time to join us today and for your continued faith in ACE and its management.

It's heartening to see that the world has almost overcome the COVID-19 pandemic. However, there is a new uncertainty caused to geopolitical tensions and global risks. There is severe economic stress in many parts of the world. Rising fuel, food, and fertiliser prices are impacting everyone. High inflation and supply disruptions threaten to trigger a global recession.

Amidst this, widespread unpredictability, India has demonstrated admirable resilience and achieved robust recovery driven by the Government's proactive policy measures. Notwithstanding the global headwinds, the promise of the India story is still intact and the economy is poised to remain one of the fastest growing in the world. It is indeed commendable that the Government, while astutely addressing the near-term challenges, has continued to focus on path breaking reforms and policy interventions to enhance competitiveness of the economy.



Moving ahead, I would like to apprise you all the highlights of the financial year and also touch upon some of the key initiatives undertaken by our Company to strengthen our leadership position in the market.

The 1st quarter of financial year 21-22 started with the 2nd wave of the Covid-19 pandemic but the year closed with optimism of a post Covid-19 pandemic recovery.

Despite a testing FY 2021-22, your Company outperformed across all financial parameters by achieving its highest ever revenue and profit. At a consolidated level comparing with FY21.

- Our total Income grew by 32% to INR 1,630 Crores.
- EBITDA grew by 24% to INR 167 Crores.
- Profit after Tax grew by 32% to INR 105 Crores.

During the year the Company was able to showcase volume and value growth, maintain margins and improve its balance sheet position further. Our balance sheet was strengthened further by the faith instilled by our investors, when the Company was able to raise around INR 135 crores through the Qualified Institutional Placement (QIP) route.

Dividend

The Board of Director has approved a Final Dividend of 30% per equity share for the financial year ended March 31, 2022, i.e. Rs. 0.60 paise per share.



ACE has been the flagbearer of innovative and world-class equipment, which has resulted in the Company being rewarded with a strong brand reputation and repeat business, resulting in a consistent growth track record. The Company's agility and versatility to satisfy a diverse range of sectors for wide applications is our biggest strength. Our equipment is used in sectors like Infrastructure, Construction, Power Projects, Ports & Shipyards, Dams, Metro Rail, Roads, Mining, Steel Industry, Engineering Industry, Railways, Cement, Petroleum, Defence, Chemicals & Fertilizer Plants, Warehousing, Logistics, Building Construction, and many more. We are dedicated to provide our customers with the latest technology and new products through our R&D & Engineering. Our efficient sales and product support aims to satisfy our customers across all our products.

Ghana Project

We further wish to inform that the Company has been awarded with a contract to set up a state-of-the-art assembly plant for manufacturing of Tractors, Backhoe Loaders and Fabrication of Agricultural implements for the Government of The Republic of Ghana against a consideration of USD 24.98 Million. The said contract is secured through a credit agreement between the Government of The Republic of Ghana and Export- Import Bank of India. The project will be owned and operated by the Government of The Republic of Ghana.

The manufacturing unit will be designed for an installed capacity of 4,500 Tractors, 600 Backhoe Loaders, 6,000 Agricultural implements and 3,000 Tipping trailers annually.



On completion, the project will play a vital role in opening up of the export markets in the African region for our products and augmenting the company's Global efforts.

Significant order/Contracts

- The Company has received order for supply of 482 numbers Multi-Purpose Tractors (MPT 4X4) along with special attachments from the Ministry of Defence (Army).
- The Company has developed an indigenous Special Low Silhouette Knuckle Boom Crane for DRDO, Ministry of Defence (MoD) and the Company has received order from Tata Advanced Systems Limited for manufacturing and supply of the said cranes which have been integrated on TATA HMV 8X8 chassis.

The said Knuckle Boom Cranes of the specified capacity are the first of its kind being developed by an Indian company using advanced technology.

- The Company has received order for supply of 55 (Fifty five) nos. Truck Mounted multifunction machines to Dakshin Haryana Bijli Vitran Nigam (DHBVN) for a total consideration of approx. Rs. 23.30 Crore.

R&D

Our products stand out in terms of value-for-money, low maintenance cost and attractive resale value. We continue to leverage our world class R&D infrastructure to deliver high



quality products at cost effective prices. Our R&D teams work with a focus to ensure that ACE launches new unique products in tune with customer needs.

Export

Looking at the tremendous global opportunities, we have also strengthened our export arm and forayed into new territories with our tractors, cranes and construction equipment. We intend to enhance the quantum of our exports substantially as there is an increasing demand for our products, which are being accepted by the global customers.

Brand Saliency & Recognitions

ACE brand continues to be recognized as the Super Brand in the Construction Equipment Segment. The Company received a large number of awards and recognitions for its achievements. Details are mentioned in Annual Report of the Company.

CSR

Our free Ambulance service and Pathology lab managed through ACE Emergency Response services continues its journey of serving the needy and saving precious lives. This service has helped more than 1.5 Lakhs needy people from its inception.

Outlook

Despite the on-going geopolitical tension which has aggravated the supply chain issues and inflationary pressures, the Indian



economy is poised for growth led by boost in consumption and investment demand supported by various favourable measures such as PLI scheme and massive capital expenditure outlay announced by the government. However, increase in global commodity prices, high freight costs due to supply chain issues and resurgence of COVID-19 with new variants could act as major headwinds. Nonetheless, we are optimistic on future prospects and remain confident of improved performance.

I truly appreciate the dedicated efforts of all our employees who have played a key role in building a strong, world-class organization and their efforts in addressing the current evolving situation under testing times. I also thank our customers, vendors and other stakeholders who made it possible for the Company to maintain its growth momentum and financial performance. I also take this opportunity to thank all my colleagues on the Board for their continued support and guidance. I also thank all our shareholders for their continued trust on the entire ACE team.

With your support and good wishes, we will overcome all future challenges.

Thank You
Vijay Agarwal
Chairman and Managing Director