

Action Construction Equipment Limited

Corporate & Registered Office

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



Date: August 27, 2024

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 30th 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 30th Annual General Meeting of the Company held on Tuesday, August 27, 2024 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,

Good afternoon!

Welcome to the 30th Annual General Meeting of your Company which is being conducted virtually!

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

We have circulated our Annual Report for FY24 to members which is available on the website of our Company and on the stock exchanges. I trust that all members have had the opportunity to review it. In this report, we have provided a comprehensive overview of our business performance and outlined the outlook for the future.

Global Economy

The global economy has recovered well from the aftermath of a host of factors like The pandemic, inflationary pressures, challenging financial conditions and turmoil in the banking systems.

According to the International Monetary Fund, the average global GDP grew at an estimated rate of 3.2% in 2023 and it will continue at the same pace in 2024 and 2025. However, high borrowing costs, withdrawal of fiscal support, impact of the conflicts in Europe and West Asia, extreme uncertain weather conditions may cause some concern to be careful about.

Indian Economy

Amidst the global uncertainties and challenges, the Indian economy presented a picture of confidence, positivity and optimism. The Government's focus, on maintaining macro-economic stability ensured that the external challenges had minimal impact on the country's economy. The Country's GDP grew to around 8.2%. The government's Aatmanirbhar Bharat initiative has played a crucial role in enhancing domestic manufacturing capabilities, reducing dependence on imports, and promoting self-reliance in key sectors.



Overall, India's economic outlook remains positive, with the country poised to continue its growth trajectory in the coming years.

The Indian engineering sector, has witnessed robust growth, primarily driven by increased government investment in infrastructure development. This has significantly bolstered core industries such as steel, mining, cement, and power, which play a crucial role in the country's economic progress.

Company Performance

I, would like to apprise you regarding the financial highlights for the FY24 and also touch upon some of the key initiatives undertaken by our Company to strengthen our leadership position in the market.

The Company has excelled in every financial aspect, achieving its highest-ever Revenue and Profit compared to FY23, total income surged by an impressive 36% to Rs. 2,991Crores,

- **EBITDA soared by 83% to Rs. 480 Crores**
- **Profit after Tax witnessed a growth of 90% to Rs. 328 Crores**
- **Our EPS continues its upward trajectory.**
- **The Company has demonstrated substantial growth in both volume and value, further bolstering its balance sheet.**
- **We continue to exceed our revenue and earning expectations.**
- **You will be happy to note that return on Capital Employed in FY24 was 42.09% as compared to 27.06% in the previous year.**
- **The market capitalisation of ACE as on today is Rs. 15838 crores, as compared to Rs. 1967 crores of March, 2018 i.e. a significant growth of 705%.**



- **Amongst all listed Companies on BSE, as per Market capitalization on March 31, 2024, your Company was ranked at 319.**

We are concentrating on acquiring new capabilities, building a stronger R&D, strengthening the ACE brand and expanding our distribution footprint.

Dividend

I am pleased to announce that the Board of Director has approved a highest ever Final Dividend of 100% per equity share for the financial year ended March 31, 2024, i.e. Rs. 2.00 per share and same will be transferred into member's Bank accounts in the next month on or before 10th September, 2024.

We are confident that our strategic initiatives, combined with our commitment to quality and innovation, will continue to improve our market position and significantly contribute to the nation's economic development. Our goal is to become a globally renowned and sought-after company by promoting business in India and around the world.

Environmental issues are at the forefront of our technological development. We are in the process of launching our new CEV-5 range of products for both domestic and global markets. Innovation is now well integrated into our products and business strategy.

Recognizing the vast global opportunities, we have expanded our export arm and ventured into new territories with our tractors, cranes, and construction equipment. We aim to significantly boost our export volume to meet the rising global demand for our products.

We are also increasing our foot print in the defence sector.

On the Social responsibility front, we are actively engaged in various Corporate Social Responsibility (CSR) initiatives aimed at improving livelihoods and enhancing community well-being. This includes our free Ambulance service and Pathology lab. ACE Emergency Response services continues its journey of serving the needy and saving precious lives. This service has helped more than 2.00 Lakhs needy people from its inception. This year we are also expanding the CSR initiative in education sector, by providing internship and skill trainings to the students.



Towards GO GREEN, the Company has taken various initiatives for fostering sustainability towards Environment, by tree plantations to maximise the green campus, Rainwater Harvesting, use of Solar power etc.

Outlook

The Indian economy has demonstrated remarkable resilience amidst global uncertainties. Despite challenges such as geopolitical tensions, supply chain constraints posed by the Red Sea crisis, and the economic slowdown associated with the general elections in India, we are targeting a growth rate between 15% to 20% in FY25.

In the upcoming year, we remain optimistic about delivering strong performance, driven by the robust capital expenditure initiatives.

We are committed to maintain market leadership in India, alongwith our targeted efforts to increase international revenue.

Acknowledgement:

I wish to place on record my sincere gratitude towards our Board Members for their constant guidance and support in our pursuit of maximizing long term shareholder value. I would also like to thank all our stakeholders for believing in us and supporting us throughout our journey.

Last, but not the least, I would like to acknowledge the passion, dedication and commitment of our employees. As I close, I would like to take this opportunity to thank you all for your continuous support and faith in the Company and its management. We shall endeavour to scale newer heights as we continue on our journey ahead.

Thank You
Vijay Agarwal
Chairman and Managing Director