

Action Construction Equipment Ltd.

Corporate & Regd. Office

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



Date: September 04, 2021

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 27th 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 27th Annual General Meeting of the Company held on Friday, September 03, 2021 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





Dear Members,

I have great pleasure in welcoming you to the 27th Annual General Meeting of your Company. Like the last year we are once again meeting virtually as COVID-19 pandemic necessitates adoption of safety precautions. At the outset, I wish to express solidarity with all those who have lost their loved ones and I wish a speedy recovery to those who are infected or battling with this pandemic. We at ACE have also borne the brunt of this pandemic and many of our employees, stakeholders and their families were affected. I, on behalf of ACE, take this opportunity to pledge our support to their families. I also hope and pray that each one of you, your family & friends, stay safe and secure in these testing times.

As a responsible corporate, our priority has been to vaccinate our employees with agility and we have been holding various vaccination drives towards this endeavour. I am happy to report that at present 100% of our employees are vaccinated across the organization.

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

Your Company during the lockdown, ensured strict norms for the safety and wellbeing of each employee. All necessary precautions are being followed in the offices and the factories. We also remained in constant touch with our customers, vendors through virtual modes and extended all possible support.



Let me take this opportunity to apprise you all the highlights of the financial year and also touch upon some of the key initiatives undertaken by our Company, to address the immediate business environment and also strengthen our leadership position in the market.

The year gone by started with an unprecedented nation-wide lockdown due to pandemic, which negatively impacted the economic activities across the globe. Post relaxation of lockdown economic activities gradually started picking up from August 2020. ACE, backed by manufacturing strength, robust supply chain management and strong distribution network made a strong come back. EBIDTA margins improved YoY (from 8.3% in FY20 to 11% in FY21).

The Economic environment continues to remain uncertain and challenging due to COVID and subsequent partial lockdowns across the country. However, we as an organization are vigilant to the ground developments and ready to take remedial measures.

Despite the difficult times of the COVID -19 pandemic, the Company focused on achieving its business goals, improving cash from operations and cutting costs.

Our Company was able to deliver a very strong performance across its businesses despite the restrictive conditions.

- Our revenue grew from Rs. 1,156.20 Crores to Rs.1,227.01 Crores i.e. 6.12%;
- Our PAT grew from Rs. 52.64 Crores to Rs. 80.16 Crores i.e. increase of 52.28% (Infact this is highest profit we have logged in the history of our Company);



- Our EBITA grew from Rs. 95.87 Crores to Rs. 134.65 Crores i.e. increase of 40.45%;
- Earnings per share (EPS) was Rs. 7.06.

Dividend

The Board of Director has approved a Final Dividend of 25% per equity share for the financial year ended March 31, 2021, i.e. Rs. 0.50 paise per share.

The Company has also proposed for your approval, raising of funds by issuance of securities by way of private offerings/qualified institutions placement(s) for an amount up to Rs. 175.00 Crore.

The purpose of the same will be:

- (1) Pre-payment and/ or repayment of loans;
- (2) Funding the long term growth of its existing businesses;
- (3) General corporate purposes including organic or inorganic growth;
- (4) Making strategic acquisitions;
- (5) Financing other long term capital, working capital; and
- (6) Any other as may be permissible under applicable law(s) and approved by the Board of Directors of the Company.



Your Company continues to benefit from its integrated business model, wide product portfolio and scale economics which provide us with a high degree of earning stability. Each of our four verticals have enormous potential for growth, as each vertical (agriculture, infrastructure, construction and material handling) represents a strong pivot for the development of Indian economy.

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.

In the last year, we also introduced India's first lithium ion technology based electric forklifts. Our endeavor of developing special purpose equipment like cranes, material handling and construction equipment for the Indian defense forces, is going strong and hopefully we should start to see good traction in this area too shortly.

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 Salience & 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.

Outlook for Current Year

Looking forward to the current financial year, the situation around COVID-19 continues to remain unpredictable. However I am confident of a strong business delivery by our Company. On the long-term front, I am confident that we will not only navigate any short-term turbulences successfully but also strengthen our leadership position further. As an industry leader, we will continue to evolve our bonding with our customers.

I take this opportunity to commend the dedication and zeal of all our employees who through this difficult period ensured that as an organization, we surmounted all the challenges and continued to take our organization forward. 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 would also like to thank all my colleagues on the Board for their continued support in all our endeavors. Finally, I thank all our shareholders for their persistent trust and confidence on team ACE.

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

Thank You
Vijay Agarwal
Chairman and Managing Director