

Action Construction Equipment Limited

Corporate & Registered Office

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



Date: August 03, 2024

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 2023-24 and notice convening 30th Annual General Meeting ("AGM") of the Company.

Dear Sir/Madam,

This is to inform you that the 30th Annual General Meeting (AGM) of the Company will be held on **Tuesday, August 27, 2024 at 12:00 Noon** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") in compliance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Annual Report of the Company along with the Notice of AGM for the financial year 2023-24, 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 2023-24 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, **Website:** www.ace-cranes.com

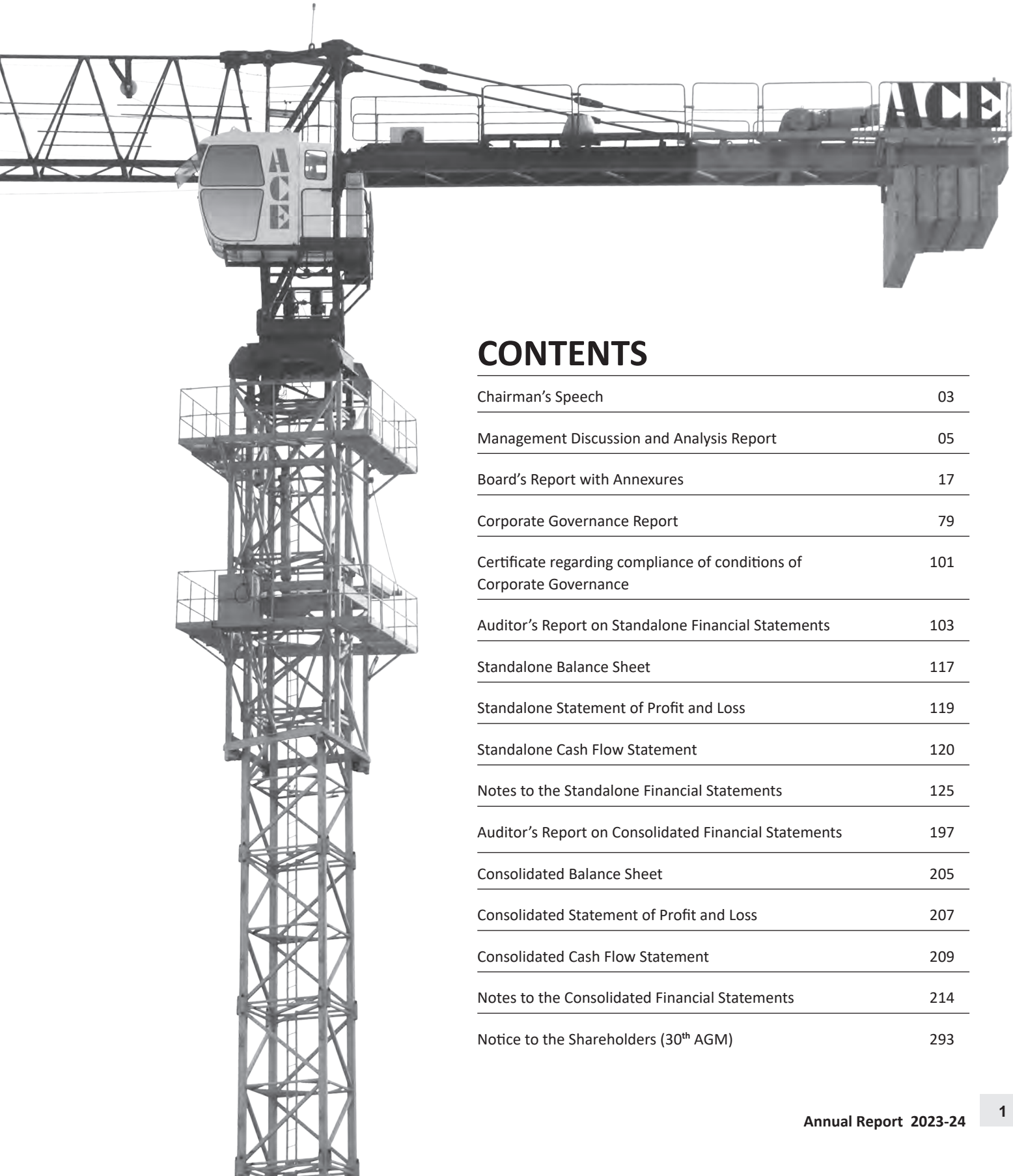


30th ANNUAL REPORT

2023-24

Lifting India's Growth





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Chairman's Speech



I am delighted to announce yet another progressive year across all sectors of our business. The financial year 2023-2024 has proven to be a remarkable period for the Company, marked by unprecedented profits.

The Company has excelled in every financial aspect, achieving its highest-ever revenue, profit and profit margins. Compared to FY23, total income surged by an impressive 36% to ₹ 2,991 Crores, EBITDA soared by 83% to ₹ 480 Crores, and Profit after Tax witnessed a growth of 90% to ₹ 328 Crores. Our EPS continues its upward trajectory. Additionally, the Company has demonstrated substantial growth in both volume and value, further bolstering its balance sheet position.

The focal points for India over the next 25 years to emerge as a developed nation will be building infrastructure and attracting investments. The Union Government's substantial investments in modern infrastructure have propelled the country's growth to new heights. In Budget 2024-25, there is an 11.1% increase in the capital investment outlay for infrastructure, amounting to ₹ 11.11 Lakh crore (US\$ 133 billion), which constitutes 3.4% of GDP, nearly triple the outlay in 2019-20. The quality of a country's infrastructure plays a pivotal role in shaping its economic trajectory.

The past financial year witnessed significant growth in the infrastructure, construction, real estate and manufacturing sectors. The outlook for these segments remains robust due to the government's unwavering focus and various schemes such as the smart city project, PM Awas Yojana, PLI Scheme, etc., which serve as growth catalysts. The most substantial impetus is expected to come from the manufacturing sector, propelled by initiatives like Make in India and the China +1 strategy.

India aspires to become one of the global manufacturing hubs, leveraging its competitive advantage in skilled workforce and lower labour costs. The manufacturing sector is experiencing a surge in capital expenditure and heightened M&A activity, resulting in increased manufacturing output and higher contribution to exports.

We play an integral role in India's growth, with an increased focus on improving the utilization of cutting-edge technologies and sustainable practices. 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.

Agriculture, the backbone of India's economy, requires continued support for the country to achieve greater heights. In Budget 2024-25, the government has allocated ₹ 1.27 lakh crore to the Department of Agriculture, Cooperation, and Farmers' Welfare to further bolster this sector.

ACE's leadership in developing cutting-edge equipment has earned the Company a strong brand reputation and repeat business, fostering steady growth. Our flexibility and agility allows us to cater to a wide range of industries, and our commitment to innovation drives our R&D efforts.

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. We are proud that 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. Increased Export Revenue, coupled with opportunities in the Defence Sector and rising utilization levels of Construction Equipment and Agri business, are propelling the Company forward.

We remain highly confident in the Company's medium to long-term prospects, with a solid foundation in place. With India's anticipated economic growth in the coming years, we firmly believe that the Company is poised for a multi-year growth cycle. Significant strides have been made in recent years to strengthen operations, diversify the product mix, and enhance procedures and controls.

In conclusion, I extend my sincere gratitude to all our stakeholders for their unwavering trust and support. We are committed to driving continued growth by offering innovative products and solutions and exploring new avenues for future expansion.

With best wishes,

Sincerely,
Vijay Agarwal
Chairman and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

❖ INDUSTRY STRUCTURE AND DEVELOPMENTS

• GLOBAL ECONOMY

The global economy has shown strong resilience to the shocks of the last year driven by strong macroeconomic fundamentals in most of the developed and emerging market economies and robust public and private spending. United States managed to tide over recessionary pressures, while Europe exhibited economic resilience surpassing earlier projections. China faced significant challenges in regaining its economic momentum. Inflation remains above target in many countries however it continues to soften in all the major economies. Asia is more nuanced, because inflation did not rise as much as in the west, and it is coming down faster. As a result, interest rates have not risen as much. Global Inflation is expected to decrease faster than anticipated, reaching 5.8% in 2024 and 4.4% in 2025, led by easing supply-side issues and tighter monetary policies.

The recovery in global economic growth is facing challenges due to multiple crises, including high debt levels, energy crisis and geopolitical tensions. The Red Sea crisis has disrupted global trade routes, leading to increased transit times, shipping costs, insurance premiums, etc.

As per the International Monetary Fund (IMF) global economy is projected to grow at 3.1% and 3.2% for 2024 and 2025 respectively. This uptick in growth is attributed to the resilience of the United States and certain emerging markets, along with expected fiscal support in China. However, this growth remains below the historical average, primarily due to elevated central bank policy rates combating inflation, reduced fiscal support, and sluggish productivity growth.

Sources: <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

<https://en.vietnamplus.vn/top-10-defining-events-of-global-economy-in-2023/275388.vnp>

• INDIAN ECONOMY

The Indian economy exhibited strong resilience amid uncertainty from adverse geopolitical developments and expansionary fiscal measures taken during the COVID-19 pandemic.

Strong domestic demand driven by private consumption and public investment, along with Government's continued thrust on infrastructure spending has been the key growth driver in FY24. India is the fastest growing major economy in the world and is likely to become the third-largest economy in 2027 in USD terms. Estimates suggests that India's contribution to global growth will rise by 200 basis points in the next 5 years.



The IMF forecasts India's GDP to grow at 6.7% in 2024 and 6.5% in 2025, driven by robust domestic demand and government spending. Economic fundamentals are improving, with receding inflation, expanding financial ecosystem, prudent fiscal management, and increasing foreign reserves.

Capital expenditure in the past 4 years has gone up by 3x which has resulted in a huge multiplier effect on economic growth and employment generation. Make in India programme supported by government policies and initiatives has boosted growth in manufacturing sector while the services sector is adopting new technologies and techniques for global competitiveness.

Government and RBI's timely interventions aided India's quick recovery from recent global shocks. Reforms in taxation, banking, and ease of doing business, along with infrastructure investments will boost long-term economic growth potential.

Sources: <https://www.fortuneindia.com/macro/ahead-of-budget-imf-raises-indias-gdp-growth-projection-to-65-for-fy25/115537>

<https://www.cnbctv18.com/economy/imf-raises-india-growth-world-economic-outlook-18925721.htm>

<https://www.ibef.org/economy/indian-economy-overview>

❖ CONSTRUCTION EQUIPMENTS INDUSTRY

The construction equipment industry in India is experiencing significant growth, fueled by various government initiatives like the National Infrastructure Pipeline and the PM Gati Shakti Master Plan, as well as the "Make in India" campaign's

emphasis on domestic manufacturing. This growth is evident in the fiscal year 2024 sales data, with a remarkable 26% increase in sales compared to the previous year, reaching 135,650 units. This surge is driven by both domestic and export markets, indicating a robust demand for construction machinery and equipment.

The increased demand for construction equipment is attributed to various infrastructure projects and construction activities across the country. This surge in sales not only reflects positive momentum in the construction sector but also signifies increased investment and activity in infrastructure development, real estate, and other construction-related industries. It's a positive indicator for the overall economic landscape, suggesting resilience and potential for further expansion in the construction sector.

Looking ahead, original equipment manufacturers (OEMs) are projected to invest between ₹ 1,400-1,500 crore during FY25. This investment will focus on debottlenecking, product development initiatives like CEV-V compliant equipment and alternative fuel-driven powertrains, and localization efforts. Ongoing projects under initiatives like the Pradhan Mantri Gram Sadak Yojana (PMGSY) are also contributing to the demand for construction equipment. Additionally, the construction of airports, railways, ports, and metros further supports the growth of the construction market, indicating a promising future for the industry.

<https://www.constructionworld.in/heavy-construction-equipment/construction-equipment-sales-surge-26-to-135650-units-in-fy24-icema/55155>

https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/construction-equipment-sales-rise-26-to-135650-units-in-fy24-icema/articleshow/109893166.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

• INDIAN CRANE MARKET

In 2024, the Indian crane market is estimated to be valued at USD 1.39 billion, with expectations to soar to USD 1.92 billion by 2029, exhibiting a robust CAGR of 6.79% during the forecast period (2024-2029). This surge in the crane market can be largely attributed to India's rapid urbanization and extensive infrastructural development endeavours. Key government initiatives such as the construction of smart cities, highways, and metro projects have significantly bolstered the demand for cranes. Moreover, the burgeoning residential and commercial real estate sectors are also playing a pivotal role in driving this demand.

The construction sector stands out as the primary consumer,



extensively employing cranes for erecting high-rise buildings, bridges, and various other infrastructure projects. Similarly, the manufacturing and industrial sectors are harnessing the power of cranes for heavy lifting in plants and warehouses, while the transport and logistics sector relies on them for cargo operations in ports and transportation projects. Among the various types of cranes, mobile cranes are leading the market owing to their flexibility and ease of mobility, making them particularly well-suited for urban construction sites. Tower cranes are indispensable for constructing high-rise structures, whereas crawler cranes are sought after for projects requiring heavy lifting over softer terrains.

The crane industry presents ample opportunities for growth by embracing new technologies aimed at enhancing efficiency, safety, and environmental compliance. With a positive growth trajectory anticipated, the market is poised to adapt to technological innovations and evolving market demands.

<https://www.mordorintelligence.com/industry-reports/india-crane-market/market-size>

• MATERIAL HANDLING EQUIPMENT INDUSTRY

In 2022, the global material handling equipment market was valued at US\$ 38 billion, with expectations to reach US\$ 52 billion by 2027. Similarly, the India Automated Material Handling Market was estimated at USD 1.47 billion in 2024 and is anticipated to grow to USD 2.66 billion by 2029, showing a robust CAGR of 12.70% during the forecast period (2024-2029).

Material handling equipment plays a vital role, particularly in the construction industry, manufacturing, and logistics sectors. Nearly every physical commerce item has been

transported using conveyors, lift trucks, or other types of material handling equipment in manufacturing plants, warehouses, and retail stores. The estimated compound annual growth rate (CAGR) for cranes and lifting equipment is projected to be 7.56% between 2022 and 2027, contributing to 47.69% of the incremental growth in the overall market during the same period.

India's contribution to the global material handling equipment market was 7.0% in 2022, and it is expected to rise to 8.0% by FY27. India is forecasted to have a CAGR of 9.38%, with incremental growth of US\$ 1508.97 million during the period of 2022-2027. The Government of India (GOI) is focusing on import substitution and export promotion, with initiatives like 'Make in India' aimed at encouraging domestic investment and attracting Foreign Direct Investment (FDI) to the country. The demand for material handling equipment is increasing due to port development and industrialization.

Companies are utilizing manual, semi-automated, and automated equipment to support their supply chains. Standard equipment not only enhances workflow efficiency but also improves customer service, production costs, product quality, and delivery times, thereby boosting global market growth. Increased globalization and the rapid growth of online shopping are major drivers of the material handling equipment industry's growth.

Sources: https://indexb.com/files/2024/2/a1fe7154-3cf6-47a0-964d-4c3b1faed472_Manufacturing%20of%20Material%20Handling%20Equipments.pdf

❖ **AGRICULTURE EQUIPMENT INDUSTRY**

The India Agricultural Machinery Market is estimated to be USD 16.73 billion in 2024, with expectations to grow to USD 25.15 billion by 2029, demonstrating a robust CAGR of 8.5% during the forecast period (2024-2029). India holds vast potential for growth in the agricultural machinery sector, driven by factors such as its expanding population, significant

economic reliance on agriculture, shifting demographics, and concerns regarding food security. In the Asia-Pacific region, India stands out as a key player fuelling the growth of its agricultural equipment market due to its heavy dependence on agriculture and a growing inclination towards technological advancements.

Farm mechanization plays a pivotal role in reducing cultivation costs and boosting productivity by optimizing resource usage. According to India's National Bank for Agriculture and Rural Development (NABARD), powered machines contribute significantly, accounting for 40-45 percent of various farm activities. Anticipated trends in the sector include increasing global food demand, heightened mechanization and automation, adoption of smart farming solutions, sustainable agriculture initiatives, and the rise of precision agriculture, all of which contribute to making the sector more attractive for investment.

In India, the expansion of agriculture and farm equipment markets is closely tied to the rapidly growing global population. Projections from the United Nations suggest that India's population could surge by two billion people over the next 30 years, reaching 9.7 billion by 2050. The mechanization of farms becomes imperative to meet this escalating food demand. The correlation between population growth and increased food demand underscores the critical role of agricultural machinery in enhancing productivity and addressing the rising need for food security.

Sources: <https://www.mordorintelligence.com/industry-reports/india-agricultural-machinery-market>

<https://www.india-briefing.com/news/india-farm-mechanization-sector-opportunities-challenges-31243.html/#:~:text=The%20Indian%20agricultural%20machinery%20market,the%20imperative%20role%20of%20mechanization>

❖ **OUTLOOK**

● **INFRASTRUCTURE**

The India Infrastructure Sector Market is estimated to be USD 204.06 billion in 2024, with expectations to reach USD 322.27 billion by 2029, exhibiting a robust CAGR of 9.57% during the forecast period (2024-2029). India's ambitions to achieve developed nation status by 2047 hinge significantly on fortifying its infrastructure, a fundamental catalyst for fostering liveable, climate-resilient, and inclusive cities that propel economic growth. This commitment is evident in the government's allocation of 3.3% of GDP to the infrastructure sector in FY2024, with notable emphasis on transport and logistics.

Infrastructure serves as a critical enabler in India's quest to become a US \$26 trillion economy. Investments in constructing and upgrading physical infrastructure, particularly in alignment with initiatives to enhance ease of





doing business, remain pivotal for boosting efficiency and reducing costs.

India's infrastructure forms an integral part of the country's economic ecosystem. There has been a significant shift in the industry towards developing world-class facilities across various domains such as roads, waterways, railways, airports, and ports, among others. Nationwide smart cities programs have proven to be transformative for the industry. Given its crucial role in the nation's growth, the infrastructure sector has witnessed tremendous growth owing to India's imperative and aspiration for rapid development. Urbanization and increased foreign investment in the sector have further fueled this expansion.

It is estimated that India needs to invest USD 840 billion over the next 15 years in urban infrastructure to meet the needs of its rapidly growing population. This investment will be rational and sustainable only if there is a concurrent focus on the long-term maintenance and durability of buildings, bridges, ports, and airports.

Government initiatives and recent investments in infrastructure underscore the commitment to advancing India's infrastructure as a strategic move to stimulate economic growth. The central government has increased its capital expenditure (capex) allocation to ₹ 11.11 lakh crores - 3.4% of GDP for the fiscal year, with a specific focus on advancing India's infrastructure. Notably, ₹ 77,523.58 crore (US\$ 9.3 billion) has been allocated to the Ministry of Housing and Urban Affairs.

<https://www.ibef.org/industry/infrastructure-sector-india>

<https://www.mordorintelligence.com/industry-reports/infrastructure-sector-in-india>

- **ROADS**

In the Interim Budget for 2024-25, the government has earmarked ₹ 2.76 lakh crore (US\$ 33.4 billion) for the Ministry of Roads. India boasts approximately 63.73 lakh km of road network, making it the second largest in the world. The network of National Highways has expanded significantly from 91,287 km in 2013-14 to 1,46,145 km in 2023-24. The government is actively pursuing the development of a national highway network spanning 2 lakh kms by 2037.

National Highways play a pivotal role in India's economic and social progress by facilitating the efficient movement of goods and people and enhancing market accessibility. Over the past eight years, the Ministry of Road Transport and Highways (MoRTH) and its implementing agencies have undertaken numerous initiatives to bolster the capacity of India's National Highway infrastructure.

These initiatives aim to enhance connectivity, reduce travel time, and bolster economic activity by ensuring smoother transportation of goods and passengers. With the sustained focus on infrastructure development and the significant



investments allocated, India is poised to further strengthen its road network, fostering economic growth and social development across the country.

Sources:https://www.ibef.org/download/1716535732_Infrastructure-March-2024.pdf

- **REAL ESTATE**

The real estate industry in India stands as a cornerstone of the economy, contributing significantly to its growth and interlinking with various sectors such as construction, finance, and retail. Over the years, the sector has witnessed a spectrum of developments ranging from affordable housing projects to luxurious high-rise buildings, catering to the diverse needs of the burgeoning population. With rapid urbanization, increasing disposable incomes, and supportive government policies like RERA (Real Estate Regulatory Authority), India's real estate market is poised for substantial growth.

In the Interim Budget for 2024-25, the government allocated ₹ 77,523.58 crore (US\$ 9.3 billion) to the Ministry of Housing and Urban Affairs. The real estate sector is the second highest employment generator in India, after the agriculture sector. Projections suggest that India's real estate sector could expand to US\$ 5.80 trillion by 2047, contributing 15.50% to the GDP, up from the existing share of 7.30%. Rapid urbanization further augurs well for the sector, with construction being the third-largest recipient of FDI (Foreign Direct Investment). FDI in the sector, including construction development and activities, stood at US\$ 60.07 billion from April 2000 to December 2023. The Government of India's 'Housing for All' initiative is anticipated to attract US\$ 1.30 trillion in investment in the housing sector by 2025.

India's physical retail landscape is also set for significant growth, with nearly 41 million sq. ft of retail developments slated to be operational between 2024 and 2028 across the top 7 cities. Various initiatives by the Government of India, along with state governments, aim to encourage development in the real estate sector. The Smart City Project, with plans to build 100 smart cities, presents a prime opportunity for the real estate sector.

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

<https://www.bajajfinserv.in/understanding-the-real-estate-industry-in-india#:~:text=By%202025%2C%20India's%20real%20estate,shape%20the%20industry's%20future%20landscape>

- **LOGISTICS AND WAREHOUSING**

The Indian logistics industry is poised for steady growth at a rate of 10-12% CAGR, propelled by factors such as a

global manufacturing shift due to initiatives like "Make in India", increased e-commerce penetration, GST/E-way bill implementation, the National Integrated Logistic Policy, and new emission norms.

Since the onset of the COVID-19 pandemic, global companies have been redirecting their manufacturing focus to India, leading to heightened demand for warehousing and logistics services. The Central government has been actively supporting exports and endorsing Production Linked Incentive (PLI) schemes to both Indian and foreign companies to encourage manufacturing in India.

The booming e-commerce sector has further fueled the demand for logistics services. In a bid to simplify customs procedures and eliminate bureaucratic obstacles, various digitization-related initiatives have been undertaken in recent years. Additionally, several logistics start-ups have emerged to address specific challenges in the industry, offering innovative solutions and technology-driven services.

Key policies and initiatives include the Logistics Efficiency Enhancement Program (LEEP), aimed at improving logistics efficiency and establishing a network of 35 Multimodal Logistics Parks as part of the Bharatmala Pariyojana. The government has also been focusing on dedicated freight corridors, such as the Eastern and Western Dedicated Freight Corridors, and the Sagarmala project, which aims to enhance logistics connectivity through the integration of ports and dedicated freight corridors, leveraging India's extensive network of potentially navigable waterways spanning 14,500 km.

Sources:<https://www.financialexpress.com/business/industry-is-indian-logistics-industry-on-the-rise-with-government-led-reforms-and-initiatives-2-3412741/>

- ❖ **OPPORTUNITIES**

- The FY25 interim budget in India presents significant opportunities for the Future growth of the Company. With a total Capex outlay of approximately ₹ 11.11 lakh crores, major allocations for roads (₹ 2.72 lakh crore) and railways (₹ 2.52 lakh crore) highlight a strong demand for construction machinery like earthmoving equipment, cranes and pavers. Initiatives such as the Urban Infrastructure Development Fund (UIDF) targeting Tier 2 and Tier 3 cities and expansions in metro rail networks under NAMO Bharat create opportunities for specialized urban construction equipment.
- The emphasis on expanding national highways by 14,000 km and constructing new expressways under Bharatmala Pariyojana fuels demand for road construction equipment and materials handling machinery. Furthermore, with

India's manufacturing sector aiming to reach US\$ 1 trillion by 2025 through initiatives like Production Linked Incentives (PLI) and the revival of the industrial Capex cycle, there is growing demand for heavy machinery in industrial construction, such as industrial cranes and material handling systems.

- Leveraging these opportunities requires focusing on innovation, sustainability, and customer-centric solutions to meet the diverse needs of India's infrastructure projects. By aligning product offerings with these developments, Company can capitalize on the expanding market and contribute to India's ambitious infrastructure growth plans effectively.
- The 2024-25 Union Budget's allocation of ₹1,27,000 crores to the Ministry of Agriculture and Farmers' Welfare signals robust opportunities for our Agricultural Equipment segment. With a steadfast commitment to rural development evident in increased budgetary provisions for Rural Development, Irrigation Projects, and subsidies, coupled with improved credit accessibility, the agricultural sector is primed for growth. The Indian tractor market, projected to grow at a CAGR of 8.9%. underlines a rising demand for advanced agricultural machinery. This environment presents a favorable landscape for our agri-equipment division to innovate and cater to the escalating need for mechanized irrigation systems, precision farming technologies, and modern harvesting equipment.
- The development of five Multimodal Logistics Parks (MMLPs) through PPP mode contracts in FY24, part of a larger plan to establish 35 MMLPs with a total capital outlay of ₹50,000 crore, presents significant opportunities in India's logistics sector. With supportive government policies like the National Logistics Policy and establishment of free trade warehouse zones, the logistics market is set for expansion. The addition of 100 PM Gati Shakti Cargo Terminals by 2025 further enhances the logistical infrastructure, promising efficiency gains across Tier II, III, and IV towns. This growth trajectory not only stimulates demand for advanced warehousing solutions but also underscores the need for integrated multimodal logistics facilities and technology-driven logistics services to meet evolving market demands effectively.
- A Strategic Partnerships with other companies present an opportunity for synergies, combining strengths to enhance market presence and capabilities. Company aims to accelerate innovation, expand market reach, and capitalize on opportunities in logistics and infrastructure sectors, aligning closely with our growth strategy for sustainable business development.

❖ THREATS

- The Indian economy's growth could be badly impacted by a slowdown brought on by unfavourable macroeconomic and international trends. The slowdown in the economy may hurt the infrastructure and manufacturing sectors which in turn can cause a slowdown in the Company's growth;
- Inadequate construction project management, project risks might result in financial and legal difficulties, as well as disproportionate availability of workforce. Poor scheduling, planning, or inefficient resource allocation are just a few examples of how uneven project management can lead to risks that increase delays and increase costs for businesses;
- Banks play the most vital role in financing the projects, however, due to reasons like restricted balance sheet, absence of willingness to lend to infrastructure sectors and drastically increasing non-performing assets may lead to decrease in funding projects;
- The risk of raw material price volatility translating into margin pressure due to a sharp rise in raw material prices, increase the cost of goods sold and affect the profitability of the industry;
- Environmental issues and strict laws may hinder the strong growth of the Company;
- Fluctuations in the demand of construction equipment's can affect the Company's operations;
- Emergence of new foreign and domestic companies can cause the Company to face stiff competition;

❖ RISKS AND CONCERN

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:

- **Distribution channels, retailer network and customer service delivery:** To achieve customer delight, every customer must receive a seamless and consistently hassle-free experience. Our retailer partners reflect our brand strategy and vision, and effectively communicate our values through trained and capable representatives. Skilled frontline salespersons tailor their responses to appeal to both new and existing customers and are crucial to driving high customer.

Mitigation: Significant steps have been taken to

improve dealer profitability and financial health. Online channels have been simplified to enhance the customer online experience. Retailer systems and tools have been enhanced, supporting retailer sales, service and technician representatives and helping them deliver a seamless and consistent customer experience. Several other initiatives have been undertaken over the past few years to aid seamless sales and improve after sales experience.

- **Supply Chain:** Disruption in supply chain would lead to disruption in operations impacting our profitability and therefore sustainability. Our projects may face challenges around sourcing of raw materials for manufacturing.

Mitigation: Strong management team continues to work towards sustainable low cost of production, operational excellence and securing key raw material linkage. Continuous focus on cost optimisation projects to bring down fixed costs and optimise variable costs. Development of alternate suppliers and enhanced focus on localisation. Facilitating the suppliers to get access to attractive financing schemes for managing working capital.

- **Fluctuations in commodity prices:** Prices and demand for the products may remain volatile/uncertain and could be influenced by economic conditions, natural disasters, weather, pandemics, political instability, and so on. Volatility in commodity prices and demand may adversely affect our earnings and cash flow.

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

- **Information Security and IT systems:** The Company's increased reliance on digital technologies brings exposure to cyber-attacks that may affect business operations. Non-compliance to stringent IT legislations and regulations may lead to imposition of penalties and adverse impact on the Company's reputation.

Mitigation: We have IT center and Enterprise Resource Planning (ERP) – integrating all business divisions, Data Loss Prevention strategy implemented across all IT assets. Adoption of strong IT security measures. Implementation of policies and procedures to ensure integrity of cyber security interventions.

- **Technology innovation:** The Company manufactures different construction equipment that needs continuous technological up gradation.

Mitigation: The Company has been investing in R&D and it is upgrading its products continuously.

- **Global economic and geopolitical environment:** We are exposed to changes in the global economic and geopolitical environment, as well as other external factors, including but not limited to trade tensions, protectionism, wars, terrorism, natural disasters, humanitarian challenges and pandemics that may adversely impact our business. In the recent past, we have been witnessing increased geopolitical tensions globally.

Mitigation: We continue to closely monitor and risk assess global developments, implementing mitigation plans as necessary and we continue to maintain a balanced sales profile across our key sales regions. Our diverse global customer base gives us the flexibility to react to regional changes in demand by adjusting our sales mix, modifying product features or content in case of supply challenges, as informed through our enhanced supply chain risk management framework.

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

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

- **Occupational, Health and Safety Risks in Operations:** Company may face accidents involving moving machinery, on-site transport, forklifts, blast etc.

Mitigation: Our health and safety guidelines ensure compliance with local and international laws, regulations and standards. The primary focus is protecting the employees and communities from harm and operations from business interruptions. Safety training, mandatory usage of safety gadgets such as safety shoes, helmets, hand gloves, masks on shop floor/plants. Regular safety meetings are held for review of safety aspect, fatal accidents/near miss accidents, if any.

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

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

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

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

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

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

❖ FINANCIAL PERFORMANCE REVIEW

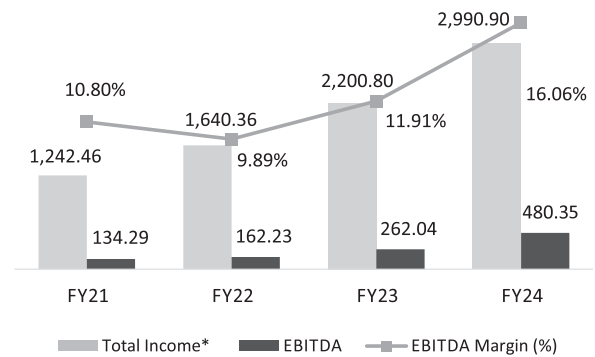
Financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified Section 133 of the Companies Act, 2013 (“the Act”) and other relevant provisions of the Act.

The key highlights of financial performance of standalone business are as under:

YTD Consolidated Financial Performance

(₹ in Crore)			
Particulars	FY-24	FY-23	Y-o-Y
Total Income*	2,990.90	2,200.80	35.86%
Total Expenses	2,510.55	1,938.76	29.50%
EBITDA	480.35	262.04	83.31%
EBITDA Margin (%)	16.06%	11.91%	415 Bps
Depreciation	23.24	18.00	28.11%
Finance Cost	23.17	10.29	125.17%
PBT	433.94	233.75	85.64%
Tax	105.74	60.76	74.05%
Profit after Tax	328.20	172.99	89.72%
PAT Margin (%)	10.97%	7.86%	311 Bps
EPS (Diluted INR)	27.56	14.41	91.26%

Consolidated Financial Highlights (₹ in Crore)



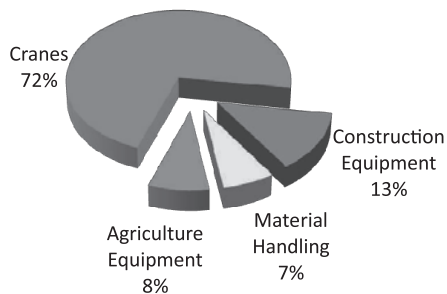
* Total Income includes Other Income

❖ SEGMENT WISE OR PRODUCT WISE PERFORMANCE (Standalone Basis)

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

- The Cranes division revenues increased by 37.75% to ₹ 2104.59 crores in the year ended March 31, 2024 as against ₹ 1527.85 crores in the year ended March 31, 2023. EBIT increased by 75.80% to ₹ 342.96 crores in the year ended March 31, 2024 as against ₹ 195.08 crores in year ended March 31, 2023.
- Construction Equipment division revenues increased by 54.82% to ₹ 386.21 crores in the year ended March 31, 2024 as against ₹ 249.46 crores in the year ended March 31, 2023. EBIT increased by 110.93% to ₹ 49.59 crores in the year ended March 31, 2024 as against ₹ 23.51 crores in the year ended March 31, 2023.
- Material Handling revenues increased by 8.60% to ₹ 183.69 crores in the year ended March 31, 2024 as against ₹ 169.14 crores in the year ended March 31, 2023. EBIT increased by 16.31% to ₹ 24.25 crores in the year ended March 31, 2024 as against ₹ 20.85 crores in the year ended March 31, 2023.
- Agri Equipment revenues increased by 12.06% to ₹ 237.05 crores in the year ended March 31, 2024 as against ₹ 211.54 crores in the year ended March 31, 2023. EBIT increased by 64.88% to ₹ 8.92 crores in the year ended March 31, 2024 as against ₹ 5.41 crores in year ended March 31, 2023.

Consolidated Segmental Revenue – FY24 (%)



❖ 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 Company has instituted robust internal control systems and best in-class processes commensurate with its size and scale of operations. These comprise:

- Well-formulated policies and procedures that facilitate effective business operations with governance across all major activities.
- The Company effectively exerts financial control through the annual budgeting process and monitors it through monthly reviews of all operating and service functions.
- A state-of-the-art ERP system to record data for accounting, consolidation and management and connect different locations for efficient exchange of information.
- The Company conducts audits based on stringent standards to review the design effectiveness of internal control systems and procedures to manage risks, ensure monitoring control, comply with relevant policies and procedures, and recommend improvement measures.
- The Audit Committee of the Board of Directors regularly reviews the adequacy and effectiveness of internal audit systems. It monitors the implementation of internal audit recommendations.
- In terms of governance, the Company has deployed independent committees for monitoring the effectiveness of internal controls:

- 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.

❖ MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

The Company strives to nurture the individual capabilities of its workforce to achieve the organisational goal of blending growth and achievement, ensuring everyone thrives while contributing to the Company’s collective success. The Company has adopted guiding pillars to build a resilient, adaptive, and inclusive workplace where every team member is valued and uplifted.

- The Company focuses on taking various initiatives to make its workplace more engaging, collaborative, and fulfilling. A gamut of celebrations comprising Diwali, New Year and Holi enabled employees and their families to unite, fostering enduring relationships.
- The Company aims to empower its employees with userfriendly tools and ensure a digitally integrated and agile infrastructure.
- ACE is becoming more responsive to market changes, customer needs and internal dynamics, enhancing its way of working. This way, the Company stays well-equipped to navigate emerging challenges and opportunities.
- The Company is committed to an open-door policy and effective communication channels to maintain positive industrial relations. The Company addresses employee concerns through regular forums and committees, initiating dialogue and fostering a transparent and collaborative workplace.
- The Company has created a comprehensive diversity, equity, and inclusion policy to equal rights and respect for all individuals, regardless of gender, ethnicity, race, religion, marital status, or disability. ACE catalyses innovation, creativity, and collaboration by embracing varied perspectives. A diverse and inclusive workplace is a source of strength and essential for achieving the Company’s business objectives.

The Number of permanent employees on the rolls of the Company as on March 31, 2024 are 1387.



❖ **DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:**

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

S. N.	Particulars	FY 2024	FY 2023	% Change
1.	Debtors Turnover (Times)	17.37	12.03	44.38%
2.	Inventory Turnover (Times)	4.18	4.09	2.13%
3.	Interest Coverage Ratio (Times)	19.72	22.40	-11.96%
4.	Current Ratio (Times)	1.36	1.36	0.13%
5.	Debt Equity Ratio (Times)	0.003	0.01	-65.17%
6.	Operating Profit Margin (%)	13.06%	9.60%	8.41%
7.	Net Profit Margin (%)	11.25%	7.47%	50.65%
8.	Return on Net worth (%)	30.78%	19.37%	58.90%

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

Reason of Change:

- Debtor turnover has improved due to faster realisation of trade receivables.
- Inventory turnover has improved due to better management of inventories.
- Current ratio has improved due to better management of the working capital.
- Changes in Debt Equity Ratio is primarily due to reduction in short term borrowing during the year.
- Changes in Net Profit Margin is due to increase in profitability during the year.
- Changes in Return on Net worth is due to increase in profitability during the year.

Note: Ratios as required under schedule III of the Companies Act, 2013 are also given in note no. 45 of the standalone financial statement.

❖ **RISK MANAGEMENT AND GOVERNANCE**

Risk is an intergral and unavoidable component of business and your company is committed to managing risk in a proactive manner. Though risks cannot be completely eliminated; an effective risk management plan ensures that risks are reduced, avoided, retained or shared.

The company recognizes that effective risk management is crucial to its continued profitability and long-term sustainability of its business.

Given the challenging and dynamic environment of your Company's operations, strategies for mitigating the inherent risks in accomplishing the ambitious plans for your Company is imperative. The Key business risks identified by your Company are given in Risk and Concern section of this report.

The risk horizon considered includes long term strategic risks, short to medium risks as well as single events. The risks are analyzed considering likelihood and impact as a basis of determining their management.

The Company is committed to adopt good corporate governance, which promotes the long-term interests of all stakeholders, creates self-accountability across its management and helps built trust in the Company. A robust internal financial control system forms the backbone of our risk management and governance. In line with our commitment to provide sustainable returns to our stakeholders, your company has formalized clearly defined systems to manage its risks within acceptable

limits by using risk mitigating techniques and have framed policies for timely addressing key business challenges and leveraging of business opportunities.

❖ **DISCLAIMER**

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical

demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

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

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



BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 30th Annual Report on the business and operation of the Company together with Audited Statement of Accounts for the financial year ended March 31, 2024.

FINANCIAL PERFORMANCE

The Audited Financial Statements of your Company as on March 31, 2024, are prepared in accordance with the relevant applicable Indian Accounting Standards ("Ind AS") and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the provisions of the Companies Act, 2013 ("Act"):

The summarized financial highlight is depicted below:

(₹ in Crores)

PARTICULARS	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenue from operations	2911.54	2157.99	2913.80	2159.68
Other Income	76.19	22.24	77.10	41.11
Total Income	2987.73	2180.23	2990.90	2200.79
Earnings Before Depreciation, Finance costs, Exceptional Items and Tax	479.26	247.06	480.34	262.03
Less: Depreciation and amortization expenses	22.89	17.66	23.24	18.00
Less: Finance Costs	23.14	10.24	23.17	10.29
Profit before exceptional items and Tax	433.23	219.16	433.94	233.74
Less: Exceptional items	-	-	-	-
Profit Before Tax	433.23	219.16	433.94	233.74
Less: Tax expense (Net)	105.59	57.96	105.74	60.76
Profit After Tax	327.64	161.20	328.20	172.98
Other Comprehensive income for the year (net of tax)	-0.38	0.03	-0.24	0.02
Total Comprehensive income for the year	327.26	161.23	327.96	173.00

FINANCIAL PERFORMANCE OVERVIEW (STANDALONE BASIS)

The brief highlights of the Company's performance (standalone) during the financial year 2023-24:

- Total revenue from operations increased to ₹ 2911.54 Crores as against ₹ 2157.99 crores in the previous year - an increase of 34.92%.
- Earnings before Interest, Depreciation, Amortization, Exceptional Items & Tax for the current year is ₹ 479.26 crores against ₹ 247.06 crores in the previous year - an increase of 93.99%.
- Profit before Tax (PBT) and Profit after Tax (PAT) for the current year are ₹ 433.23 crores and ₹ 327.64 crores respectively against ₹ 219.16 crores and ₹ 161.20 crores in the previous year - an increase of 97.68% and 103.25% respectively.
- Earnings per share is ₹ 27.52 for the year under review.

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, 2024.

AMOUNTS TRANSFERRED TO RESERVES

During the year under review, no amount was transferred to any of the reserves by the Company.

DIVIDEND

The Board of Directors at their meeting held on May 21, 2024, has recommended payment of ₹ 2.00 i.e. (100%) per equity share of the face value of ₹ 2 (Rupee Two) each as final dividend for the financial year ended March 31, 2024. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

DIVIDEND DISTRIBUTION POLICY

In compliance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015, as amended, the Board of Directors of the Company have adopted the Dividend Distribution Policy of the Company ("the Policy"). The policy inter alia, lays down various parameters relating to declaration/recommendation of dividend. The policy is available on the Company's website at weblink : https://www.ace-cranes.com/public/front/pdf/Dividend_Distribution_Policy_ACE_2021.pdf.

UNCLAIMED DIVIDENDS

Details of outstanding and unclaimed dividends previously declared and paid by your Company are given under the Corporate Governance Report which forms part of this Annual Report.

SHARE CAPITAL

During the year under review, there was no change in the authorised share capital of your Company. The authorized equity share capital of your Company is ₹ 23.82 crores and during the year Company has not issued any:

- Shares with differential rights;
- Sweat equity shares;
- Bonus shares;
- Debenture, bond and any other securities.

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

EMPLOYEE STOCK OPTION SCHEME (ESOS)

Your Company grants share-based benefits to eligible employees with a view to attracting and retaining talent, to encourage employees to align individual performance with the Company objectives and to promote their increased participation in the growth of the Company through Action Construction Equipment Limited Employee Stock Option Scheme 2021 ("Scheme"). The Scheme is in line with the SEBI (Share Based Employee Benefits



and Sweat Equity) Regulations, 2021 (“SBEB Regulations”) and there were no material changes to the scheme during the financial year 2023-24 except the following as given below:

The members of the Company in their AGM held on August 25, 2023 has approved the amendment in exercise period specified under Action Construction Equipment Limited Employees Stock Option Scheme 2021 (“Scheme”) from existing “three months from the date of respective vesting” to “two years from the date of respective vesting” and it was noted that the amendment in the Scheme is not prejudicial to the interests of the options grantees/employees of the Company.

During the year under review, the Nomination and Remuneration Committee of the Board in their resolution passed by the circulation effected on June 03, 2023, had approved grant of upto 90,000 stock options (actual grant being 79,674 stock options) convertible into equivalent number of equity shares of ₹ 2 each to the eligible employees of your Company as per the Scheme.

Pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the certificate received from the secretarial auditor of the Company confirming implementation of the Scheme in accordance with the said regulations and the resolution passed by the members, will be made available at the AGM.

In terms of regulation 14 of the SBEB Regulations, a statement giving complete details, as at March 31, 2024, is available on the website of the Company at <https://www.ace-cranes.com>.

Details of options vested, exercised and cancelled are also provided in the notes to the standalone financial statements of the Company for the financial year ended as on March 31, 2024.

LISTING OF SHARES

The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The listing fee for the year 2024-25 has already been paid to both the Stock Exchanges.

CREDIT RATING

ICRA Limited has reaffirmed the Long-Term Credit Rating [ICRA] AA (Stable) (pronounced ICRA double A) with a stable outlook and Short-Term Credit Rating of [ICRA]A1+ (pronounced ICRA A one plus) for the bank loan facilities. This indicates Company’s sound financial health and its ability to meet the financial obligations and outlook on the long-term Rating is Stable.

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

A list of subsidiaries of your Company is provided as part of the notes to the consolidated financial statements.

As on March 31, 2024, the Company has following subsidiaries Companies/Firms.

S. No.	Name of the Company/Firm	Status	Country	Holding
1.	Crane Kraft India Private Limited	Wholly Owned Subsidiary	India	100%
2.	SC Forma SA (under Liquidation)	Subsidiary Company	Romania	89.52%
3.	Namo Metals	Partnership Firm	India	90.00%

Note: SC Forma SA, Romania a subsidiary of the Company is under Voluntary liquidation process as per applicable laws in 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 subsidiaries, which form part of the Annual Report. For details please refer the Consolidated Financial Statements.

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

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

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

In terms of the Company’s Policy on determining “material subsidiary”, during the financial year ended March 31, 2024, there is no material subsidiary of the Company whose income exceeds 10% of the consolidated income of the Company in the immediately preceding financial year.

The Policy for determining material subsidiaries may be accessed on the Company’s website at link <https://www.ace-cranes.com/public/front/pdf/Policy-for-Determining-Material-Subsidiaries-ACE.pdf>.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As of March 31, 2024, your Company’s Board had eight members comprising of Four Executive Promoter Directors and four



Independent Directors, including one Woman Director. The details of Board and Committee composition and other details are available in the Corporate Governance Report, which forms part of this Annual Report.

In terms of the requirement of the Listing Regulations, the Board has identified core skills, expertise, and competencies of the Directors in the context of your Company's business for effective functioning. The key skills, expertise and core competencies of the Board of Directors are detailed in the Corporate Governance Report, which forms part of this Annual Report.

Appointment/Re-appointment

The Board of Directors, in their meeting held on May 21, 2024, had recommended for re-appointment of Mrs. Surbhi Garg (DIN: 01558782), as Whole Time Director designated as Executive Director, Mr. Avinash Prakash Gandhi (DIN: 00161107) as Non-Executive Independent Director and Dr. Divya Singal (DIN: 08722144), as Non-Executive Independent Director (Independent Woman Director) of the Company for a further period of 5 years w.e.f. April 1, 2025, October 1, 2024 and April 01, 2025 respectively subject to the approval of the shareholders in the ensuing Annual General Meeting. Their appointment(s) are appropriate and in the best interest of the Company. Details related to their re-appointment(s) as required to be disclosed under Companies Act/listing Regulations are given in the notice of 30th AGM.

Re-appointment of Directors retiring by rotation

In accordance with the provisions of Companies Act, 2013 (hereinafter referred as "the Act") and Articles of Association of the Company, Mrs. Mona Agarwal (DIN: 00057653), Whole-Time Director of the Company will retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. Details related to her re-appointment as required to be disclosed under Companies Act/listing Regulations is given in the notice of 30th AGM.

Pecuniary relationship or transactions with the Company

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee(s) of the Company.

Declaration By Independent Directors

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

In the opinion of Board of Directors of the Company, Independent Directors on the Board of Company hold highest standards of integrity and are highly qualified, recognized and respected individuals in their respective fields. It's an optimum mix of expertise (including financial expertise), leadership and professionalism.

Key Managerial Personnels (KMP)

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

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

NUMBER OF BOARD MEETINGS

The Board met 4 (Four) times during the year under review. The intervening gap between the meetings did not exceed 120 days, as prescribed under the Companies Act and SEBI Listing Regulations. The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

Independent Directors' Meeting

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate Meeting of the Independent Directors of the Company was also held on February 06, 2024, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, and also to assess the

quality, quantity and timeliness of flow of information between the Company management and the Board.

ANNUAL GENERAL MEETING

During the financial year 2023-24, 29th Annual General Meeting of the Company was held on August 25, 2023 at 12:00 noon through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”).

COMMITTEES OF THE BOARD

As required under the Companies Act and the SEBI Listing Regulations, your Company has constituted various Statutory Committees. Additionally, the Board has constituted internal management committee of Directors named as “Committee of Board of Directors (COB)” for taking the administrative decisions of the Company. As on March 31, 2024, the Board has comprised the following committees/sub-committees.

Statutory Committees:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders Relationship Committee;
- (d) Corporate Social Responsibility Committee;
- (e) Risk Management Committee.

During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees, including its terms of reference is provided in the Corporate Governance Report forming part of this Annual Report.

The composition and terms of reference of all the Committee(s) of the Board of Directors of the Company is in line with the provisions of the Act and Listing Regulations.

NOMINATION AND REMUNERATION POLICY

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

Board Diversity

Your Company recognises and embraces the importance of a



diverse board in its success. The Board has adopted the Board Diversity Policy which sets out the approach to the diversity of the Board of Directors. The said Policy is available on your Company’s website and link for the same is <https://www.ace-cranes.com/public/front/pdf/Board-Diversity-Policy-ACE.pdf>

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 2023-24, 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, 2024 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.

BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and Regulation

25 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Independent Directors at their separate meeting, without participation of the Non-Independent Directors and Management have considered and evaluated the Board's performance and performance of the Chairman and Non Independent Directors. The Independent Directors in the said meeting have also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Board of Directors has evaluated the performance of each of the Independent Directors (without participation of the relevant Director). The Board has carried out the annual evaluation of its own performance and that of its Directors individually. The evaluation criteria as approved by the Nomination and Remuneration Committee included various aspects of the functioning of Board such as composition, process and procedures including adequate and timely information, attendance, decision making, roles and responsibilities etc.

The performance of individual directors including the Chairman was evaluated on various parameters such as industry knowledge & experience, vision, commitment, time devoted etc. The evaluation of Independent Directors was based on aspects like participation & contribution to the Board decisions, knowledge, experience and integrity etc.

STATUTORY AUDITORS

As per provisions of Section 139(1) of the Act, the Company has appointed M/s BSR & Co. LLP, Chartered Accountants (Firm Regn. No. 101248W/W-100022) as Statutory Auditors of the Company for a period of 5 (Five) years (April 01, 2022 to March 31, 2027) i.e. till the conclusion of the 33rd AGM to be held in the calendar year 2027, in the AGM of the Company held on September 20, 2022.

Representative of M/s B S R & Co. LLP, Statutory Auditors of your Company attended the previous AGM of the Company held on August 25, 2023.

Statutory Auditors' Report

Statutory Auditors have expressed their unmodified opinion on the Standalone and Consolidated Financial Statements and their reports do not contain any qualifications, reservations, adverse remarks. The Notes to the financial statements referred in the Auditor's Report are self-explanatory. The Auditor's Report is enclosed with the financial statements forming part of this Annual Report.

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, 2024.

Secretarial Audit Report

A Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **Annexure-II**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

Secretarial Compliance Report

Pursuant to SEBI circular no CIR/CFD/CMD1/27/2019 dated February 08, 2019, in addition to secretarial audit, Annual Secretarial Compliance Report given by M/s Vasisht & Associates, Company Secretaries on compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder is annexed as **Annexure-III**.

COST AUDITORS

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice.

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s Vandana Bansal & Associates, Cost Accountants (Firm Registration No. 100203) has been appointed as the Cost Auditors of the Company for the year ending March 31, 2024. A resolution seeking approval of the Shareholders for ratifying the remuneration payable to the Cost Auditors for FY 2024-25 is provided in the Notice of the ensuing Annual General Meeting.

Cost audit report for financial year 2023-24 will be filed with the Ministry of Corporate Affairs within stipulated time period.

INTERNAL AUDIT

The Board of Directors of the Company has appointed **Earnest & Young (EY)** as Internal Auditor of the Company, to audit the function and activities of the Company and to review various operations of the Company; the Company continued to implement their suggestions and recommendations to improve the control environment.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors, Secretarial Auditors and Cost Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143 (12) of the Companies Act, 2013, including rules made there under.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report. The CSR policy is available on the website of your Company and link for the same is <https://www.ace-cranes.com/public/front/pdf/CSR%20Policy-New%20Policy%202021.pdf>. The Annual Report

on CSR activities is annexed and forms part of this report as **Annexure – IV**. During the financial year, your Company has met its CSR obligations in terms of Section 135 of the Act. Your Company has spent more than 2% of its statutory CSR obligations.

CORPORATE GOVERNANCE REPORT

Your Company is committed to maintain highest standards of corporate governance practices. The Corporate Governance Report, as stipulated by SEBI Listing Regulations, forms part of this Annual Report along with the required certificate from a Practicing Company Secretary, regarding compliance of the conditions of corporate governance.

Your Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company (“Code of Conduct”), who have affirmed the compliance thereto. The Code of Conduct is available on the website of your Company and the link for the same is <https://www.ace-cranes.com/public/front/pdf/11-CODE-OF-BUSINESS-CONDUCT-AND-ETHICS.pdf>

MANAGEMENT DISCUSSION AND ANALYSIS

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with related parties are placed before the Audit Committee and Board for its approval. An omnibus approval from Audit Committee is obtained for the related party transactions which are repetitive in nature. All transactions with related parties entered into during the year under review were at arm’s length basis and in the ordinary course of business and in accordance with the provisions of the Act and the rules made thereunder, the SEBI Listing Regulations and your Company’s Policy on Related Party Transactions.

During the year, your company has not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Act.

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.

The Policy on materiality of related party transactions and dealing with related party transactions may be accessed on the Company’s website at link <https://www.ace-cranes.com/home/investor-policies-and-programme-codes>.

Your Directors draw attention of the members to **note 33** in the notes to accounts in the Standalone Financial Statements and to

note 34 in the notes to accounts in the Consolidated Financial Statements which sets out related party disclosures.

Pursuant to the provisions of Regulation 23 of the SEBI Listing Regulations, your Company has filed half yearly reports to the stock exchanges, for the related party transactions.

DISCLOSURE ON AUDIT COMMITTEE

The Audit Committee as on March 31, 2024 comprises of the following Directors: Mr. Avinash Parkash Gandhi (Chairman), Mr. Vijay Agarwal, Mr. Shrinivas Vashisht, and Dr. Jagan Nath Chamber as Members. For more details kindly refer to the section ‘Committees of the Board-Audit Committee’, in the Corporate Governance Report, which forms part of this Annual Report. All recommendations of Audit Committee were accepted by the Board of Directors.

RISK MANAGEMENT

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

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

According to the aforesaid business risk policy, the Company has identified the business risks associated with its operations and an action plan for its mitigation of the same is put in place. The business risks and its mitigation have been dealt with in the Management Discussion and Analysis Section of this Annual Report.

INTERNAL 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.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed.



WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Your Company has adopted a whistle blower policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177 of the Act and Regulation 22 of SEBI Listing Regulations, to facilitate reporting of the genuine concerns about unethical or improper activity, without fear of retaliation.

The vigil mechanism of your Company provides for adequate safeguards against victimisation of whistle blowers who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

No person has been denied access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on Company's website at <https://www.ace-cranes.com/home/investor-policies-and-programme-codes>. During the year, no case of genuine concerns received under this policy.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

The Company has laid down sexual harassment policy pursuant to provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. The objective of this policy is to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith. The Company has zero tolerance on sexual harassment at workplace. During the financial year 2023-24, no complaint was received under this policy.

RESEARCH AND DEVELOPMENT

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

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

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

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

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure-VI** to this Report.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any public deposits under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2024.

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 2023-24 are provided in the notes to standalone financial statements.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013 is annexed as **Annexure-VII** and forms a part of this report.

ANNUAL RETURN

The extracts of the Annual Return of the Company in Form **MGT-9**, as they stood on the close of the financial year i.e. March 31, 2024 is furnished in **Annexure-VIII** and forms part of this Report.

Further, a copy of the Annual Return of the Company containing the particulars prescribed under section 92 of the Companies Act, 2013, in Form **MGT-7**, as they stood on the close of the financial year i.e. March 31, 2023 is uploaded on the website of the Company and link for the same is <https://www.ace-cranes.com/home/mgt-7>.

INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years.

Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority.

The details relating to amount of dividend transferred to the IEPF authority and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the Corporate Governance Report section of this Annual Report.

AWARDS AND RECOGNITIONS

Your Company continues to deliver unmatched performance amongst its peers and has been conferred with awards every year.

The Company was awarded with many awards and recognition. The significant award includes:

- Bestseller in Tower Cranes at 11th Annual Equipment India Awards on October 12, 2023;
- Top Challengers of 2022-23 at 21st Construction World Global Awards on October 12, 2023;
- Innovative Design Award to ACE AP 21A Articulating Boom Lift Self-Propelled Aerial Work Platform at Equipment Times Yellow Dot Awards Dec 2023;
- Innovative Design Award to ACE F150 EV NextGen Electric Crane at Equipment Times Yellow Dot Awards Dec 2023;
- Hurun India Value Creator of the Year 2023 Award at India's Most Respected Entrepreneurs Awards by Hurun India, Jan 2024;
- Listed as 'India's Leading Listed ESG Entity' in 'ESG Champions of India' publication by Dun & Bradstreet unveiled at the “ESG Leadership Summit 2024”, March 2024.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to the provision of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report (BRSR) for the financial year 2023-24 is annexed as **Annexure-IX** and forms part of this report.

CYBER SECURITY

In view of increased cyber-attack scenarios, the cyber security maturity is reviewed periodically and the processes, technology controls are being enhanced in-line with the threat scenarios.

Your Company's technology environment is enabled with real time security monitoring with requisite controls at various layers starting from end user machines to network, servers, application and the data.

CODE FOR PREVENTION OF INSIDER TRADING

Your Company has adopted a Code of Conduct (“Code”) to regulate, monitor and report trading in Company's shares by Company's designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code, inter alia, lays down the procedures to be followed by designated persons while trading/ dealing in Company's shares and sharing Unpublished Price Sensitive Information (“UPSI”). The Code covers Company's obligation to maintain a digital database, mechanism for prevention of insider trading and handling of UPSI, and the process to familiarize with the sensitivity of UPSI. Further, it also includes code for practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on your Company's website at www.ace-cranes.com.

OTHER INFORMATION

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review or said items are not applicable to the Company:

1. The Managing Director and the Whole Time Directors has not received any remuneration or commission from any of its subsidiaries.
2. During the year under review, the company has not done any buy back of equity shares.
3. The Disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, right issue, preferential issue etc. is not applicable to the Company.
4. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and
5. The requirement to disclose the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

6. Your Company does not fall under the category of large corporate, as defined under SEBI vide its circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018, as such no disclosure is required in this regard.
7. During the year under review, there is no revision of financial statements and Directors' Report of your Company.

ACKNOWLEDGEMENT

The Board places on record its appreciation for the support and continued co-operation extended by all the customers, vendors, dealers, bankers, regulators and business associates. The Board places on record its appreciation to all the employees

for their dedicated and committed services. Your Directors deeply acknowledge the continued trust and confidence that the shareholders place in the management and is confident that with their continued support, the Company will achieve its objectives and emerge stronger in the coming years.

Action Construction Equipment Limited

**Place : Faridabad
Date : May 21, 2024**

**Sd/
Vijay Agarwal
Chairman & Managing Director**

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	Crane Kraft India Private Limited	SC Forma SA, Romania*	Namo Metals
2.	The date since when subsidiary was acquired	December 17, 2021	February 01, 2007	April 01, 2010
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	January 01, 2023 to December 31, 2023	NA
4.	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	RON, ₹ 18.5034	NA
5.	Share capital	300.00	199.01	489.20
6.	Reserves & Surplus	(117.45)	1292.36	NIL
7.	Total Assets	644.79	1494.71	494.45
8.	Total Liabilities	462.24	3.34	5.25
9.	Investments	NIL	NIL	NIL
10.	Turnover	2961.54	NIL	24.00
11.	Profit before taxation	42.15	26.46	18.39
12.	Provision for taxation	2.84	5.34	5.24
13.	Profit after taxation	39.31	21.12	13.15
14.	Proposed Dividend	NIL	NIL	NIL
15.	% age of shareholding	100%	89.52%	90%

*Under Voluntary Liquidation

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 : May 21, 2024

Annexure-II of Board's Report

Form No. MR-3

Secretarial Audit Report for the Financial Year 2023-24

[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, Palwal,
Faridabad, 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, 2024 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, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and amendments thereof regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021 **(Not Applicable to the Company during the Audit period);**
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit period);**
 - (i) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations 2021; **(Not Applicable to the Company during the Audit period);**
- (vi) The Employees State Insurance Act, 1948;
- (vii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;

- (viii) Employers Liability Act, 1938;
- (ix) Air (Prevention & Control of Pollution) Act, 1981;
- (x) Factories Act, 1948;
- (xi) Environment Protection Act, 1986 and other Environmental Laws;
- (xii) Industrial Dispute Act, 1947;
- (xiii) Payment of Wages Act, 1936 and other applicable labour laws.

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

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

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

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

I further report that

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

I further report that during the period under review, as explained and represented by the management, following specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., have been undertaken by the Company.

1. Pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as SEBI (SEBI & SE) Regulations and Action Construction Equipment Limited Employees Stock Option Scheme – 2021 (“Scheme”) duly approved by the Board of Directors and Shareholders of the Company on July 31, 2021 and September 3, 2021 respectively, the Nomination and Remuneration Committee of the Company has provided approval for grant of maximum 90,000 (Ninety Thousand) Employee Stock Option to the Employees of the Company under the Scheme in Compliance with SEBI (SBEB & SE) Regulations.
2. Further, the Company has also received In-Principle Approval from NSE on June 01, 2023 and from BSE on June 02, 2023 for issue and allotment of maximum 20,00,000 equity shares pursuant to the aforesaid scheme.

For VASISHT & ASSOCIATES;
(Company Secretaries)

Sd/-
CS SHOBHIT VASISHT
UDIN : F011517F000235543
PR No: 2355/ 2022
FCS No: 11517
C P No: 21476

Place: Faridabad
Date: April 25, 2024

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)

Sd/-
CS SHOBHIT VASISHT
UDIN : F011517F000235543
PR No: 2355/ 2022
FCS No: 11517
C P No: 21476

Place : Faridabad
Date : April 25, 2024

Annexure-III of Board's Report Secretarial Compliance Report For the year ended March 31, 2024

[Pursuant to SEBI Circular No: CIR/CFD/CMD1/27/2019 dt. February 08, 2019 for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

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

- a) all the documents and records made available to me and explanation provided by Action Construction Equipment Limited ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31,2024 ("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 **(Not Applicable to the Company during Audit Period);**
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations,2021 **(Not Applicable to the Company during Audit Period);**
- g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h) Other applicable Regulations and Circulars/Guidelines issued thereunder:

and based on the above examination, I hereby report that during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI),as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	None

2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the Company. All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI. 	Yes	None
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website. Timely dissemination of the documents/ information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/section of the website. 	Yes	None
4.	Disqualification of Director: None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	None
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies. (b) Disclosure requirement of material as well as other subsidiaries.	Yes	None
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	None
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	None
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	None
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	None

(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 (Regulations/ circulars/ guide- lines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

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

Sr. No.	Compliance Requirement (Regulations/ circulars/ guide- lines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

Disclaimer:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness which the management has conducted the affairs of the listed entity.

For VASISHT & ASSOCIATES
Company Secretaries

Sd/-
CS SHOBHIT VASISHT
UDIN : F011517F000235587
Peer Review No: 2355/2022
FCS No: 11517
CP No: 21476

Place: Faridabad
Date: April 25, 2024

Annexure-IV of Board's Report

Annual Report on CSR Activities for Financial Year ended March 31, 2024

1. **Brief outline on CSR Policy of the Company:** The Company's focus area is health services. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Brief outline on CSR Policy is given in CSR policy of the Company which has been uploaded on the website of the Company and can be accessed at www.ace-cranes.com.

2. **Composition of CSR Committee:**

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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: <https://www.ace-cranes.com/public/front/pdf/CSR%20Policy-New%20Policy%202021.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-Rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable.**

5. Details of the amount available for set off in pursuance of sub-Rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : ₹ **44.82 Lakhs**

6. Average net profit of the Company as per section 135(5): ₹ **15510.06 Lakhs.**

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ **310.20 Lakhs.**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **NIL**

(c) Amount required to be set off for the financial year: ₹ **44.82 Lakhs**

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ **265.38 Lakhs**

8. (a) CSR Amount spent or unspent for the Financial Year:

Total amount spent for the Financial Year (₹ in Lakhs)	Amount unspent (₹ in Lakhs)				
	Total amount transferred to unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
329.76	NIL	NA	-	NIL	NA

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the project (State and District)	Amount spent for the project (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
							Name	CSR Registration number
1.	Health Services	Promoting health care including preventive health care.	Yes	Haryana (Palwal/ Faridabad)	329.76	Through Implementing Agency	ACE Emergency Response Services Trust	CSR00001903
Total					329.76			

(d) Amount spent in Administrative Overheads : **NIL**

(e) Amount spent on Impact Assessment, if applicable : **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ **329.76 Lakhs.**

(g) Excess amount for set off, if any : ₹ **64.38 Lakhs.**

Sl. No.	Particular	(₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per sub section (5) of section 135 of Company Act, 2013	310.20
(ii)	Total amount spent for the Financial Year	329.76
(iii)	Excess amount spent for the financial Year (ii-i)	19.56
(iv)	Amount available for set-off of preceding Financial Year	44.82
(v)	Total excess amount spent (iii+iv)	64.38
(vi)	Amount available for set off in succeeding financial years	64.38

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **NIL**

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): **Not Applicable.**

Place : Faridabad
Date : May 21, 2024

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 subsection (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 shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

For and on behalf of the Board of Directors

Sd/-

Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Place : Faridabad
Date : May 21, 2024

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 (2023-24)	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	479.18	100.88		
		Mrs. Mona Agarwal	250.39	52.71		
		Mr. Sorab Agarwal	124.06	26.11		
		Mrs. Surbhi Garg	98.58	20.75		
		Mr. Avinash Parkash Gandhi	2.60	0.55		
		Dr. Divya Singal	2.45	0.51		
		Mr. Shriniwas Vashisht	2.45	0.51		
		Dr. Jagan Nath Chamber	2.45	0.48		
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year.	Name of Directors	Remuneration (2023-24)	Remuneration (2022-23)	% Change	
		Mr. Vijay Agarwal	479.18	371.15	29.11	
		Mrs. Mona Agarwal	250.39	205.41	21.90	
		Mr. Sorab Agarwal	124.06	91.86	35.05	
		Mrs. Surbhi Garg	98.58	75.28	30.95	
		Mr. Avinash Parkash Gandhi	2.60	1.95	33.33	
		Dr. Divya Singal	2.45	1.30	88.46	
		Mr. Shriniwas Vashisht	2.45	1.65	48.48	
		Dr. Jagan Nath Chamber	2.30	2.30	0.00	
		Name of Key Managerial Personnel (KMP)				
		Mr. Rajan Luthra	57.73	57.25	0.84	
		Mr. Anil Kumar	11.11	8.73	27.26	
Note : Independent Directors received only sitting fees for Board and Committee meetings.						
3.	The percentage increase in the median remuneration of employees in the Financial year.	7 %				

4.	The Number of permanent employees on the rolls of the Company as on March 31, 2024.	1387
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 circumstances for increase in the managerial remuneration.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 5 % whereas average percentile increase in the managerial remuneration in the last financial year is 7 %.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Remuneration paid during the year ended March 31, 2024 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, 2024 are given as under:

Particulars	Details		
	Mr. Vijay Agarwal	Mrs. Mona Agarwal	Mr. Sorab Agarwal
Name	Chairman & Managing Director	Whole-Time Director	Whole-Time Director
Designation	Chairman & Managing Director	Whole-Time Director	Whole-Time Director
Remuneration received (₹ in Lakh)	479.18	250.39	124.06
Nature of employment	Contractual	Contractual	Contractual
Educational Qualification	BE Mechanical and MBA	Under Graduate	BE Mechanical
Experience (in years)	53	30	27
Date of commencement of Employment in ACE	January 13, 1995	January 13, 1995	March 20, 1998
Age (in Years)	75	68	47
Previous Employment	Bhartiya Cuttler Hammer Limited, Escorts Limited.	–	–
% of equity shares	28.75	25.74	6.40

For and on behalf of the Board of Directors

Sd/-

Vijay Agarwal
Chairman & Managing Director
DIN: 00057634

Place : Faridabad
Date : May 21, 2024

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.

- (i) There is an optimum ratio of glass windows to utilize natural light and proper insulation/ventilation to balance temperature and reduce heat.
- (ii) Replacement of all lights with LED across all plants and office area to save energy.
- (iii) Paint shop oven of the Company running through diesel has been replaced by PNG connections.
- (iv) Till date the Company has installed and commissioned PV Solar Power plant of 2478.9 KWP capacities across various roofs and parking space.
- (v) Energy consumption reduce at various location by switching off lights and fan during tea break and lunch hours.
- (vi) Main focus on conservation efficient use is always on low cost automation and technology improvement and existing setup.
- (vii) Save electricity by using motion sensors in corporate office.
- (viii) Save Electricity by using Automated Timer panel for off Shop floor light in one of the Plants.
- (ix) Energy efficiency improvement by replacement of conventional motors with BLDC motors for air handling units.

(b) Impact of above measures:

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

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

Contributing to sustainable development goals and government's agenda of adopting clean and green energy, the Company has been substituting a share of its total electricity requirement through solar energy. Till date the Company at present has solar power generation capacity of 2478.9 KWP. Installation of PV Solar Power Plant of 317 KWP is under process.

(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. ₹ 46.13 lakhs were incurred during the year on energy conservation equipments.

B. TECHNOLOGY ABSORPTION

(a) The efforts made towards technology absorption:

R&D has been working on improving its operations in a number of areas as listed below:

Manpower: R&D has expanded its team size in areas of design, analysis and validation to facilitate the rapidly expanding aspirations of the Company.

Facilities: R&D continued to enhance its design, computing, prototype manufacturing and validation facilities. A number of new test facilities and prototyping facilities were added.

Regulatory requirements: R&D had to calibrate and homologate many more variants to meet the new BS norms. Vehicle configurations were adjusted to meet these new norms rapidly.

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.

Research and Development (R&D):

In order to meet with the growing demand for latest technology products and to compete in the market place, the Company continued its efforts in strengthening of R&D activities. Efforts continued to enhance the in-house capabilities to bring operational efficiencies and product up-gradation to meet the customer needs. The Company is having a full-fledged dedicated R&D centers at Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh, Faridabad and Dudhola Link Road, Village Dudhola, Palwal. Both the centers are continuously engaged in Research and Developments activities related to various products, to make them specific to the user's requirement. Our R&D efforts also enable us to achieve economy and efficiency and cost effectiveness in the manufacturing of products.

Specific areas in which R & D was carried out by the company during the year ended 2023-24:

- Design and development of 502L crane;
- Design and development of rough terrain Crane - 25 XW;
- Design and development of rough terrain Crane - 40XW;
- Design and development of rough terrain Crane - 75XW;
- Design & development of Backhoe Loader with BS V Engine 74HP;
- Design & development of Motor Grader BS V Engine 180 HP;
- F350 4 wheel drive 35 ton pick & carry new generation crane;
- Design and development 3 Ton Telehandler;
- Design and development 2 Ton Telehandler;
- Domestic telehandler with 3T capacity with outrigger and 11m boom height;
- Soil Compactor 10T BSV;
- Design & development of Forklift 50E (Battery Operated);
- BS-5 Implementation in All Diesel Forklifts;
- Design & development of Crawler 100T;
- Design & development of Crawler 150T;
- Design & development of Crawler 110T;
- Design & development of MTC 4030 (2430);
- 26HP (6+2) Garden tractor for Export market.

Future plan of action:

- Design and development of 502L crane;
- Skid Steer Loader BS IV 74 HP;
- Development of Forklift 60D - BS-V;
- Upgradation of engine 40HP/ 45HP and 50HP for next emission level -Bharat stage Trem V;
- Development of 4WD front axle for 75 & 90;
- 26 HP ACE engine for small Gardentrac tractor.

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

- ACE has an entire range of cranes and other construction equipment for domestic and export market with enhanced styling, power and performance;
- Capability enhancement for engine, Transmission, Hydraulic technologies and design optimisation through the usage of predictive/virtual simulation software;
- Significant material cost reduction in cranes through design optimisation and purchase efficiency;

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

(c) Expenditure on Reserach & Development

(₹ in Lakhs)

S. No.	Particulars	FY 2023-24	FY 2022-23
1.	Capital Expenditure	2.46	0.61
2.	Revenue expenditure (Incl. Salary to R&D Staff and other related expenditures)	2044.86	1360.72
Total		2047.32	1361.33

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

- Technology imported : **NIL**
- Year of import : **NA**
- Whether the technology been fully absorbed : **NA**
- If not absorbed area where this has not taken place, reason therefor : **NA**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(₹ in Lakhs)

S. No.	Particulars	FY 2023-24	FY 2022-23
1	Foreign Exchange earned	14570.56	6683.84
2	Foreign Exchange outgo	22788.71	19463.34

For and on behalf of the Board of Directors

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

Place : Faridabad
 Date : May 21, 2024

Annexure-VIII of Board's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on March 31, 2024

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

I	REGISTRATION & OTHER DETAILS:	
i)	CIN	L74899HR1995PLC053860
ii)	Registration Date	January 13, 1995
iii)	Name of the Company	Action Construction Equipment Limited
iv)	Category/Sub-category of the Company	Limited By Shares/Public Indian Non Government Company
v)	Address of the Registered office & contact details	Dudhola Link Road, Dudhola, Palwal, Haryana - 121102, Phone: +911275-280111 (50 Lines), +911275-280103, E-mail : cs@ace-cranes.com
vi)	Whether listed company	Yes
vii)	Name , Address & Contact details of the Registrar & Transfer Agent, if any	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phone:- 011-26812682 Email: admin@skylinerta.com
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
	All the business activities contributing 5% or more of the total turnover of the company.	As per Attachment A
III	PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES	
		As per Attachment B
IV	SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PER PERCENTAGE OF TOTAL EQUITY)	
i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoters' Shareholding	As per Attachment E
iv)	Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADR)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V	INDEBTEDNESS	
	ndebtedness 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	72.28
2	Construction Equipment	291-Manufacture of general purpose machinery	13.26
3	Material Handling	291-Manufacture of general purpose machinery	6.31
4	Agri Equipment	292-Manufacture of special purpose machinery	8.15
Total			100.00

ATTACHMENT-B
III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

S. No.	Name & Address of the Company	CIN/GLN	Holding/subsidiary/ associate	% of shares held	Applicable Section
1	SC FORMA SA, Botosani (Romania)	NA	Subsidiary	89.52	2(87)(ii)
2	Crane Kraft India Private Limited	U29309HR2021PTC096749	Subsidiary	100.00	2(87)(ii)
3	Namo Metals	NA	Subsidiary	90.00	2(87)(ii)

ATTACHMENT - C
IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY)
(i) Category-wise Share Holding

Category Code	Category Of Shareholder	No. of Shares Held at the Beginning of the Year (01-04-2023)				No. of Shares Held at The End of the Year (31-03-2024)				% Change During The Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	Promoter and Promoter Group									
(1)	Indian									
(a)	Individual /HUF	79497463	0	79497463	66.76	79497463	0	79497463	66.76	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1)	79497463	0	79497463	66.76	79497463	0	79497463	66.76	0.00
(2)	Foreign									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00

(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	79497463	0	79497463	66.76	79497463	0	79497463	66.76	0.00
(B)	Public Shareholding									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	1211477	0	1211477	1.02	524282	0	524282	0.44	-0.58
(b)	Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	1021638	0	1021638	0.86	939933	0	939933	0.79	-0.07
(f)	Foreign Portfolio Investors	6707774	0	6707774	5.63	11128679	0	11128679	9.35	3.72
(g)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0
(j)	Alternate Investment Funds	1971088	0	1971088	1.66	1163411	0	1163411	0.98	-0.68
(k)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1)	10911977	0	10911977	9.16	13756305	0	13756305	11.55	2.39
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	2089703	0	2089703	1.75	950454		950454	0.80	-0.95
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹ 1 lakh	16827155	15829	16842984	14.14	16434632	13677	16448309	13.81	-0.33
(ii)	Individuals holding nominal share capital in excess of ₹ 1 lakh	6125025	0	6125025	5.14	4884816	0	4884816	4.10	-1.04
(c)	Others									
	HUF	1003571	0	1003571	0.84	829964	0	829964	0.70	-0.14
	Clearing Members	33816	0	33816	0.03	1725	02	17250	0	-0.03
	IEPF	34959	0	34959	0.03	34688	0	346888	0.03	0
	Non Residents Indians	1776509	0	1776509	1.49	2360091	0	2360091	1.98	0.49
	NBFC	8319	0	8319	0.01	8319	0	8319	0.01	0
	Trusts	273190	0	273190	0.23	74472	0	74472	0.06	-0.17
	Foreign National	1000	0	1000	0.00	2000	0	2000	0.00	0.00
	Others	484680	0	484680	0.41	234590	0	234590	0.20	-0.21
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
	Sub-Total B(2)	28657927	15829	28673756	24.08	25815751	13677	25829428	21.69	-2.39
	Total B=B(1)+B(2)	39569904	15829	39585733	33.24	39572056	13677	39585733	33.24	0
	Total (A+B)	119067367	15829	119083196	100.00	119069519	13677	119083196	100.00	0
(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)	119067367	15829	119083196	100.00	119069519	13677	119083196	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 01-04-2023)			Shareholding at the end of the year (As on 31-03-2024)			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mr. Vijay Agarwal	34236078	28.75	0	34236078	28.75	0	0
2	Mrs. Mona Agarwal	30657579	25.74	0	30657579	25.74	0	0
3	Mr. Sorab Agarwal	7623650	6.40	0	7623650	6.40	0	0
4	Mrs. Surbhi Garg	6930156	5.82	0	6930156	5.82	0	0
5	Mrs. Anuradha Garg	50000	0.04	0	50000	0.04	0	0

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 (01-04-23 to 31-03-24)	
		No. of shares at the beginning of the year (01-04-2023)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Vijay Agarwal	34236078	28.75	01.04.2023	0		34236078	28.75
				31.03.2024	0		34236078	28.75
2	Mrs. Mona Agarwal	30657579	25.74	01.04.2023	0		30657579	25.74
				31.03.2024	0		30657579	25.74
3	Mr. Sorab Agarwal	7623650	6.40	01.04.2023	0		7623650	6.40
				31.03.2024	0		7623650	6.40
4	Mrs. Surbhi Garg	6930156	5.82	01.04.2023	0		6930156	5.82
				31.03.2024	0		6930156	5.82
5	Mrs. Anuradha Garg	50000	0.04	01.04.2023	0		50000	0.04
				31.03.2024	0		50000	0.04

ATTACHMENT-F

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

(i) Shareholding Pattern of top ten (10) shareholders (other than directors, Promoters and holders of GDRs and ADRs)

S. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Share holding during the year (01-04-23 to 31-03-24)	
		No. of shares at the beginning of the year (01-04-2023)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Massachusetts Institute of Technology	3965799	3.33	01.04.2023	0		3965799	3.33
				02.06.2023	(20799)	Sale	3945000	3.31
				04.08.2023	(150000)	Sale	3795000	3.19
				18.08.2023	(191000)	Sale	3604000	3.03
				25.08.2023	(74000)	Sale	3530000	2.96
				01.09.2023	(72284)	Sale	3457716	2.90
				08.09.2023	(31712)	Sale	3426004	2.88
				24.11.2023	(10000)	Sale	3416004	2.87
				01.12.2023	(49000)	Sale	3367004	2.83
				08.12.2023	(11000)	Sale	3356004	2.82
				15.12.2023	(46000)	Sale	3310004	2.78
				22.12.2023	(140000)	Sale	3170004	2.66
				08.03.2024	(40000)	Sale	3130004	2.63
				31.03.2024	0		3130004	2.63
2	Chander Bhatia	1502000	1.26	01.04.2023	0		1502000	1.26
				31.03.2024	0		1502000	1.26
3	Max Life Insurance Company Limited A/c - ULIF00225/06/04LIF	1021638	0.86	01.04.2023	0		1021638	0.86
				07.04.2023	35969	Purchase	1057607	0.89
				08.09.2023	21800	Purchase	1079407	0.91
				19.01.2024	(15000)	Sale	1064407	0.89
				08.03.2024	(125173)	Sale	939234	0.79
				31.03.2024	0		939234	0.79
4	Rajesh Seth	848950	0.71	01.04.2023	0		848950	0.71
				05.05.2023	(2450)	Sale	846500	0.71
				02.06.2023	(3000)	Sale	843500	0.71
				13.10.2023	(2500)	Sale	841000	0.71
				31.03.2024	0		841000	0.71
5	LONG TERM EQUITY FUND	1240000	1.04	01.04.2023	0		1240000	1.04
				21.04.2023	(23200)	Sale	1216800	1.02
				28.04.2023	(6600)	Sale	1210200	1.02

				05.05.2023	(3300)	Sale	1206900	1.01
				12.05.2023	(5500)	Sale	1201400	1.01
				08.09.2023	(55100)	Sale	1146300	0.69
				01.12.2023	(38300)	Sale	1108000	0.93
				08.12.2023	(85000)	Sale	1023000	0.86
				15.12.2023	(60000)	Sale	963000	0.81
				22.12.2023	(63000)	Sale	900000	0.76
				01.03.2024	(150000)	sale	750000	0.63
				31.03.2024	0		750000	0.63
6	WASATCH EMERGING INDIA FUND	0	0	01.04.2023	0		0	0
				07.07.2023	112498	purchase	1124988	0.09
				14.07.2023	111335	purchase	223833	0.19
				21.07.2023	9686	purchase	233519	0.20
				26.07.2023	106390	purchase	339909	0.29
				28.07.2023	57252	purchase	397161	0.33
				04.08.2023	123831	purchase	520992	0.44
				11.08.2023	69802	purchase	590794	0.50
				13.10.2023	13197	purchase	603991	0.61
				16.02.2024	117986	purchase	721977	0.61
				31.03.2024	0		721977	0.61
7	238 PLAN ASSOCIATES LLC	822000	0.69	01.04.2023	0		822000	0.69
				02.07.2023	(2000)	sale	820000	0.69
				01.09.2023	(18716)	sale	801284	0.67
				08.09.2023	(59507)	sale	741777	0.62
				01.12.2023	(16000)	sale	725777	0.61
				08.03.2024	(10000)	sale	715777	0.60
				31.03.2024	0		715777	0.60
8	AL MEHWAR COMMERCIAL INVESTMENTS L.L.C. - (WANDA)	0	0.00	01.04.2023	0		0	0
				07.07.2023	964841	Purchase	96481	0.08
				14.07.2023	105317	Purchase	201798	0.17
				21.07.2023	20059	Purchase	221857	0.19
				26.07.2023	98803	Purchase	320660	0.27
				28.07.2023	34939	Purchase	355599	0.30
				04.08.2023	121574	Purchase	477173	0.40
				11.08.2023	33713	Purchase	510886	0.43
				17.08.2023	34816	purchase	545702	0.46

				16.02.2024	101677	purchase	647379	0.54
				31.03.2024	0		647379	0.54
9	DILEEP MADGAVKAR	5000000	0.42	01.04.2023	0		5000000	0.42
				31.03.2024	0		500000	0.42
10	EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEISS MF AC-EDELWEISS S	440917	0.37	01.04.2023	0		440917	0.37
				29.03.2024	1019	purchase	441936	0.37
				31.03.2024	0		441936	0.37

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 (01-04-23 to 31-03-24)	
		No. of shares at the beginning of the year (01-04-2023)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Vijay Agarwal	34236078	28.75	01.04.2023	0		34236078	28.75
				31.03.2024	0		34236078	28.75
2	Mrs. Mona Agarwal	30657579	25.74	01.04.2023	0		30657579	25.74
				31.03.2024	0		30657579	25.74
3	Mr. Sorab Agarwal	7623650	6.40	01.04.2023	0		7623650	6.40
				31.03.2024	0		7623650	6.40
4	Mrs. Surbhi Garg	6930156	5.82	01.04.2023	0		6930156	5.82
				31.03.2024	0		6930156	5.82
5	Dr. Divya Singal	20500	0.02	01.04.2023	0		20500	0.02
				31.03.2024	0		20500	0.02
6	Mr. Rajan Luthra	0	0.00	01.04.2023	0		0	0.00
				31.03.2024	0		0	0.00
7	Mr. Anil Kumar	0	0.00	01.04.2023	0		0	0.00
				31.03.2024	0		0	0.00

ATTACHMENT-H

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (April 1, 2023)				
i) Principal Amount	620.32	-	-	620.32
ii) Interest due but not paid	-	-	-	-

iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	620.32	-	-	620.32
Change in Indebtedness during the financial year				
Additions	63,819.77	-	-	63,819.77
Reduction	(64,052.28)	-	-	(64,052.28)
Exchange Difference	-	-	-	-
Net Change	(232.51)	-	-	(232.51)
Indebtedness at the end of the financial year (March 31, 2024)				
i) Principal Amount	387.81	-	-	387.81
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	387.81	-	-	387.81

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.	457.01	233.67	122.91	97.70	911.29
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	22.17	16.72	1.15	0.88	40.92
(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		479.18	250.39	124.06	98.58	952.21
Ceiling as per the Act	₹ 4432.46 Lakhs (being 10 % of the net profits of the Company calculated as per Section 197 & 198 of the Companies Act, 2013).					

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

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Non-Executive Directors				Total
		Mr. Avinash Parkash Gandhi	Dr. Divya Singal	Mr. Shrinwas Vashisht	Dr. Jagan Nath Chamber	
1	Independent Directors					
(a)	Fee for attending board / committee meetings	2.60	2.45	2.45	2.30	9.80
(b)	Commission	-	-	-	-	-
(c)	Others, please specify	-	-	-	-	-

Total (1)		2.60	2.45	2.45	2.30	9.80
2	Other Non-Executive Directors					
(a)	Fee for attending board/ committee meetings	-	-	-	-	-
(b)	Commission	-	-	-	-	-
(c)	Others, please specify.	-	-	-	-	-
Total (2)		-	-	-	-	-
Total (1+2)		2.60	2.45	2.45	2.30	9.80
Overall Ceiling as per the Act.		₹443.28 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

(C) 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.		57.33	11.06	68.39
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961.		0.40	0.05	0.45
(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			57.73	11.11	68.84

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	-	-	-	-	-

Annexure-IX of Board's Report
BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT
Pursuant to the provision of Regulation 34(2) (f) of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SECTION A : GENERAL DISCLOSURES :

I. Details of the listed entity :

S. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L74899HR1995PLC053860
2.	Name of the Company	Action Construction Equipment Limited (ACE)
3.	Year of incorporation	1995
4.	Registered office address	Dudhola Link Road, Dudhola, Palwal, Haryana – 121102
5.	Corporate address	Dudhola Link Road, Dudhola, Palwal, Haryana – 121102
6.	E-mail	cs@ace-cranes.com
7.	Telephone	01275-280111, 01275-280103
8.	Website	www.ace-cranes.com
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	<ul style="list-style-type: none"> • National Stock Exchange of India Limited • BSE Limited
11.	Paid-up Capital	₹ 23,81,66,392
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.	Mr. Rajan Luthra Chief Financial Officer Tel. No. : 01275-280172 E-mail : cs@ace-cranes.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosure under this report covers the standalone operations of Action Construction Equipment Limited, in India, unless otherwise stated.
14.	Name of Assurance Provider	Not applicable for the reporting period as per SEBI Circular No. SEBI/ HO/CFD/CFD-SEC-2/P/CIR/2023/122 dt. July 12, 2023.
15.	Type of Assurance Provider	Not applicable for the reporting period as per SEBI Circular No. SEBI/ HO/CFD/CFD-SEC-2/P/CIR/2023/122 dt. July 12, 2023

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacturing and/or sale of cranes, material handling, construction equipment and agri equipment.	100

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Products/Services	NIC Code	% to total Turnover contributed
1.	Cranes	291-Manufacture of general purpose machinery	72.28
2.	Construction Equipment	291-Manufacture of general purpose machinery	13.26
3.	Material Handling	291-Manufacture of general purpose machinery	6.31
4.	Agri Equipment	292-Manufacture of special purpose machinery	8.14
Total			100.00

III. Operations :

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	8	13	21
International	-	-	-

19. Markets served by the entity:

A. Number of locations

Locations	Number
National (No. of States)	National: Across India, 28 states and 8 union territories
International (No. of Countries)	More than 37 Countries

B. What is the contribution of exports as a percentage of the total turnover of the entity? :

5.47%

C. A brief on types of customers

Action Construction Equipment Limited is India's leading material handling and construction equipment manufacturing Company offering cutting-edge technology products with a majority market share in Mobile Cranes and Tower Cranes segment. In addition to Mobile Cranes, with a strong history of innovation, the Company's impressive portfolio includes Mobile/Fixed Tower Cranes, Crawler Cranes, Truck Mounted Cranes, Lorry Loaders, Backhoe Loaders/Loaders, Vibratory Rollers, Forklifts, Tractors & Harvesters and other Construction Equipment. ACE has a consolidated presence in all major Infrastructure, Construction, Heavy Engineering and Industrial Projects across the country. ACE has helped accelerate India's socio-economic growth through its presence across high-growth sectors, ACE is committed to contributing towards India's growth story and bringing in quality change in the lives of people.

Through our product portfolio, we serve a wide variety of customers. Our wide range of customers includes Construction and Industrial Companies, Government Agencies, Mining Companies, Rental Companies, and Individuals. Our products play a crucial role in various daily operations at Infra project sites, mining and production of metals, cement, coal industry, power sector, defence & the allied industries. The company has one of the widest Sales and Service network, with over 100+ locations supported by 13 regional offices in India and also exports to over 37 countries across Middle East, Africa, Asia and Latin America.

IV. Employees

20. Detail as at the end of financial year

A. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	1387	1367	98.56%	20	1.44%
2.	Other than permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	1387	1367	98.56%	20	1.44%
Workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	3618	3615	99.92%	3	0.08%
6.	Total Workers (F + G)	3618	3615	99.92%	3	0.08%

B. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	1	1	100%	-	-
2.	Other than permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	1	1	100%	-	-
Differently Abled Workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-	-	-	-

21. Participation/Inclusion/Representation of women :

Particulars	Total (A)	No. and Percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	3	37.5%
Key Management Personnel (Other than Board Member)	2	-	-

22. Turnover rate for permanent employees and workers (disclose trends for the past 3 years) :

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	30.96%	0.07%	31.03%	29.36%	0.17%	29.53%	23.57%	0.26%	23.83%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures) :

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate Companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Crane Kraft India Private Limited	Wholly Owned Subsidiary	100.00	No
2.	SC Forma, SA Romania (Under Liquidation)	Subsidiary	89.52	No
3.	Namo Metals	Partnership firm	90.00	No

VI. CSR Details :

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 : Yes

(ii) Turnover : ₹ 29,11,53,88,913

(iii) Net worth : ₹ 12,19,79,52,867

VII. Transparency and Disclosures Compliances :

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct :

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities ¹	Yes	-	-	-	-	-	-
Investors (other than shareholders) ²	Yes	-	-	-	-	-	-
Shareholders ²	Yes	10	NIL	-	5	NIL	-
Employees and workers ³	Yes	15	NIL	-	12	NIL	-
*Customers ⁴	Yes	37	12	-	20	8	-
Value Chain Partners	Yes	-	-	-	-	-	-
Other (please specify)	Yes	-	-	-	-	-	-

*Customers complaints includes only legal notices and consumers cases filed with Hon'ble courts.

The Company is committed to encourage openness, promote transparency and reporting improvements without fear of rebuttal. The organisation is committed to creating a culture that encourages high standards of ethics and upholds decent and safe working conditions for the entire workforces. Weblink : <https://www.ace-cranes.com/home/investor-policies-and-programme-codes>.

¹Communities while interacting during the community engagement programmes can report their grievances.

²Investors and stakeholders can correspond with the Company by sending an e-mail to cs@ace-cranes.com and to RTA at admin@skylinerta.com

³Employees and workers can report any grievance by sending an e-mail to auditcommittee.wb@ace-cranes.com.

⁴Consumers can report grievances through toll-free number 1800-1800-004 and can send e-mail at helpdesk@ace-cranes.com.

26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Brand	R	Brand disruption due to negative feedback on social media, sub-standard service quality & prevalence of counterfeit product.	Implemented system of social listening & sentiments analysis to handle feedback; PAN India network of authorized service centers to address customer complaints.	Negative
2.	Supply	R	Disruption in production due to dependency on single source, volatile commodity cost.	Strong management team continues to work towards sustainable low cost of production, operational excellence and securing key raw material linkage. Continuous focus on cost optimisation projects to bring down fixed costs and optimise variable costs. Development of alternate suppliers and enhanced focus on localisation.	Negative
3.	IT Security & Data Protection	R	Cyber threats, Data breach, use of Company information.	We have IT center and Enterprise Resource Planning (ERP)—integrating all business divisions, Data Loss Prevention strategy implemented across all IT assets. Adoption of strong IT security measures. Implementation of policies and procedures to ensure integrity of cyber security interventions.	Negative
4.	Product - Right Product Quality	R	Products in compliance with regulatory requirements, meet highest quality parameters, environmentally sustainable and features innovative designs.	Redesigning and transitioning all models through process optimization into energy efficient models and Collecting consumer feedback & insights to build strategic focus on smart technology products.	Negative
5.	New Technologies	O	Consumers looking for smart, easy-to-use, energy efficient, technologically advanced products.	The ACE brand has long been associated with well-engineered products and smart solutions by prioritising deep understanding of consumer needs; R&D center helps enhance our capabilities in enhancing world class innovation and optimize product efficiencies.	Positive

6.	Value, Ethics and Compliance	R	ACE recognises that value ethics compliance are essential for its reputation and trust in the market and society. ACE faces the risk of legal or regulatory violations or ethical breaches that could harm its image and performance.	To mitigate this risk, ACE has established a Code of Conduct that outlines the values and principles that guide its actions and decisions. ACE also has various policies and procedures that ensure compliance with all applicable laws and regulations in the countries where it operates. ACE also conducts regular trainings, audits, reviews, and assessments to monitor and ensure compliance and ethical conduct across the organisation. ACE also has a whistle blower mechanism that allows anyone to report any suspected or actual violations or breaches without fear of retaliation.	Positive
7.	Community Engagement & Local Employment	O	ACE sees community engagement & local employment as an opportunity to support the social development of the communities where it operates and to strengthen its social license to operate. ACE engages with the local communities through various initiatives that focus on health care and skill development. ACE also creates employment opportunities for the local people and supports local suppliers and vendors.		Positive
8.	Employment	O	ACE sees employment as an opportunity to attract, retain, and develop a skilled and diverse workforce that is essential for its success and sustainability. ACE also respects the human rights and labour rights of its employees and ensures a safe, healthy, and inclusive work environment for them.		Positive

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES :

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No.	PRINCIPLE DESCRIPTION
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4	Businesses should respect the interests of and be responsive to all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

S. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	The Policies of the Company are placed on the Company's website and the same can be accessed through the weblink: https://www.ace-cranes.com/home/investor-policies-and-programme-codes .								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	To emphasise on the values of transparency and ethical behaviour, empowerment and accountability. The Company has formalised the 'Code of Conduct' for the Directors and employees of the Company. The Code lays down principles and standards that govern the actions of the employees during conduct of the Company's business. It covers all dealings with vendors, consumers, and other business partners.								
4.	Name of the national and international codes/certifications labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001 : 2015, ISO 14001 : 2015, ISO 4500 : 2018 & 5S workplace organising management system.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to the Chairman's Message, Management Discussion and Analysis Report ("MDA") and in the Annual Report for our management approach and commitments.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Please refer to the Chairman's Message, Management Discussion and Analysis Report ("MDA") and in the Annual Report for our management approach and commitments.								
Governance, leadership and oversight										

7.	Statement by director responsible for the business responsibility report highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).	ACE integrates environmental, social and governance (ESG) principles into its business strategy which is central to improving the quality of life of the communities it serves. As sustainable management is a crucial component of the Company's strategy across its entire value chain, it is constantly making adequate efforts to protect the environment. Throughout the course of the year, the Company remained committed to making its business operations more eco-friendly. Please refer to the Chairman's Message, MDA Report for our management approach and commitments.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sorab Agarwal Whole Time Director DIN: 00057666
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Directors and senior management periodically monitor the business responsibility performance of the Company. The Board of directors reviews the business responsibility performance on an annual basis. The CSR Committee reviews the social performance and the Risk Management Committee assess and review the identified risks from time to time.
10.	Details of Review of NGRBCs by the Company:	
	Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee
		Frequency (annually/ half yearly/ Quarterly/ Any other – please specify)
		P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9 P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
	Performance against above policies and follow up action.	The Directors and Senior Management of the Company periodically or on need basis review the Business Responsibility Policies and guide on further actions, if required for modifications/ improvement in the policies.
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances.	The Company is in compliance with statutory requirements of relevance to the principles.
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9 No, however all policies and processes are subject to Internal reviews done for the Company from time to time.

12. If answer to question (1) above is "no" i.e. not all Principles are covered by a policy, reasons to be stated: : Note Applicable

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-

The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE :

PRINCIPLE 1 : BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE:

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total training and awareness programmes held	Topics principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors & Key Managerial Personnel	4	<ul style="list-style-type: none"> Overall industry in which the Company operates, Company's operations and Strategy and Annual Budget of the Company Internal Financial Control Systems CSR strategy framework Supply Chain of the Company Environment, Health and Safety Risk Management Corporate governance practices Cyber security awareness Other regulatory updates 	100%
Employees other than BoD and KMPs	12	<ul style="list-style-type: none"> Training on Measurement System Analysis & Calibration Training on Mahindra Engine Diagnosis Fabrication Excellence Level-I 5'S Training (Plant Wise) Welding Best Practices Communication Effectiveness Adhesive Technology Training Torque Master Training AI Global Summit 7-QC Tools & 8D Awareness Integration of Generative AI Tools Tractor Products Training 	37.71%
Workers	10	<ul style="list-style-type: none"> Do's & Don'ts for all product segments Work Instructions Trainings 5's Training (Plant Wise) 	15.15%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NIL	NIL	NIL	NIL	NA
Settlement	NIL	NIL	NIL	NIL	NA
Compounding fee	NIL	NIL	NIL	NIL	NA

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL	NA
Punishment	NIL	NIL	NIL	NA

3. Of the instances disclosed in Question 2 above, details of the appeal/ revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NIL	NIL

4. Does the entity have an anti-corruption or anti bribery policy ? if yes provide details in brief and if available, provide a web-link to the policy.

Yes, the anti-corruption and anti-bribery policies are included in the Company's Code of Conduct Policy ("COC"). All new hires are required to undergo training on the COC. The Company believes in maintaining high ethical and legal standards. It is committed to imbibing the appropriate regulatory framework to govern its business performance. The link to access policy is <https://www.ace-crane.com/home/investor-policies-and-programme-codes>.

5. Numbers of directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors.	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs.	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NIL

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format.

	FY 2023-24	FY 2022-23
Number of days of accounts payable	91	92

9. Open-ness of Business

Details of Concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases*	(a) Purchases from trading houses as % of total purchases	-	-
	(b) Number of trading houses where purchases are made from	-	-
	(c) Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	(a) Sales to dealers / distributors as a % of total sales	39%	35%
	(b) Number of dealers / distributors to whom sales are made	457	528
	(c) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	49%	52%
Share of RPTs in	(a) Purchases (Purchases with related parties / Total Purchases)	0.02	0.00
	(b) Sales (Sales to related parties / Total Sales)	1.60	1.61
	(c) Loans & Advances (Loans & Advances given to related parties / Total loans & Advances)	0.00	0.00
	(d) Investments (Investments in related parties / Total Investment made)	1.55	2.62

*Company's vendors of material goods and services are not trading houses, and it is important to note that there is no specific guidance on trading houses in the SEBI BRSR guidelines.

PRINCIPLE 2 : BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE:

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	5%	3.75%	Developments of Electric CEV-5 Cranes and Engines
Capex	-	-	-

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No), b. If yes, what percentage of inputs were sourced sustainably?

No

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Waste management in a safe and responsible manner is a crucial priority for our businesses.

Plastics : All plastic waste generated in the plant premises is disposed off through an authorized recycler/third parties approved by the Central Pollution Control Board or the State Pollution Control Board.

E-waste: E-waste is not material to ACE. All the E-waste is disposed through authorised third parties.

Hazardous waste: We have partnered with Government approved vendors and Haryana State Pollution Control Board (HSPCB) vendors, to recycle/dispose our waste oil and other types of Hazardous wastes.

Other waste : All the other Non-hazardous waste generated is sent to the recycler/third parties.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No

PRINCIPLE 3 : BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS:

Essential Indicators

1. A. Details of measures for the well-being of employees:

Category	% of Employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
Permanent Employees											
Male	1367	944	69.06%	1367	100%	-	-	-	-	-	-
Female	20	8	40%	20	100%	-	-	-	-	-	-
Total	1387	952	68.64%	1387	100%	-	-	-	-	-	-
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

B. Details of measures for the well-being of workers:

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number	%(B/A)	Number	%(C/A)	Number	%(D/A)	Number	%(E/A)	Number	%(F/A)
Permanent											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Other than Permanent											
Male	3615	-	-	3615	100%	-	-	-	-	-	-
Female	3	-	-	3	100%	-	-	-	-	-	-
Total	3618	-	-	3618	100%	-	-	-	-	-	-

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) In the following format-

	FY. 2023-24	FY. 2022-23
Cost incurred on the well-being measures as a % of total revenue of the company	0.02%	0.03%

2. Details of retirement benefits.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as % of total employees	No. of workers covered as a % of total workers	Deducted and eposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	Eligibility as per ESIC Act.			Eligibility as per ESIC Act.		
Others						

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? if not, whether any steps are being taken by the entity in this regard.

Yes, Our premises are fully accessible to individuals with disabilities in accordance with the Rights of Persons with Disabilities Act, 2016. We offer comprehensive assistance to ensure that all visitors, employees, and workers are accommodated with ease.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? if so, provide a Weblink to the policy.

The Company is committed to ensuring that existing employees, job applicants and workers are treated fairly in an environment free from discrimination based on race, gender, religion or beliefs, disability, age, sexual orientation, gender identity, gender expression, and so on. The Company promotes equal treatment and opportunities for all employees. The employee code of conduct specifically prohibits discrimination in all its manifestations.

The link to the policy is <https://www.ace-cranes.com/home/investor-policies-and-programme-codes>.

We strive to create a workplace that values diversity and inclusion for all employees.

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? if yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

ACE have whistle blower Policy which is accessible to internal stakeholders and is available on Company's website and In case of any unethical matter, all employees are encouraged to report the concern to their supervisor or reporting manager. For organisational issues, performance and appraisal related concerns or if the complaint is against the Supervisor or Reporting Manager, they are directed towards Human Resource Manager. The whistle blower policy which can be accessed via link: <https://www.ace-cranes.com/home/investor-policies-and-programme-codes>.

All complaints are reviewed periodically, and investigation is carried out followed by strict disciplinary action against person.

In case of contractor workers, contractor takes care of the grievances if any raised by the employee/worker.

7. Membership of employees and worker in association(s) or unions recognised by the listed entity: NIL

Benefits	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total Permanent Workers	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On skill upgradation		Total (D)	On Health and safety measures		On skill upgradation	
		No.(B)	%(B/A)	No.(C)	%(C/A)		No.(E)	%(E/D)	No. (F)	%(F/D)
Employees										
Male	1367	-	-	523	38.26	1193	-	-	290	24.31

Female	20	-	-	-	-	16	-	-	-	-
Total	1387	-	-	523	37.71	1209	-	-	290	23.99
Workers										
Male	3615	-	-	548	15.16	2803	-	-	472	16.83
Female	03	-	-	-	-	02	-	-	-	-
Total	3618	-	-	548	15.15	2805	-	-	472	16.83

9. Details of performance and career development reviews of employees and worker :

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1367	1367	100%	1193	1193	100%
Female	20	20	100%	16	16	100%
Total	1387	1387	100%	1209	1209	100%
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note : All workers are other than permanent (contractual) . Performance and career development reviews of workers are done by the contractor(s).

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company acknowledges the fact that the identification of work-related hazards is crucial for ensuring the safety of its people. Each plant implements aspect Impact and identifying hazards, assessing risks and defining controls, to ensure that EHS operations are conducted with care. Every manufacturing location has an occupational health and safety management system.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The risk assessment process is elaborated with departmental and individual roles and responsibilities, monitoring control measures, competency training and awareness of individuals associated with such activities, all in support of our goal of preventing incidents, injuries, occupational disease, emergency control and prevention, and business continuity. For all activities, whether routine or irregular (permit and project activities), the Company has undertaken its own self-assessments in areas such as electrical safety, fire safety, machine safety, and so on.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company urges its employees to record near-miss situations discovered during various operations, which are then classified, and an action plan is developed and implemented to prevent a recurrence. Each manufacturing facility has a specific protocol in place for reporting work-related hazards, injuries, hazardous conditions, and unsafe activities.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees are covered under health insurance and ESI scheme.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	5	6
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- ACE manufacturing plants holds Certificates in ISO 14001:2015, ISO 45001:2018, ISO 9001:2015 & 5S workplace organising management system.
- We conduct regular risk assessments to identify potential hazards in the workplace.
- We ensure that each employee has access to and is trained to use appropriate PPE such as gloves, helmets, shoes to protect against specific hazards.
- In terms of equipment, inherently safe machinery is a priority, with the goal of zero level-1 incidents. Process guidelines are followed to ensure safety and compliance.
- Employee motivation is fostered through various activities and celebrations, such as National Safety Week and Environment Week.
- Organization-wide training, awareness programs, and motivational activities are conducted to promote safe behavior and engagement among employees.
- A Reward/Recognition & Consequence Management system has been implemented to address work behaviors and situations, ensuring accountability and reinforcing safety practices.
- Management monitors performance in safety, environment, and compliance on a periodical basis, with a well-defined structure in place for accountability on a regular basis.
- Our adherence to local, state, and national regulations, including ISO standards, guides our comprehensive safety policies and procedures. Regular training sessions on health and safety protocols, first aid, fire drills, and machinery handling are provided to ensure our workforce is well-informed.
- Regular risk assessments are conducted to identify potential hazards, and appropriate PPE is provided to all employees.
- Safety is a top priority at every manufacturing plant, with separate safety committees ensuring the participation of both workers and management. Training and development opportunities are regularly offered to employees, focusing on safety, environment, and compliance.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	4	NIL	-	3	NIL	-
Health & Safety	3	NIL	-	2	NIL	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Safety at the workplace is of utmost priority at ACE. We have system in place w.r.t. safety inspections, operation control, monitoring, audit and assessments and others. Gaps, learnings, improvements are implemented across the Company to avoid repeated incidents. The corrective actions are driven by site leadership of location.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS :

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The process for identifying key stakeholders is on the basis of the material influence they have on the Company or on how they are materially influenced by the Company's corporate decisions and the consequences of those decisions. We also use various tools and frameworks to identify and prioritize our key stakeholders and their material issues and concerns. We use the feedback and inputs from our stakeholder engagement to improve our decision-making process and our business practices and performance.

The Company makes continual efforts to understand their requirements, expectations and interests to create value for the business.

The Company's stakeholder engagement strategy is focused on two-way communication to receive varying perspectives and apply them to the business.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group(Yes/ No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Local Community	No	<ul style="list-style-type: none"> CSR initiatives Volunteering 	Regular/event based	CSR initiatives, Relationship Development and creation of job opportunities etc.
Suppliers	No	<ul style="list-style-type: none"> One to-one meetings Regular operational reviews 	Regular	The Company collaborates with the suppliers to maintain seamless business operations by ensuring effective and efficient procurement practices.
Employees	No	<ul style="list-style-type: none"> Meetings Employee engagement activities Team building, workshops, capability building and training Performance management system Rewards and recognitions 	Regular	Employees are the most important assets of the Company and are essential to its long-term success. They are critical to increasing the Company's competitiveness and confirming its market leadership.

Government and regulatory authorities	No	<ul style="list-style-type: none"> Email website Annual Reports/ Compliance Filings Advertisement 	Regular	Regulatory & Legal Requirements, Technology & Innovation
Consumers	No	Customer engagement surveys	Regular	Consumers' purchasing habits have an influence on the Company, so it is critical to have continual contact with them to understand their needs and desires.
Investors/ Shareholders	No	<ul style="list-style-type: none"> Annual general meeting Financial result declarations Media releases Investor calls and meets 	Regular/event based	Investors are critical to the Company's success and growth. They help the Company by strengthening its financial resilience.

PRINCIPLE 5 : BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS :

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of Employees / workers covered (B)	% (B / A)	Total (A)	No. of Employees / workers covered (B)	% (B / A)
Employees						
Permanent	1387	1387	100%	1209	1209	100%
Other than Permanent	-	-	-	-	-	-
Total Employees	1387	1387	100%	1209	1209	100%
Workers						
Permanent	-	-	-	-	-	-
Other than Permanent	3618	3618	100%	2803	2803	100%
Total Workers	3618	3618	100%	2803	2803	100%

*Human Rights is part of ACE COC, so every employee is covered.

The Company operates in an open, fair and transparent manner and is dedicated to upholding the highest ethical standards and practices. To expose unethical conduct and encourage professionalism and ethical behaviour among its staff, the whistle-blower and code of conduct policies are in place.

2. Details of minimum wages paid to employees and workers, in the following format :

Category	FY 2023-24				FY 2022-23					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B / A)	No. (C)	% (C / A)		No.(E)	% (E / D)	No. (F)	% (F / D)

Employees										
Permanent	1387	-	-	1387	100%	1209	-	-	1209	100%
Male	1367	-	-	1367	100%	1193	-	-	1193	100%
Female	20	-	-	20	100%	16	-	-	16	100%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	3618	310	8.57%	3308	91.43%	2805	280	9.98%	2525	90.02%
Male	3615	310	8.58%	3305	91.42%	2803	280	9.99%	2523	90.01%
Female	03	-	-	03	100%	02	-	-	02	100%

3. Details of remuneration/salary/wages, in the following format (₹in lakhs).

A. Median Remuneration Wages.

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)-Executive	2	301.62	2	174.49
Board of Directors (BoD)-Non Executive	3	2.45	1	2.45
Key Managerial Personnel (Other than Board members)	2	34.42	0	-
Employees other than BoD and KMP	1367	5.30	20	4.70
Workers*	3615	-	3	-

*All workers are other than permanent (Contractual). Remuneration/Wages/Salary of workers are paid by contractor(s).

B. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	0.93%	1.02%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Human rights is a sensitive topic, and the Company has zero tolerance for human rights violations. The Company is aware of how severe violations of human rights are. Human rights is one of the Company's key focus areas. Any human rights violation, wherever reported, shall be investigated by the Management following the code of conduct policy of the Company. To maintain a safe and productive workplace, the Company has adopted a POSH policy and a whistle-blower policy. To familiarise the employees with POSH and whistle-blower policies as well as the implications of human rights issues, the Company also offers training on these topics.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to supporting internationally accepted human rights principles and standards. It has also established procedures and processes to ensure that no human rights violations occur throughout the Company's operations. The Company's POSH and whistle-blower policies aid employees in reporting complaints. All grievances are addressed as and when received by the respective manufacturing unit heads, project managers, and business unit heads in coordination with HR. All the grievances received are duly investigated, and appropriate actions are taken to resolve the issue or complaint. Whenever required, disciplinary actions are initiated as deemed fit, and assistance from regulatory authorities is sought.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the following format:

	FY 2023-24	FY 2022-23
Total Compliants reportd under Sexual Harrasment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees/workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

ACE is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and / or harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identification and expression (including transgender identity), political opinion, medical condition, language as protected by applicable laws.

The Company's whistle-blower policy has clearly laid down the guidelines to prevent retaliation against a complainant. A complainant has the right to complete anonymity unless required by law enforcement agencies. The organisation prohibits retaliation against a complainant, such as threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No. However, the Company strongly believes that compliance with human rights should be form part of every organisation's ethics & policies. Regular engagement activities are organised with suppliers and vendors for discussion on compliance with human right issue.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0%, ACE periodically monitors compliances of all the relevant laws and policies pertaining to mentioned issues.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

NIL

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT:

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From Renewable sources		
Total electricity consumption (A)	8.53	5.97
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	8.53	5.97
From non-renewable sources		
Total electricity consumption (D)	26.34	20.82
Total fuel consumption (E)	2.57	2.45
Energy consumption through other sources (F)	-	-
Total energy consumed from non renewable sources (D+E+F)	28.91	23.27
Total energy consumed (A+B+C+D+E+F)	37.44	29.24
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)*	0.01x10 ⁻⁷	0.01x10 ⁻⁷
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / revenue from operations adjusted for PPP)*	-	-
Energy Intensity in terms of physical Output*	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*Negligible-As production processes of the Company does not require much power.

Note : All figures are in Tera Joules.

Note : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency : No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, achieve and trade (PAT) scheme of the Government of India? (Y/n) if yes, disclose whether targets set under the PAT scheme have been achieved. in case targets have not been achieved, provide the remedial action taken, if any.

No, as we do not fall under DC category.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	26749	16495
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	26749	16495
Total volume of water consumption (in kilolitres)	26749	16495
Water intensity per rupee of turnover (Total Water consumption/Revenue from operations)	-	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output		
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency : No

4. Provide the following details related to water discharged.

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(i) To Ground water	-	-
- No treatment	-	-
- With treatment- please specify level of treatment	-	-
(ii) To Seawater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) Sent to third parties	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Others	16500	10061
- No treatment	-	-
- With treatment - please specify level of treatment	16500	10061
Total water discharged (in kilometers)	16500	10061

Note: Indicate if any independent assessment / evaluation has been carried out by an external agency? If yes, name of external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? if yes, provide details of its coverage and implementation.

At present, the Company does not have a zero-liquid discharge mechanism. However, all its facilities use 100% of the treated water

within the premises for horticulture, toilet use and landscaping purposes. Effluent treatment plant for trade effluent treatment and use of treated water for cooling tower make up and floor washing.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency : No

7. Provide details of greenhouse gas emissions (scope 1 and scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	-	-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operation adjusted for PPP)	-	-	-
Total Scope 1 and Scope 2 emissions in terms of physical output	-	-	-
Total scope 1 and scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency : No

8. Does the entity have any project related to reducing Green House Gas emission? if Yes, the provide details.

At its plants, the Company is using natural gas to reduce the GHG emissions and Contributing to sustainable development goals and government's agenda of adopting clean and green energy, the Company at present has solar power generation capacity of 2478.9 KWP.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	0.540	0.483

Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	0.483	0.382
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G) (Paint Sludge, Phosphate Sludge and waste oil)	111.690	81.925
Other Non-hazardous waste generated (H) Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G+ H)	112.713	82.790
Parameter	FY 2023-24	FY 2022-23
Water intensity per rupee of turnover (Total waste generated / revenue from operations)	-	-
Waster intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity(optional) The relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	112.713	82.790
Total	112.713	82.790

Note : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency : No

10. Briefly describe the waste management practices adopted in your establishments. describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company makes consistent efforts to track and regulate the use of hazardous substances and considers it essential to manage its resources responsibly since it benefits the environment.

The Company's operational units are responsible for ensuring that all hazardous materials are delivered to a State Pollution Control Board-approved authorised disposal operator/vendors/third parties or other Government approved vendors. Moreover, the waste generated within the plant gets segregated at the source through colour-coded waste collection bins, awareness on waste management, disposal according to the law of the land, etc.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format :

No.

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-	-	-	-
-	-	-	-

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No data recorded

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain Yes / No)	Relevant Web link
-	-	-	-	-	-
-	-	-	-	-	-

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the ACE is compliant with the applicable environment laws/guidelines.

S. No.	Specify the law / regulation /guidelines which was not complied with	Provide details of the non- compliance	Any fines /penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-	-	-	-	-
-	-	-	-	-

PRINCIPLE 7 : BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT :

Essential Indicators

1. A. Number of affiliations with trade and industry chambers/ associations.

Number of affiliations with trade and industry chambers/ associations : 8

B. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/ Associations	Reach of trade and industry chambers (State/National)
1.	ICEMA - Indian Construction Equipment Manufacturers Association	National
2.	TMA - Tractors & Manufacturer Association	National
3.	CII - Confederation of Indian Industry	National
4.	FIA - Faridabad Industry Association	State
5.	Crane Owners Association of India	National
6.	Aerial Platform Association of India	National
7.	Palwal Industry Association	State
8.	The Automotive Research Association of India	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

For the Financial Year under review, the Company received no adverse orders from regulatory bodies; hence, no corrective actions were required.

Name of authority	Brief of the case	Corrective action taken
-	-	-
-	-	-

PRINCIPLE 8 : BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

NIL

Name and brief details of project	SIA Notification No	Date of Notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public Domain (Yes / No)	Relevant Web link
-	-	-	-	-	-
-	-	-	-	-	-

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement R&R) is being undertaken by your entity, in the following format.

NIL

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
-	-	-	-	-	-	-
-	-	-	-	-	-	-

3. Describe the mechanisms to receive and redress grievances of the community.

The Company executes several community programmes to develop healthy relationships with the community. It regularly interacts with people and communities and tries to address their concerns. The Company ensures timely actions are taken to address the concerns raised by communities.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	34.99%	43.07%
Directly from within India	88.91%	87.58%

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non- permanent / on contract basis) in the following locations, as a % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	-	-
Semi-Urban	-	-
Urban	-	-
Metropolitan	-	-

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER :

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

To ensure customer grievances get addressed in time and with quality, our team follows a time bound standard operating procedure of grievance redressal. Once a customer registers a grievance, it is logged in our system. We analyse the issue and provide Corrective actions and ensure proper resolution. We take measures to make sure that customers don't face the same issues in the future. A toll-free number and E-mail Id is provided on the website.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	Data not recorded

3. Number of consumer complaints in respect of the following:

	FY 2023-24		Remarks	FY 2022-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	NIL	NIL	NIL	NIL
Advertising	NIL	NIL	NIL	NIL	NIL	NIL
Cyber-security	NIL	NIL	NIL	NIL	NIL	NIL
Delivery of essential services	NIL	NIL	NIL	NIL	NIL	NIL
Restrictive Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Unfair Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Other	NIL	NIL	NIL	NIL	NIL	NIL

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	NIL
Forced recalls	NIL	NIL

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/no) if available, provide a Weblink of the policy.

The Company has a privacy policy in place that offers various security strategies to ensure the data security of users and devices. The policy is present on the Company's website and can be accessed using this link: <https://www.ace-cranes.com/home/investor-policies-and-programme-codes>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

ACE consider data privacy, a critical aspect to ensure customer information safety. Our Policy on "Risk Management" clearly outlines our approach to maintaining data privacy.

7. Provide the following information relating to data breaches:

- A. Number of instances of data breaches involving personally identifiable information of customers: **Nil**
- B. Percentage of data breaches involving personally identifiable information of customers: **Nil**
- C. Impact, if any, of the data breaches: **NA**



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

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 behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Action Construction Equipment Limited (ACE) philosophy on corporate governance envisages the attainment of the highest level of transparency, accountability and equity in all facets of its operations and in its interactions with its stakeholders. The Company is committed to achieving and maintaining the highest standards of corporate governance. The Company believes that all its actions must serve the underlying goal of enhancing overall stakeholder value over a sustained period of time.

Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At ACE, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices across our operations.

Our Code of Business Principles inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning. To succeed, we believe, requires highest

standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors fully supports and endorses the Corporate Governance practices in accordance with the provisions of Regulation 34(3), and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation"), as amended with the Stock Exchanges and the voluntary Corporate Governance guidelines to ensure good Corporate Governance practices across the Company in letter and in spirit. The Company has complied with all the mandatory requirements of the said clause.

The Company has adopted a Code of Conduct for its employees including the Managing Director, Executive Directors, Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 (Act).

BOARD OF DIRECTORS

Composition and category of Board of Directors:

The Board of Directors ("the Board") of your Company provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board plays a crucial role of piloting the Company towards enhancement of the short and long term interests of the stakeholders.

The Board of your Company comprises highly experienced persons of repute, eminence and has a good and diverse mix of Executive and Non-Executive Directors with 50% of the Board members comprising Independent Directors including an Independent Woman Director. The Board composition is in conformity with the applicable provisions of Companies Act, 2013 (“Act”), SEBI Listing Regulations, as amended from time to time and other applicable statutory provisions.

The Board comprises of the members distinguished in various fields such as management, finance, strategic planning etc. This provides reliability to the Company’s functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management.

As on the date of this Report, the Board comprised of 8 (Eight) members, 4 (Four) of which are Independent Directors constituting half of the Board strength, 4 (Four) are Executive Directors including Chairman & Managing Director.

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

None of the Directors on the Board holds directorships in more than 7 (Seven) listed Companies. None of the Independent Directors serves as an independent director in more than Seven listed entities. Necessary disclosures regarding their directorship and Committee positions (including chairmanship) in other Companies as on March 31, 2024 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 2023-24, four (4) Board Meetings were held i.e. on May 30, 2023, August 11, 2023, November 09, 2023 and February 06, 2024.

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, 2024 are given herein below:

Name of Directors	Position in the Company	Attendance at Board Meeting out of Four (4)	Attendance at AGM (25.08.2023)	Directorship in other listed Companies & Categories	No. of Directorship in public Companies including ACE	Position on Audit & Stakeholders Relationship Committee in Indian Companies including ACE	
						As Chairman	As Member
Mr. Vijay Agarwal (DIN:00057634)	Chairman & Managing Director	4	Yes	–	3	–	1
Mrs. Mona Agarwal (DIN:00057653)	Whole-Time Director	4	Yes	–	2	–	–
Mr. Sorab Agarwal (DIN:00057666)	Whole-Time Director	4	Yes	–	1	–	1
Mrs. Surbhi Garg (DIN:01558782)	Whole-Time Director	3	Yes	–	3	–	–
Mr. Avinash Parkash Gandhi (DIN:00161107)	Non-Executive Independent Director	4	Yes	1. Lumax Industries Ltd., (Ind-Director) 2. Lumax Auto Technologies Ltd., (Ind-Director) 3. Minda Corporation Ltd., (Ind-Director)*	6	1	6

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

*Resigned w.e.f. April 01, 2024

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, 2024 is given below:

S. No.	Name of the Directors	No. of shares held
1	Dr. Divya Singal	20,500

Note: The Company has not issued any convertible instruments.

Independent Directors:

The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations read with section 149(6) of the Act.

The sample terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at link: <https://www.ace-cranes.com/public/front/pdf/Appointment-as-an-Independent-Director.pdf>

Separate meeting of the Independent Directors:

Independent Directors of the Company met separately on February 06, 2024 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	No. of Meetings	
		Held	Attended
1.	Mr. Avinash Parkash Gandhi	1	1
2.	Dr. Divya Singal	1	1
3.	Mr. Shriniwas Vashisht	1	1
4.	Dr. Jagan Nath Chamber	1	1

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

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

Familiarization programs for Independent Directors:

The details regarding Independent Directors' Familiarization Programs are available on the Company's website at link: <https://www.ace-cranes.com/public/front/pdf/Familiarisation%20Programme%20For%20Independent%20Directors.pdf>

Key Board qualifications, expertise and attributes:

The Company's core business(es) includes manufacturing of four

types of heavy equipment – (i) mobile cranes / tower cranes (ii) material handling (iii) construction equipment and (iv) agri equipment etc.

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

(a) General management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders;

(b) Sales & Marketing: Experience in sales and marketing management based on understanding of the construction equipment industry and Agri Business;

(c) International Business experience: Experience in leading businesses in different geographies/ markets around the world;

(d) Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.;

(e) Technical skills: Professional skills and knowledge including legal and regulatory aspects.

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

Name of Directors	General Management/Governance	Sales & Marketing	International Business Experience	Financial Skills	Technical Skills
Mr. Vijay Agarwal, Chairman & Managing Director	Y	Y	Y	Y	Y
Mrs. Mona Agarwal Whole-Time Director	Y	Y	Y	Y	Y
Mr. Sorab Agarwal Whole-Time Director	Y	Y	Y	Y	Y
Mrs. Surbhi Garg Whole-Time Director	Y	Y	Y	–	Y
Mr. Avinash Parkash Gandhi Independent Director	Y	Y	Y	Y	Y
Dr. Divya Singal Independent Director	Y	–	–	Y	Y
Mr. Shrinivas Vashisht Independent Director	Y	Y	Y	Y	Y
Dr. Jagan Nath Chamber Independent Director	Y	Y	Y	Y	Y

Board of Directors confirms that in the opinion of the Board, the Independent Directors fulfill the conditions specified in LODR Regulations and are independent of the management.

None of the Independent Directors of the Company have resigned before the expiry of their tenure, thus disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by him is not applicable.

Performance evaluation of the Board, its committees and individual Directors, including Independent Directors:

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of

the Company, its Committees and Individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

For evaluation of the entire Board, its Committees and evaluation of individual Director’s performance, a structured questionnaire, covering various aspects of the functioning of the Board and its Committee is in place.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2023-24.

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

The Audit Committee meeting for deliberation on the financial performance of your Company are held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairperson of the respective committee briefs the Board in detail about the proceedings of the respective committee meetings. All committee recommendations placed before the Board during the year under review were unanimously accepted by the Board.

The Chief Financial Officer and other Senior Management members are invited to the Board and Committee meetings to present updates on the items being discussed at the meeting.

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 details and composition of the Committees of the Board is as follows:

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

The composition of various committees of the Board of Directors is available on the website of the Company at www.ace-cranes.com under investor relations section.

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of various committees. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance are provided below:

(A) Audit Committee

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

During the financial Year 2023-24, four (4) Audit Committee meetings were held i.e. on May 30, 2023, August 11, 2023, November 09, 2023 and February 06, 2024.

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

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment, 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, if any.
 - (h) The investments made by unlisted subsidiary companies.
5. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter;
 6. To mandatorily review the following information:
 - (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - (d) Internal audit reports relating to internal control weaknesses;
 - (e) The appointment, removal and terms of remuneration of the chief internal auditor;
 - (f) Statement of deviations:
 - I. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - II. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of regulation 32(7).
 7. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
 8. Evaluation of internal financial controls and risk management systems;
 9. Reviewing and monitoring of the auditor's independence and performance and effectiveness of audit process;
 10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 11. Discussion with internal auditors any significant findings and follow up thereon;
 12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 15. To direct the Company to establish a vigil mechanism for directors and employees to report genuine concerns to the Audit Committee and to ensure that the vigil mechanism provides adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
 16. To review the functioning of the Whistle Blower/Vigil mechanism;
 17. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate;
 18. Scrutiny of inter-corporate loans and investments;
 19. Approval or any subsequent modification of transactions of the Company with related parties;
 20. Valuation of undertakings or assets of the Company, wherever it is necessary;
 21. To investigate into any matter or activity within its terms of reference or referred to it by the Board;
 22. To call for the comments of the Auditors about internal control systems, the scope of audit, including the observations of the Auditors and also discuss any related issues with the internal and Statutory Auditors and the Management of the Company;

The Chairman of the Audit Committee was present in the last Annual General Meeting held on August 25, 2023.

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

(B) Nomination and Remuneration Committee

The Committee’s constitution and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Part D of Schedule II of the Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or in any subsequent amendment thereto.

Terms of reference of the Committee inter alia include determination of the Company’s policy on specific remuneration packages for Directors, Key Managerial Personnel and Senior Management. Senior Management shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

During the financial year 2023-24, two meetings were held i.e. on May 30, 2023 and February 06, 2024.

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

Name of Members	Designation/ Category	No. of Meetings	
		Held	Attended
Mr. Shrinivas Vashisht	Chairman/ Independent	2	2
Dr. Divya Singal	Member/ Independent	2	2
Mr. Avinash Parkash Gandhi	Member/ Independent	2	2

The broad terms of reference of the Nomination and Remuneration Committee as amended from time to time, includes the following:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment and removal;



2. To formulate the criteria for evaluation of Independent Directors and the Board and to carry out the evaluation of every Director’s performance;
3. To formulate the criteria for determining qualification, positive attributes and independence of Directors;
4. To recommend/approve remuneration of the Executive Directors and any increase therein from time to time, within the limit approved by the members of the Company;
5. To recommend/approve remuneration of Non-Executive Directors in the form of sitting fees for attending meetings of Board and its Committees, remuneration for other services, commission on profits, grant of stock options or payment of any other amount;
6. To decide the overall compensation structure/policy for the employees, senior management and the Directors of the Company including ratio of fixed and performance pay, performance parameters etc.;
7. To approve rating of Company’s performance for the purpose of payment of annual bonus/performance incentive to employees and Executive Director(s) of the Company;
8. To approve Management Incentive Plan or any other Incentive Plan for the purpose of payment of performance Incentive to the employees and Executive Director(s) of the Company;
9. To engage the services of any consulting/ professional or other agency at the cost of the Company for the purpose of recommending to the Committee on compensation structure/policy including Stock Option Scheme;
10. To recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;

11. To recommend Employees Stock Option Scheme of the Company or to recommend any such new Scheme for approval of members of the Company;
12. To exercise all the powers as mentioned in the Employees Stock Option Scheme of the Company to be exercised by the Compensation Committee/ Nomination & Remuneration 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/Ratify to the Board, all remuneration in whatever form, payable to senior management;
17. To exercise such other powers as may be delegated to it by the Board from time to time.

Performance evaluation criteria for independent directors:

The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The evaluation of all directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

(C) Stakeholders Relationship Committee

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

During the year, one meeting was held i.e. on May 30, 2023.

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

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

The terms of reference of the Stakeholders Relationship Committee, as amended from time to time, includes the



following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee also reviews matters relating to unclaimed equity shares and dividend transferred to Investor Education and Protection Fund (IEPF) pursuant to the IEPF Rules.

The status of shareholder correspondences, queries grievances etc. are endeavored to be addressed instantaneously by the secretarial department and Registrar & Share Transfer Agent (RTA).

Investor Grievance Redressal

Details of complaints / investor grievances received and

resolved by the Company during the financial year 2023-24 are given below:

S. N.	Nature of Investor Grievance/Complaints	Total
1.	Complaints pending at the beginning of the year as on April 01, 2023	NIL
2.	Complaints received during the year	
	• Non receipt of dividend	8
	• Non receipt of shares sent for transfer	NIL
	• Non receipt of Annual Report	2
	• Non confirmation of dematerialization/ re-materialization of shares	NIL
	• Miscellaneous	NIL
3.	Complaints disposed-off during the year	10
4.	Complaints pending at the end of the year as on March 31, 2024	NIL

Pending Share Transfers

No requests for transfer and/or dematerialisation were pending for redressal as on March 31, 2024.

Compliance Officer

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

(D) Corporate Social Responsibility (CSR) Committee

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

During the year, one meeting was held i.e. on May 30, 2023.

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

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

The Committee is entrusted with the following powers:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as amended;
- To recommend the amount of expenditure to be incurred on the activities referred in clause 1 above;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- To formulate & recommend, an annual action plan in pursuance to CSR policy and;
- Such other activities as the Board of Directors may determine from time to time.

Details of the CSR initiatives as per the CSR Policy of the Company forms part of the Director's Report in this Annual Report. The CSR Policy of the Company has been uploaded on the Company's website at www.ace-cranes.com.

(E) Risk Management Committee (RMC)

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

During the year, two meetings were held i.e. on November 09, 2023 and February 06, 2024.

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

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

The broad term of reference of the Risk Management Committee includes the following:

- To formulate a detailed risk management policy which shall include:-
 - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - Measures for risk mitigation including systems and processes for internal control of identified

risks and;

(c) Business continuity plan.

2. To ensure that appropriate methodology, processes and system are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in 2 years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

(F) Committee of Board of Directors (COB)

The Board has constituted Internal Management Committee of Directors named as “Committee of Board of Directors” (COB) for taking the administrative decisions of Company.

During the year, no meeting of COB was held.

The detail of Composition of the COB Committee is given below :

Name of Members	Designation/Category
Mr. Vijay Agarwal	Chairman/ Executive
Mrs. Mona Agarwal	Member/ Executive
Mr. Sorab Agarwal	Member/ Executive

Senior Management and Change there in

The following are the Senior Management Personnel (“SMP”) of the Company based on their role and responsibilities in accordance with SEBI (LODR), Regulation, 2015.

S. NO.	Name of SMP	Designation
1.	Mr. Rajan Luthra	Chief Financial Officer
2.	Dr. Virender Saroha	President HR & Legal
3.	Mr. Vyom Agarwal	President
4.	Mr. Hitesh Kumar Agarwal	Chief Operational Officer
5.	Mr. Chetan R Gole	CEO Forklifts

6.	Mr. Ankit Kumar	Head of Design & Engg.
7.	Mr. Anil Kumar	Company Secretary

Changes in senior management during financial 2023-24

S. NO.	Name of SMP	Designation
1	Mr. Hitesh Kumar Agarwal	Chief Operational Officer (Appointed w.e.f. February 29, 2024)

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 2023-24:

S. No.	Name of the Directors	(₹ in Lakhs)
1.	Mr. Avinash Parkash Gandhi	2.60
2.	Dr. Divya Singal	2.45
3.	Mr. Shriniwas Vashisht	2.45
4.	Dr. Jagan Nath Chamber	2.30

(b) Criteria of making payments to Non-Executive Directors:

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company at link <https://www.ace-cranes.com/public/front/pdf/RemunerationPolicyACE.pdf>

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:

On the recommendation of the Nomination and Remuneration Committee, the remuneration paid/payable by way of salary, perquisites and allowances to its Executive Directors within the limits prescribed under the Act is approved by the Board of Directors and by the Members in the General Meeting.

The Executive Directors are not being paid sitting fees for attending meetings of the Board of Directors and its Committee.

(i) **Element of remuneration package of individual Directors of the Company during the year 2023-24:**
(₹ in lakhs)

Names of the Directors	Salary	Benefits and perquisites	Total
Mr. Vijay Agarwal (Chairman & Managing Director)	457.01	22.17	479.18
Mrs. Mona Agarwal (Whole-Time Director)	233.67	16.72	250.39
Mr. Sorab Agarwal (Whole-Time Director)	122.91	1.15	124.06
Mrs. Surbhi Garg (Whole-Time Director)	97.70	0.88	98.58
Total	911.29	40.92	952.21

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

Directors are not entitled to any fixed component and performance linked incentives.

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

The appointments of the Executive Directors are governed by resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate service contract is also entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

(iv) **Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:**

Not applicable.

GENERAL BODY MEETINGS

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

Financial Year	AGM	Date & Time	Venue
2022-23	29 th	25.08.2023 12:00 Noon	Through video conferencing ("VC")/ Other Audio Visual Means("OAVM")
2021-22	28 th	20.09.2022 12:00 Noon	Through video conferencing ("VC")/ Other Audio Visual Means("OAVM")

2020-21	27 th	03.09.2021 12:00 Noon	Through video conferencing ("VC")/ Other Audio Visual Means("OAVM").
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(b) **Special Resolutions passed in the previous three Annual General Meetings:**

Year	Special Resolution passed
2020-21	<ol style="list-style-type: none"> Appointment of Dr. Jagan Nath Chamber as an Independent Non-Executive Director of the Company. Re-classification of Authorised Share Capital of the Company. Approval of Action Construction Equipment Limited Employees Stock Option Scheme – 2021. To approve acquisition of Equity Shares by way of secondary acquisition under Action Construction Equipment Limited Employees Stock Option Scheme-2021. Provision of money by the Company for purchase of its own shares by the trust / trustees for the benefit of employees under Action Construction Equipment Limited Employees Stock Option Scheme-2021. To approve raising of funds in one or more tranches, by issuance of securities by way of private offerings, qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable law for an amount up to ₹ 175.00 Crore.
2021-22	<ol style="list-style-type: none"> Authority for borrowing under section 180(1) (c) of the Companies Act, 2013. Authority for creations of charge under section 180(1)(a) of the Companies Act, 2013.
2022-23	<ol style="list-style-type: none"> Re-appointment of Mr. Vijay Agarwal as Chairman and Managing Director of the Company. Re-appointment of Mrs. Mona Agarwal as Whole Time Director, designated as Executive Director of the Company. Re-appointment of Mr. Sorab Agarwal as Whole Time Director, designated as Executive Director of the Company. Approval for amendment in the exercising period specified under Action Construction Equipment Limited Stock Option Scheme-2021.

All the resolutions proposed by the Directors to shareholders in last three years are approved by shareholders with requisite majority.

Voting results of the last AGM is available on the website of your Company at: www.ace-cranes.com.

(c) Extraordinary General Meetings :

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

(d) Special Resolution (s) passed last year (2023-24) through Postal Ballot, detail of voting pattern and the procedure thereof:

During the financial year 2023-24, no special resolution has been passed through postal ballot.

(e) Person who conducted the postal ballot exercise:

Not Applicable

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

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

(g) Procedure for postal ballot:

Not Applicable

MEANS OF COMMUNICATION

(a) Quarterly Results:

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

(b) Announcement of material information:

All the material information, requisite announcements and periodical filings are being submitted by your Company electronically through web portals of NSE and BSE, where the equity shares of your Company are listed.

(c) Newspaper:

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

(d) Website:

Your Company has dedicated "Investors" section on its website viz, www.ace-cranes.com, wherein any person can access the corporate policies, Board committee charters, Annual Reports, financial results, investor presentation and shareholding details etc.

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

Your Company generally organises earnings call with analysts and investors on the next day of announcement

of results. The audio recordings and transcript of these earning calls are posted on your Company's website & website of the stock exchanges. Presentations made to institutional investors and financial analysts on the financial results are submitted to the stock exchanges and also uploaded on your Company's website.

Your Company has maintained consistent communication with investors at various forums.

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

(f) Designated Email ID:

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

(g) SCORES (SEBI Complaints Redressal System):

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

(h) 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.

(i) Annual Report and AGM

Annual Report containing audited standalone and consolidated financial statements together with Report of Board of Directors, Management Discussion and Analysis Report, Corporate Governance Report, Auditor's Report and other important information are circulated to the Members. In the AGM, the Shareholders also interact with the Board and the Management.

GENERAL SHAREHOLDER INFORMATION:

1. Corporate Identification Number (CIN)

L74899HR1995PLC053860

2. Registered Office

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

3. Forthcoming Annual General Meeting

Day & Date : Tuesday, August 27, 2024

Time : 12:00 Noon (IST)

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

4. E-Voting Details

Start : Friday, August 23, 2024 at 9:00 A.M.

End : Monday, August 26, 2024 at 5:00 P.M.

E-Voting at AGM : E-Voting facility shall also remain open during the AGM and 15 minutes after AGM.

5. Book Closure

The register of members and share transfer books of the Company will be closed from **Tuesday, August 20, 2024 to Tuesday, August 27, 2024** (both days inclusive) for the purpose of payment of dividend for the FY 2023-24 and for the purpose of 30th AGM.

6. Financial Calendar

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

Tentative schedule for declaration of financial results during the financial year 2024-25.

Particular	Schedule /Tentative Dates
Quarter ending June 30, 2024	1 st Week of August, 2024
Quarter ending September 30, 2024	1 st Week of November, 2024
Quarter ending December 31, 2024	2 nd Week of February, 2025
Quarter and FY ended March 31, 2025	3 rd Week of May, 2025
AGM for the year ending March 31, 2025	Last Week of August, 2025

7. Dividend payment date

Final Dividend for FY 2023-24 of ₹ 2.00 (100%) per equity shares recommended by the Board of Directors at its meeting held on May 21, 2024, if approved by the shareholders shall be paid within 30 days from the date of declaration.

8. Listing on Stock Exchange

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

9. ISIN for Depositories: INE731H01025

10. Listing Fees for the financial year 2024-25 has been paid to both, BSE Limited and National Stock Exchange of India Limited. Annual custodian charges of Depositories have also been paid to NSDL and CDSL for the same period.

11. Listing of debt securities

None

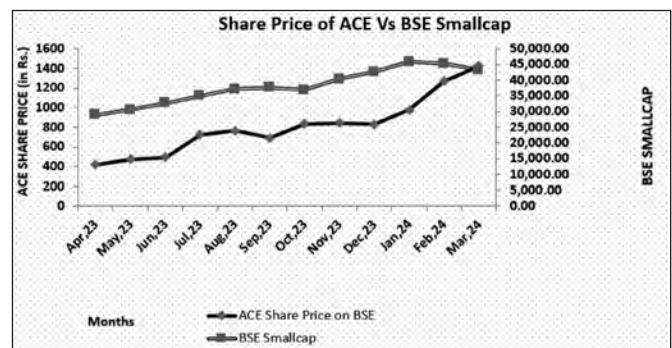
12. Market capitalisation

As per Market capitalisation list released by Stock Exchange as on March 31, 2024, the Company's ranking is at 319.

13. Market Price Data: High, Low during each month in Last Financial Year:

MONTH(S) 2023-24	NSE		BSE	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2023	433.60	398.30	433.55	398.80
May, 2023	476.00	415.00	475.40	415.75
June, 2023	516.30	453.05	516.50	451.85
July, 2023	744.70	482.30	744.90	475.15
August, 2023	821.00	703.05	821.95	703.70
September, 2023	772.60	644.35	772.00	643.50
October, 2023	842.00	657.30	840.00	658.50
November, 2023	895.00	800.00	895.35	797.25
December, 2023	885.00	780.00	880.85	781.15
January, 2024	994.00	834.00	994.00	828.30
February, 2024	1,295.00	946.00	1,294.45	945.80
March, 2024	1,489.40	1,044.30	1,499.00	1,043.70

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



15. Suspension from trading:

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

16. Registrar and Share Transfer Agent:

Skyline Financial Services Private Limited
D-153/A, 1st floor, Phase-I, Okhla Industrial Area,
New Delhi-110020

Phone: +91 011 2681 2682-83 (Board)

Email: admin@skylinerta.com

17. Share Transfer System:

The Company has appointed Skyline Financial Services Private Limited is the Company's Registrar and Share Transfer Agent (RTA). All the documents received from shareholders are scrutinized by the Company's RTA. The shares lodged for transfer, etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects. The Stakeholder's Relationship Committee of the company take note of the transfer, transmission, remat, demat, split and consolidation share certificates etc. periodically.

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

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

In terms of Regulation 40 of the SEBI LODR, as amended transfer of shares in physical mode is not permitted.

18. Pursuant to Regulation 40(9) of the Listing Regulations, your Company obtain certificates from a practicing Company Secretary (i) on a yearly basis to the effect that all the transfers are completed within the statutory stipulated period and (ii) on a quarterly basis regarding reconciliation of the share capital audit of your Company confirming that the total issued/paid-up capital of your Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. A copy of these certificates so received are submitted to both the Stock Exchanges viz. NSE and BSE.

All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to RTA Agents of your Company at the address given above.

19. Ownership Pattern as on March 31, 2024:

Category	No. of share-holders	No. of shares held	% of total share-holding
Promoters			
Indian Promoters	5	7,94,97,463	66.76
Non Promoters			
Institutional Investors			
Mutual Fund	14	5,24,282	0.44
Alternative Investment Fund	6	11,63,411	0.98

Foreign Portfolio Investors	121	1,11,28,679	9.35
Banks/Financial Institutions/Insurance Company	4	9,39,933	0.79
Non-Institutional Investor			
Bodies Corporate	497	9,98,880	0.84
Indian Public*	1,31,962	2,24,70,457	18.87
Non Resident Indians	2,787	23,41,517	1.97
NRI Non-Repatriation	60	18,574	0.02
Total	1,35,456	11,90,83,196	100.00

*Indian Public shareholding includes shareholdings of Individuals, HUF, IEPF, Clearing Members and Societies/ Trust etc.

Note: As per the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128, dated December 19, 2017, the PAN consolidated shareholder are 131256.

20. Shareholding Pattern by size as on March 31, 2024 on the basis of Shares held:

Category	No. of Share-holders	% to total Share-holders	No of shares	% of total Shares
upto 5000	1,34,875	99.57	1,41,06,218	11.85
5001-10000	257	0.19	18,74,581	1.57
10001-20000	154	0.11	21,60,697	1.81
20001-30000	44	0.03	10,53,644	0.88
30001-40000	29	0.02	10,16,623	0.85
40001-50000	13	0.01	5,97,925	0.50
50001-100000	36	0.03	25,24,784	2.12
100001 & ABOVE	48	0.04	9,57,48,724	80.40
Total	1,35,456	100.00	11,90,83,196	100.00

21. Dematerialization of Shares and Liquidity:

As on March 31, 2024, 99.99% of the shareholding is held in dematerialized form as per details mentioned below: Trading in Equity Shares of the Company is permitted only in dematerialized form.

Mode of holding	No. of Holders	No. of Shares	% to Total Issued Equity
PHYSICAL	1,263	13,677	0.01
NSDL	41,782	10,26,33,999	86.19
CDSL	92,411	1,64,35,520	13.80
Total	1,35,456	11,90,83,196	100.00

22. 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, 2024.



23. 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.

24. Locations:

The following are the locations of the Company:-

Plants Locations:

- (a) Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh-121004, Distt. Faridabad, Haryana.
- (b) Dudhola Link Road, Dudhola, Distt. Palwal- 121102, Haryana.
- (c) 45th Mile Stone, Delhi-Mathura Road, Prithla, Faridabad, Haryana.

Research & Development (R&D) Centers:

- (a) Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh-121004, Distt. Faridabad, Haryana.
- (b) Dudhola Link Road, Dudhola, Distt. Palwal- 121102, Haryana.

Marketing Office:

4th Floor, Pinnacle Tower, Surajkund, Faridabad-121009, Haryana.

25. Address for Correspondence:

Registered & Corporate Office:
 Action Construction Equipment Limited
 Dudhola Link Road, Dudhola, Palwal-121102, Haryana.
Phone: + 91-1275-280111 & + 91-1275-280103
Email Id: cs@ace-cranes.com
Investor Correspondence:

(a) For Shares held in Physical form

Skyline Financial Services Private Limited
 D-153/A, 1st floor, Phase I, Okhla Industrial Area,
 New Delhi- 110020
Phone: +91 011 2681 2682-83 (Board)
Email: admin@skylinerta.com
Website: www.skylinerta.com

(b) For Shares held in Demat form

Investors concerned Depository Participants and/or Skyline Financial Services Private Limited

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

Company Secretary & Compliance Officer
 Action Construction Equipment Limited
 Dudhola Link Road, Dudhola,
 Distt. Palwal – 121102, Haryana.
Phone: + 91-1275-280103
Email Id: cs@ace-cranes.com

26. 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:

ICRA Limited on April 26, 2024 has re-affirmed the ratings of the Company as per below given details and outlook on the long-term Rating is Stable.

Instrument/Facilities	Re-affirmed Rating
(Long Term Facilities) Long Term Rating	[ICRA]AA (Stable) (pronounced ICRA double A) with a stable outlook
(Short Term Facilities) Short Term Rating	[ICRA]A1+ (pronounced ICRA A one plus)
Commercial paper	[ICRA]A1+ (pronounced ICRA A one plus)

Further, the Company does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended March 31, 2024.

27. Dispute Resolution Mechanism at Stock Exchanges (SMART ODR):

SEBI vide its Circular dated May 30, 2022 provided an option for conciliation and arbitration as a Dispute Resolution Mechanism for investors. As per this Circular, investors can opt for arbitration with Stock Exchanges in case of any dispute against your Company or its RTA on delay or default in processing any investor services related request.

OTHER DISCLOSURES

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

During the financial year under review, all transactions entered into with Related Parties as defined under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 188 or any other provision, applicable, if any, of the Companies Act, 2013 read with rules, were in the ordinary course of business and on an arm's length pricing basis. None of the transactions with any of the related parties were in conflict with the Company's interest. These have been approved by the audit committee. Necessary disclosures regarding related party transactions are given in the notes to the Financial Statements and also submitted with stock exchanges pursuant of SEBI LODR.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at link <https://www.ace-cranes.com/public/front/pdf/Policy%20on%20materiality%20of%20RPT%20and%20dealing%20with%20RPT-ACE.pdf>.

2. Statutory Compliance, Penalties and Strictures:

The Company has complied with the requirements of the Stock Exchange(s), SEBI and Regulatory Authorities on matters related to the capital market and no penalties/strictures have been imposed against the Company by the Stock Exchanges or SEBI or any other Regulatory Authority on any matter related to capital market during the last three years.

3. Whistle Blower Policy/ Vigil Mechanism:

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to directors, employees, agents, consultants, vendors and business partners to disclose instances of wrong doing in the workplace. The Company is keen on demonstrating the right values and ethical, moral and legal business practices in every field of activity within the scope of its work. The objective of this policy is to:

- (i) Encourage and enable directors, employees, agents, consultants, vendors and business partners to raise issues or concerns, which are either unacceptable or patently against the stated objectives, law or ethics, within the Company.
- (ii) Ensure that directors, employees, agents, consultants, vendors and business partners can raise issues or concerns without fear of victimization, subsequent discrimination or disadvantage thereof.
- (iii) Reassure the whistle blower(s) that they will be protected from possible reprisals or victimization if they have made disclosures 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 cases.

It is affirmed that no person has been denied access to the Audit Committee; no complaint has been received during the year under review.

4. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. Web link where policy for determining 'material' subsidiaries is disclosed:

As on March 31, 2024, the Company has three subsidiaries. The Company has no unlisted material Subsidiary Company as defined in Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy for determining 'material' subsidiaries is available on the website of the Company at weblink <https://www.ace-cranes.com/home/investor-policies-and-programme-codes>.

6. Web link where policy on dealing with related party transactions is disclosed:

The policy on dealing with related party transactions is available on the website of the Company at weblink <https://www.ace-cranes.com/home/investor-policies-and-programme-code>.

7. Utilisation of funds raised through QIP.

During the year ended March 31, 2022, the Company had completed the Qualified Institutional Placement ("QIP") under chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Pursuant to which 56,00,000 equity shares having a face value of ₹ 2 each were issued and allotted, at an issue price of ₹ 242 per equity share (including a securities premium of ₹ 240 per equity share), aggregating to ₹ 13,552 lakhs.

The proceeds of such Qualified Institutional Placement amounts to ₹ 13,173.87 lakhs (net of issue related expenses amounting ₹ 378.13 lakhs which had been adjusted against securities premium).

As per the placement document, QIP proceeds were to be utilised for funding the long term growth of its existing businesses; organic or inorganic growth, making strategic acquisitions; financing other long term capital, working capital, and general corporate requirements; pre-payment and / or repayment of loans. The fund raised were utilised uptill the previous year ended March 31, 2023 and there is no deviation in use of proceeds from the objects stated in the placement document for the QIP.

8. Certificate from Practicing Company Secretary:

Certificate as required under Part C (10) (i) of Schedule V of Listing Regulations, received from M/s Vasisht & Associates, Company Secretaries is annexed as **Annexure-I** with it and forms an integral part of this Report that confirming none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India; Ministry of Corporate Affairs or any such statutory authorities.

9. Recommendation of Committees of Board:

There were no instances during the financial year 2023-24, wherein the Board had not accepted recommendations made by any committee of the Board.

10. Total fees paid to Statutory Auditors of the Company:

Details relating to fees paid to the Statutory Auditors are given in Note no. 28 to the Standalone Financial Statements.

11. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed off during the financial year 2023-24 are as under:

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

12. Disclosure relating 'Loans and Advances in the nature of loans to firms/Companies in which directors are interested :

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

13. Transfer to the Investor Education and Protection Fund (IEPF):

Pursuant to applicable provisions of the Companies Act, 2013 (Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (IEPF Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of 7 (seven) years from the date of transfer to Unclaimed Dividend Account of the Company. Further, according to the IEPF Rules, the shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. During the year under review, the Company had sent individual notices and also advertised in the newspapers, seeking action from the shareholders who have not claimed their dividends for 7 (seven) consecutive years or more. The Company has transferred to IEPF the following unclaimed dividends and corresponding shares:

The details of unclaimed dividends and shares transferred to IEPF during FY 2023-24 are as follows:

Relevant Financial year	Unclaimed dividend transferred (Amount in ₹)	Number of shares transferred
2015-2016	83,816.00	1429
Total	83,816.00	1429

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website of the Company at www.ace-cranes.com.

Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the IEPF Rules.

The shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed.

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

Email ID: cs@ace-cranes.com, **Tel. No.:** 01275-280103
Address: Dudhola Link Road, Dudhola, Palwal-121102, HR.

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

S. N.	Financial Year	Last Date for claiming unpaid dividend
1.	Final Dividend 2016-17	30.10.2024
2.	Final Dividend 2017-18	31.10.2025
3.	Final Dividend 2018-19	31.10.2026
4.	Interim Dividend 2019-20	21.04.2027
5.	Final Dividend 2020-21	10.10.2028
6.	Final Dividend 2021-22	27.10.2029
7.	Final Dividend 2022-23	02.10.2030

15. Disclosure pursuant to Regulation 26 (6) of the Listing Regulations :

In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

16. Secretarial Compliance Report:

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR-3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year. The Company has engaged the services of M/s Vasisht & Associates, Company Secretaries and Secretarial Auditor of the Company for providing this certification. The Company is publishing the said Secretarial Compliance Report and the same has been annexed as Annexure to the Board's Report forming part of this Annual Report.

17. Code of Conduct to Regulate, Monitor and Report trading by Designated Persons:

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Code and other policy/ies under SEBI (Prohibition of Insider Trading) Regulations, 2015 have been uploaded on website of the Company at www.ace-cranes.com.

The Audit Committee and Board of Directors review the cases of non-compliances, if any, under SEBI (Prohibition of Insider Trading) Regulations, 2015 from time to time.

18. Compliance/non-compliance:

There is no non-compliance of any of the requirements of Corporate Governance Report as required under the Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

19. Disclosure of the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

(i) **The Board:** As the Chairman of the Company is an Executive Director, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.

(ii) **Shareholder Rights:** Quarterly financial statements and other information are published in leading newspapers and uploaded on Company's website at www.ace-cranes.com.

(iii) **Modified opinion(s) in audit report:** The Auditors have raised no qualification on the financial statements.

(iv) **Separate posts of Chairperson and CEO:** Presently, Mr. Vijay Agarwal is the Chairman and Managing Director of the Company. There is no post of CEO in the Company.

(v) **Reporting of Internal Auditor:** Internal Auditor has direct access to the Audit Committee.

20. Disclosure of compliance of Regulation 17 to 27 and clauses (b) to (i) of sub Regulation (2) of Regulation 46 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-Regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

21. Declaration signed by the CEO/MD stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management:

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, 2024 is annexed with it as **Annexure II** and forms an integral part of this Report.

22. Chairman and Managing Director (CMD) & Chief Financial Officer (CFO) certification as per (Regulation 17(8)) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Certificate from the Chairman and Managing Director (CMD) & Chief Financial Officer (CFO) as per Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with it as **Annexure III** and forms an integral part of this Report.

23. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance:

The Certificate from the Practicing Company Secretaries regarding compliance of conditions of corporate governance

is annexed with it as **Annexure IV** and forms an integral part of this Report.

24. Disclosure pursuant to clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations:

In accordance with the provisions of clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations, no agreements has been entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity.

25. Demat Suspense Account/ Unclaimed Suspense Account:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

For Action Construction Equipment Limited

Sd/-

Vijay Agarwal

Chairman & Managing Director

DIN: 00057634

Place: Faridabad

Date: May 21, 2024

Annexure I
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause
(10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Action Construction Equipment Limited
Dudhola Link Road, Dudhola,
Distt. Palwal-121102, Haryana, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ACTION CONSTRUCTION EQUIPMENT LIMITED having CIN: L74899HR1995PLC053860 and having registered office at Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs and any other Statutory Authority/ies.

S. No.	Name of Director	DIN	Date of appointment/re- appointment in Company
1.	Mr. Vijay Agarwal	00057634	01/10/2023
2.	Mrs. Mona Agarwal	00057653	01/10/2023
3.	Mr. Sorab Agarwal	00057666	01/10/2023
4.	Mrs. Surbhi Garg	01558782	01/04/2020
5.	Mr. Avinash Parkash Gandhi	00161107	01/10/2019
6.	Dr. Divya Singal	08722144	01/04/2020
7.	Mr. Shriniwas Vashisht	06572418	24/09/2020
8.	Dr. Jagan Nath Chamber	08841478	06/11/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Vasisht & Associates
Company Secretaries

Sd/-
Shobhit Vasisht
Proprietor
UDIN-F011517F000235501
PR: 2355/2022
FCS: 11517
CP: 21476

Place: Faridabad
Date: April 25, 2024

Annexure II

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT.

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors, Non Executive Directors and Independent Directors. The code is available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2024, 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 shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

For Action Construction Equipment Limited

**Place: Faridabad
Date: May 21, 2024**

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

Annexure III

CHAIRMAN AND MANAGING DIRECTOR (CMD) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

To,
The Board of Directors
Action Construction Equipment Limited

We, the undersigned, in our respective capacities as Chairman and Managing Director (CMD) and Chief Financial Officer (CFO) of Action Construction Equipment Limited ('the Company'), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2024 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: May 21, 2024

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

Sd/-
Rajan Luthra
Chief Financial Officer

Annexure IV

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Action Construction Equipment Limited
Dudhola Link Road, Dudhola,
Distt. Palwal-121102, Haryana, India

I have examined the compliance of conditions of Corporate Governance by Action Construction Equipment Limited, for the year ended on March 31, 2024, as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended, ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchange(s).

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

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

**For Vasisht & Associates
Company Secretaries**

**Place: Faridabad
Date : May 21, 2024**

**Sd/-
Shobhit Vasisht
Proprietor
UDIN: F011517F000436458
FCS: 11517
CP: 21476
PR: 2355/2022**

Independent Auditor’s Report To the Members of Action Construction Equipment Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Action Construction Equipment Limited (the “Company”) and Action Construction Equipment Limited Employees Welfare Trust (the “Employee welfare trust/Trust”) which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other independent auditor on separate financial statements of such employee welfare trust as was audited by the other independent auditor, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“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 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of report of the other independent auditor referred to in the “Other Matter” section below, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition relating to sale of products

See Note 21 to Standalone financial statements	
The key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 21 to the standalone financial statements, the Company’s revenue from sale of products for the year ended 31 March 2024 was ₹ 288,031.75 lakhs.</p> <p>Revenue is recognised upon transfer of control of promised product to the customers and when the collection of consideration by the Company is “probable”. In specifically, revenue from sale of products is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract.</p> <p>There is a risk, during the year and at the end of the year, revenue being recognised from sale of products without contract with customer or without transfer of control of the products as per the delivery terms or revenue is not recorded in the correct accounting period.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard Evaluated the design and implementation of key controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions. Involved our IT specialists to assist us in testing of key IT system controls which impact revenue recognition; Performed detailed testing by selecting samples of revenue transactions recorded during and after the year. For such samples, verified the underlying documents supporting the revenue recognition as per the accounting policy in the correct accounting year; and

There is presumption of fraud risk with regard to revenue recognition as per the Standards on Auditing. Also, revenue is one of the key performance indicators of the Company which makes it susceptible to misstatement.

- Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's and Board of Directors'/Board of Trustees' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the company/Board of Trustees of the trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of company/trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors/Board of Trustees are responsible for assessing the ability of company/trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Board of Trustees either intends to liquidate the company/trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Board of Trustees are responsible for overseeing the financial reporting process of company/trust.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the 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 with reference to financial statements 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of Standalone financial statements 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 disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of employee welfare trust of the Company to express an opinion on the standalone financial statements. For the employee welfare trust included in the standalone financial statements, which has been audited by other independent auditor, such other independent auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matter" in this audit report.

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

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

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

Other Matter

We did not audit the financial statements of employee welfare trust included in the standalone financial statements of the Company whose financial statements reflect total assets (before consolidation adjustments) of Rs. 548.62 lakhs as at 31 March 2024, total revenue (before consolidation adjustments) of Rs. NIL and net cash inflows (before consolidation adjustments) amounting to Rs. 3.44 lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements of this employee welfare trust has been audited by the other independent auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of employee welfare trust, is based solely on the report of such other independent auditor.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) 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 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other independent auditor on separate financial statements of such employee welfare trust as was audited by other independent auditor, as noted in the "Other Matter" paragraph, 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.
 - 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 and the report of the other independent auditor except for the matter stated in the paragraph

2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on various dates in April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- B. 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other independent auditor on separate financial statements of the employee welfare trust, as noted in the “Other Matter” paragraph:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 14 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account, however, the feature of recording audit trail (edit log) facility has not been enabled.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid and payable to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sd/-
Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN: 24509209BKEPUH9500

Place : Faridabad
Date : 21 May 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Action Construction Equipment Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i) (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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Amounts in Rs. Lakhs)	Held in the name of	Whether promoter director or their relative or employee	Period held from	Reason for not being held in the name of the company. Also indicate if in dispute
Building at Jasola, New Delhi	293.49	Bright ways Housing & Land Development Limited	No	7 August 2007	The possession and original buyers agreement, of the property, is in the name of Company. However, the Company is yet to pay conversion charges to Delhi Development Authority to get the title deed registered with appropriate authority.
Building at Faridabad, Haryana	2030.39	Godavari Shilpkala Limited	No	31 March 2012	The possession and original buyers agreement, of the property, is in the name of Company. However, Godavari Shilpkala Limited is in the process of getting compounding of the building from Municipal Corporation/ Town & Country Planning Department to get the title deed registered with appropriate authority.
Building at Sarita Vihar, New Delhi	36.24	K.K. Enterprises	No	3 November 2000	The possession and original buyers agreement, of the property, is in the name of Company. However, the Company is yet to pay conversion charges to Delhi Development Authority to get the title deed registered with appropriate authority.
Building at Kolkata, West Bengal	388.80	Mr. Vijay Agarwal	Promoter and Director	12 February 2021	The possession and original buyers agreement, of the property, is in the name of Company. Further, the Company is taking adequate legal steps to get the title deeds registered with appropriate authority.

Building at Faridabad, Haryana	300.00	Mr. Vijay Agarwal, Mrs. Mona Agarwal	Promoter and Director	30 March 2021	The possession and original buyers agreement, of the property, is in the name of Company. However, the Company is yet to pay endorsement charges to Mr. Vijay Agarwal and Mrs. Mona Agarwal to get the title deed registered with appropriate authority.
Building at Prithla, Haryana	101.34	Steelfab Private Limited	No	13 August 1997	The Company has received this property by way of merger of M/s Steelfab Private Limited with the Company. The Company is legal owner of the property by way of order of National Company Law Tribunal (NCLT) however the name is still not changed in the title deed.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts or underline purchase invoices has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (In Rs. Lakhs)	Amount as reported in the quarterly return/ statement (In Rs. Lakhs)	Amount of difference	Whether return/ statement subsequently rectified
June 2023	ICICI Bank Limited/ HDFC Bank Limited /SBI/ Indusind Bank Limited/ Citibank N.A./ Axis Bank Limited	Trade payables (net of advances)	40,708.42	40,421.85	286.57	No
June 2023	ICICI Bank Limited/ HDFC Bank Limited /SBI/ Indusind Bank Limited/ Citibank N.A./ Axis Bank Limited	Purchases (net of returns)	47,421.53	47,891.95	(470.42)	No
September 2023	ICICI Bank Limited/ HDFC Bank Limited /SBI/ Indusind Bank Limited/ Citibank N.A./ Axis Bank Limited	Trade receivables	17,248.88	17,378.85	(129.97)	No

December 2023	ICICI Bank Limited/ HDFC Bank Limited /SBI/ Indusind Bank Limited/ Citibank N.A./ Axis Bank Limited	Sale of products and services	206,390.49	206,425.93	(35.44)	No
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(iii) According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has not provided any guarantee or security or granted any advance in nature of loan, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investment in companies and other parties during the year and has also granted unsecured loans to other parties during the year, details of the loan is stated in sub-clause (a) below. The Company has not made investment in firms or limited liability partnerships during the year and has also not granted any loans, secured or unsecured, to companies, firms or limited liability partnerships during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to other parties as below:

Particulars	Loans (In Rs. Lakhs)
Aggregate amount during the year - Others (Employees)	60.16
Balance outstanding as at balance sheet date - Others (Employees)	82.86

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided guarantee, given security or granted any advances in nature of loans during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal has been stipulated and the repayments have been regular. However, payment of interest has not been stipulated on account of loans being interest free. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been certain delays in cases of Income-Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, Income-Tax, Duty of Excise, Service Tax and Value Added Tax which have not been deposited on account of any dispute are as follows:

Name of statute	Nature of the dues	Amount (in INR Lakhs)	Period to which the amount relates (financial year)	Forum where dispute is pending
Goods and Services Tax Act, 2017	Goods and Services Tax	16.96	2017-18	Additional Commissioner of Goods and Services Tax (Jaipur)
Income Tax Act, 1961	Income-Tax	236.34	2014-15 to 2016-17 and 2019-20	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income-Tax	119.34	2012-13	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income-Tax	2.92	2020-21	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Duty of Excise	607.44	2006-07 to 2010-11	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1994	Duty of Excise	829.60	2008-09 to 2013-14	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994 (Service Tax)	Service Tax	8.11	2008-09	Additional Commissioner
West Bengal Value Added Tax Act, 2003	Value Added Tax	375.56	2006-07 to 2013-14	Additional Commissioner Review Board (West Bengal)
West Bengal Value Added Tax Act, 2003	Value Added Tax	852.89	2006-07 to 2013-14	West Bengal Tribunal
West Bengal Value Added Tax Act, 2003	Value Added Tax	33.87	2006-07 to 2013-14	High Court of West Bengal

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of 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. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs as detailed in Note 46 of the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sd/-
Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN: 24509209BKPUH9500

Place : Faridabad
Date : 21 May 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of Action Construction Equipment Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Action Construction Equipment Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements.

A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sd/-
Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN: 24509209BKEPUH9500

Place : Faridabad
Date : 21 May 2024

Standalone Balance Sheet as at March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2 (a)	55,443.03	46,728.51
Capital work-in-progress	2 (b)	4,363.67	2,441.43
Investment property	3	1,636.77	1,151.72
Right-of-use assets	37	33.85	70.15
Intangible assets	4	313.25	249.31
Financial assets			
i. Investments	5	23,386.10	14,611.36
ii. Other financial assets	6	1,090.57	3,476.33
Other tax assets (net)	17 (a)	39.82	68.09
Other non-current assets	7	3,596.51	415.67
Total non-current assets		89,903.57	69,212.57
Current assets			
Inventories	8	55,148.61	41,741.84
Financial assets			
i. Investments	5	36,957.52	21,191.42
ii. Trade receivables	9	16,569.17	16,908.91
iii. Cash and cash equivalents	10	3,269.32	498.90
iv. Bank balances other than (iii) above	11	6,215.06	2,742.06
v. Loans	12	82.86	65.57
vi. Other financial assets	6	940.04	775.25
Other current assets	7	6,452.67	5,394.82
Total current assets		1,25,635.25	89,318.77
Total assets		2,15,538.82	1,58,531.34
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,381.66	2,381.66
Other equity	14	1,19,597.87	88,535.40
Total equity		1,21,979.53	90,917.06
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	37	22.40	47.37
Provisions	16	315.25	262.17
Deferred tax liabilities (net)	17 (c)	962.76	1,389.28
Total non-current liabilities		1,300.41	1,698.82

Standalone Balance Sheet as at March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Current liabilities			
Financial liabilities			
i. Borrowings	15	387.81	620.32
ii. Lease liabilities	37	14.69	27.74
iii. Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		8,604.74	12,036.09
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		60,162.07	37,851.26
iv. Other financial liabilities	19	4,126.89	2,294.31
Other current liabilities	20	17,882.89	12,837.58
Provisions	16	380.46	248.16
Current tax liabilities (net)	17 (b)	699.33	-
Total current liabilities		92,258.88	65,915.46
Total liabilities		93,559.29	67,614.28
Total equity and liabilities		2,15,538.82	158,531.34

Summary of material accounting policies

1.2

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of

Action Construction Equipment Limited

CIN: L74899HR1995PLC053860

Sd/

Kunal Kapur

Partner

Membership No : 509209

Place: Faridabad

Date: May 21, 2024

Sd/

Vijay Agarwal

Chairman and Managing Director

DIN : 00057634

Place: Faridabad

Date: May 21, 2024

Sd/

Sorab Agarwal

Whole Time Director

DIN: 00057666

Place: Faridabad

Date: May 21, 2024

Sd/

Rajan Luthra

Chief Financial Officer

Place: Faridabad

Date: May 21, 2024

Sd/

Anil Kumar

Company Secretary

Membership No.: 37791

Place: Faridabad

Date: May 21, 2024

Standalone Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	21	2,91,153.88	215,798.62
Other income	22	7,619.06	2,224.31
Total income		2,98,772.94	218,022.93
Expenses			
Cost of materials consumed	23	2,07,331.04	157,836.17
Changes in inventories of finished goods and work-in-progress	24	(4,972.05)	(4,387.19)
Employee benefits expense	25	11,888.21	9,843.16
Finance costs	26	2,314.03	1,023.92
Depreciation and amortisation expense	27	2,289.14	1,765.60
Impairment losses on financial assets		1,523.08	2,187.74
Other expenses	28	35,076.54	27,837.39
Total expenses		2,55,449.99	196,106.79
Profit before tax		43,322.95	21,916.14
Tax expense	29		
Current tax		10,972.62	5,773.80
Deferred tax		(413.81)	22.45
Total tax expense		10,558.81	5,796.25
Profit for the year		32,764.14	16,119.89
Other comprehensive income	29		
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability		(50.51)	3.78
Income tax relating to items that will not be reclassified to profit or loss		12.71	(0.95)
Other comprehensive income/(loss) for the year (net of tax)		(37.80)	2.83
Total comprehensive income for the year		32,726.34	16,122.72
Earnings per equity share of face value of ₹ 2 each (March 31, 2023: ₹ 2 each)	35		
Basic earnings per equity share (in ₹)		27.52	13.54
Diluted earnings per equity share (in ₹)		27.52	13.54

Summary of material accounting policies

1.2

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of

Action Construction Equipment Limited

CIN: L74899HR1995PLC053860

Sd/

Kunal Kapur

Partner

Membership No : 509209

Place: Faridabad

Date: May 21, 2024

Sd/

Vijay Agarwal

Chairman and Managing Director

DIN : 00057634

Place: Faridabad

Date: May 21, 2024

Sd/

Sorab Agarwal

Whole Time Director

DIN: 00057666

Place: Faridabad

Date: May 21, 2024

Sd/

Rajan Luthra

Chief Financial Officer

Place: Faridabad

Date: May 21, 2024

Sd/

Anil Kumar

Company Secretary

Membership No.: 37791

Place: Faridabad

Date: May 21, 2024

Standalone Statement of Cash Flows for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	43,322.95	21,916.14
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	2,289.14	1,765.60
Loss/(Gain) on disposal of property, plant and equipment (net)	49.45	(118.61)
Gain on modification of lease	(1.20)	-
Loss allowance for capital advances	-	472.58
Unrealised foreign exchange fluctuation	1.60	(6.17)
Interest income on financial assets held at amortised cost	(1,950.04)	(790.39)
Interest income earned on finance lease receivables	(64.47)	(138.75)
Dividend received	(40.27)	(6.60)
Gain on investments carried at fair value through profit and loss	(4,241.81)	(466.59)
Rental income	(96.89)	(70.86)
Finance costs	2,314.03	1,023.92
Share based expenses	73.52	-
Impairment losses on financial assets	1,523.08	2,187.74
Warranty expenses	393.68	302.58
Provision/liabilities not longer required written back	(631.23)	(324.36)
Provision for slow moving and non-moving inventory	1,494.10	335.55
Operating profit before working capital changes	44,435.64	26,081.78
Working capital adjustments:		
(Increase) in trade receivables	(1,173.85)	(124.11)
(Increase) in inventories	(14,900.87)	(8,830.81)
(Increase)/Decrease in loans	(17.29)	12.43
Decrease/(Increase) in other financial assets	975.69	(1,627.29)
(Increase)/Decrease in other assets	(1,047.46)	1,486.91
Increase in trade payables	18,973.00	8,960.00
(Decrease) in provisions	(258.81)	(194.96)
Increase in other financial liabilities	1,580.13	312.59
Increase in other current liabilities	5,093.85	8,725.44
Cash generated from operating activities	53,660.03	34,801.98
Income taxes paid (net)	(10,245.02)	(6,175.94)
Net cash generated from operating activities (A)	43,415.01	28,626.04
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets, investment property and capital advances paid	(17,411.37)	(7,742.65)
Proceeds from sale of property, plant and equipment	976.68	1,544.41
Purchase of investments	(55,884.17)	(52,749.42)
Proceeds from sale of investments	36,011.58	36,031.83
Investment of bank deposits	(4,212.89)	(3,989.89)

Standalone Statement of Cash Flows for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Proceed from redemption of bank deposits	2,119.79	1,384.49
Interest received	1,453.45	844.08
Dividend received	40.27	6.60
Rental income	96.89	70.86
Net cash used in investing activities (B)	(36,809.77)	(24,599.69)
Cash flows from financing activities		
Repayment of short term borrowings	(64,052.28)	(53,072.75)
Proceeds from current borrowings	63,819.77	50,768.60
Payment of principal portion of lease liabilities	(26.48)	(35.44)
Finance costs paid (Including payment of interest portion of lease liabilities)	(1,838.44)	(1,016.78)
Final dividend paid	(1,190.83)	(714.50)
Purchase of treasury shares by trust during the year	(546.56)	-
Net cash used in financing activities (C)	(3,834.82)	(4,070.87)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,770.42	(44.52)
Cash and cash equivalents at the beginning of the year	498.90	543.42
Cash and cash equivalents at end of the year	3,269.32	498.90

Cash and cash equivalents comprises of:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	23.28	29.48
Balances with banks		
On current accounts	1,345.52	469.42
Deposits with original maturity less than 3 months	1,900.52	-
	3,269.32	498.90

Notes:

- (a) The cash flows from operating activities section in standalone statement of cash flows has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 'Statement of Cash Flows', as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.
- (b) Figures in bracket indicate cash outflow.
- (c) The following is the movement in lease liabilities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at beginning of the year	75.11	103.41
Finance costs accrued during the year	4.45	7.14
Payment of lease liabilities and finance costs accrued during the year	(30.93)	(35.44)
Termination of lease during the year	(11.54)	-
Balance as at end of the year	37.09	75.11

Standalone Statement of Cash Flows for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(d) The following is the movement in borrowings

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at beginning of the year	620.32	2,924.47
Repayment of borrowings	(64,052.28)	(53,072.75)
Finance costs accrued during the year	-	-
Proceeds from current borrowings	63,819.77	50,768.60
Non-cash changes in borrowings	-	-
Balance as at end of the year	387.81	620.32

(e) The Company has also undrawn credit facility of ₹ 32,612 lakhs (March 31, 2023: ₹ 25,880 lakhs) for its future operating activities.

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Action Construction Equipment Limited
CIN: L74899HR1995PLC053860

Sd/
Kunal Kapur
Partner
Membership No : 509209
Place: Faridabad
Date: May 21, 2024

Sd/
Vijay Agarwal
Chairman and Managing Director
DIN : 00057634
Place: Faridabad
Date: May 21, 2024

Sd/
Sorab Agarwal
Whole Time Director
DIN: 00057666
Place: Faridabad
Date: May 21, 2024

Sd/
Anil Kumar
Company Secretary
Membership No.: 37791
Place: Faridabad
Date: May 21, 2024

Sd/
Rajan Luthra
Chief Financial Officer
Place: Faridabad
Date: May 21, 2024

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Standalone Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

March 31, 2024

Particulars	Note	No. of shares	Amount
Balance as at April 1, 2023		11,90,83,196	2,381.66
Changes in equity share capital during the year	13	-	-
Balance as at March 31, 2024		11,90,83,196	2,381.66

March 31, 2023

Particulars	Note	No. of shares	Amount
Balance as at April 1, 2022		11,90,83,196	2,381.66
Changes in equity share capital during the year	13	-	-
Balance as at March 31, 2023		11,90,83,196	2,381.66

B) Other equity

March 31, 2024

Particulars	Note	Reserves and Surplus				Share options out-standing reserve	Treasury Shares	Total other equity
		General reserve	Capital redemption reserve	Securities premium	Retained earnings			
Balance as at April 1, 2023		9,925.00	3,098.74	18,337.38	57,174.28	-	-	88,535.40
Profit for the year	14	-	-	-	32,764.14	-	-	32,764.14
Other comprehensive loss	14	-	-	-	(37.80)	-	-	(37.80)
Total comprehensive income for the year		-	-	-	32,726.34	-	-	32,726.34
Contributions and distributions								
Purchase of Treasury shares by trust during the year	14	-	-	-	-	-	(546.56)	(546.56)
Equity share options granted during the year	14	-	-	-	-	73.52	-	73.52
Dividend paid on equity shares	14	-	-	-	(1,190.83)	-	-	(1,190.83)
Balance as at March 31, 2024		9,925.00	3,098.74	18,337.38	88,709.79	73.52	(546.56)	1,19,597.87

Standalone Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

March 31, 2023

Particulars	Note	Reserves and Surplus				Share options outstanding reserve	Treasury Shares	Total other equity
		General reserve	Capital redemption reserve	Securities premium	Retained earnings			
Balance as at April 1, 2022		9,925.00	3,098.74	18,337.38	41,766.06	-	-	73,127.18
Profit for the year	14	-	-	-	16,119.89	-	-	16,119.89
Other comprehensive income	14	-	-	-	2.83	-	-	2.83
Total comprehensive income for the year		-	-	-	16,122.72	-	-	16,122.72
Contributions and distributions								
Dividend paid on equity shares	14	-	-	-	(714.50)	-	-	(714.50)
Balance as at March 31, 2023		9,925.00	3,098.74	18,337.38	57,174.28	-	-	88,535.40

Summary of material accounting policies 1.2
The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Action Construction Equipment Limited
CIN: L74899HR1995PLC053860

Sd/
Kunal Kapur
Partner
Membership No : 509209
Place: Faridabad
Date: May 21, 2024

Sd/
Vijay Agarwal
Chairman and Managing Director
DIN : 00057634
Place: Faridabad
Date: May 21, 2024

Sd/
Sorab Agarwal
Whole Time Director
DIN: 00057666
Place: Faridabad
Date: May 21, 2024

Sd/
Rajan Luthra
Chief Financial Officer
Place: Faridabad
Date: May 21, 2024

Sd/
Anil Kumar
Company Secretary
Membership No.: 37791
Place: Faridabad
Date: May 21, 2024

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

1. 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. The Company 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 Equipments like Forklifts, Road Construction Equipments like Backhoe loaders, Compactors, Motor graders and Agriculture Equipments like Tractors, Harvesters, Rotavators etc. The Company has manufacturing facilities at Haryana.

1.1 Basis of Preparation

A. Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (“Act”).

The standalone financial statements were approved for issue by the Board of Directors of the Company on May 21, 2024.

Details of the Company’s accounting policies are included in Note 1.2.

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

C. Basis of measurement

These standalone financial statements have been prepared under the historical cost basis except certain financial assets, financial liabilities and plan assets, which are measured on an alternative basis on each reporting date. Refer Note 30 and 31.

D. Use of judgements and estimates

In preparing these standalone financial statements, management has made judgements and estimates that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following note:

- Note 1.2.n - Judgement required to whether an arrangement contains a lease or to ascertain lease classification.
- Note 18 – Presentation of amounts related to reverse factoring arrangement in the balance sheet.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Notes 1.2.b.i - revenue recognition: estimate of expected returns;
- Note 1.2.c- measurements of defined benefit obligations: key actuarial assumptions;
- Note 1.2.h, 1.2.i and 1.2.j - measurement of useful life and residual values of property, plant and equipment and investment property and useful life of intangible assets;
- Note 1.1.E and 1.2.k - fair value measurement of financial instruments;
- Note 1.2.m and 1.2.p - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

- Note 1.2.l - Impairment of financial and non-financial assets;
- Note 1.2.c.vi - fair value measurement of share based payment; and
- Note 1.2.g - provision for obsolescence and slow-moving inventory.

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and reports directly to the Company's Chief Financial Officer.

The management of the Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

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. 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 to/ by the Company.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 3, 31 and 44.

F. Current - non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.2 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these standalone financial statements.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

a. Foreign currency transaction

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency exchange differences are generally recognised in profit or loss, except foreign currency exchange differences arising from the translation of the following items which are recognised in OCI.

- an investment in equity securities designated as at FVOCI;
- financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

b. Revenue from contracts with customer

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

i. Sale of products

Revenue from sale of products is recognised when control of the products being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch or delivery depending on delivery terms.

The consideration is allocated between sales of product and after sales maintenance services, based on their standalone selling price which is determined as per price list at which the Company provides such services and products in separate transaction. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price as describe above (net of discount) allocated to that performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other current liabilities (Refer Note 20) and the right to recover returned goods is included in inventory (Refer Note 8). The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

ii Sale of services

Revenue from sales of services includes majorly after sales maintenance services, installation services, erection services.

Revenue from providing services is recognised in the accounting period in which services are rendered.

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

iii. Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by nature of goods and service. Refer Note 40.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

iv. Contract liabilities

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities. Advance received from customer and deferred revenue are included in contract liabilities.

c. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Company makes specified monthly contributions towards Government administered provident fund scheme.

Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the Standalone Statement of Profit and Loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits - compensated absences

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

The obligations are presented as current liabilities in the Standalone Balance Sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

v. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

vi. Share based payments

a. Treasury shares

The Company has created "Action Construction Equipment Limited employees Welfare Trust" (ESOP Trust) for providing share-based payment to its employees under the Action Construction Equipment Limited Employee Stock Option Scheme – 2021 (ESOP Scheme). In order to fund the ESOP scheme, the ESOP Trust, upon intimation from the Company, carries out secondary market acquisition of the equity shares of the Company. They are equivalent to the employee stock options granted to its employees. The Company provides loan to the ESOP Trust for enabling such secondary acquisition. As and when the employee stock options vest with eligible employees, upon intimation of such details by the Company, the ESOP Trust sells the equivalent shares to employees and hands over the net proceeds to the Company in accordance with the Trust Rules framed. The Company treats ESOP Trust as its extension and shares held by ESOP Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity and presented as separate line item "treasury shares" in other equity. No gain or loss is recognised in profit or loss on the purchase of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in share options outstanding reserve.

b. Share option plan (Equity settled)

The grant date fair value of equity-settled share-based payment arrangements granted to employees is recognised as an employee benefits expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true up for differences between expected and actual outcomes.

Liability for the Company's share option plan, granted pursuant to Action Construction Equipment Limited Stock Option Scheme – 2021, is measured, initially and at the end of reporting period until settled, at the grant date fair value of the options, by applying Black Scholes model, and is recognized as employee benefit expense over the relevant service period.

d. Government grants

The Company recognise an unconditional government grant related to export of sales in profit or loss as other operating revenue, when the grant becomes receivable. Other government grants related to assets, including non-monetary grants, are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

e. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established. Interest income or expense is recognised using the effective interest method.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

f. Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that
 - is not a business combination and
 - at the time of transaction that (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

g. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials, cost comprises of cost of purchase. In the case of finished goods and work in progress, cost includes an appropriate share of variable production overheads based on actual use of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Provision for obsolescence and slow-moving inventory is made based on management's best estimates of net realisable value of such inventories. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

h. Property, plant and equipment

i. Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is recognised only if it is probable that the future economic benefits associated with the expenditure

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

will flow to the Company and the cost of the item can be measured reliably.

iii. Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the Standalone Statement of Profit and Loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided on straight line basis using the lives as mentioned below.

Asset category	Management's estimate of useful life considered by (Years)	Useful life as per Schedule II to the Companies Act, 2013 (Years)
Factory Building	10-30	10-30
Office Building	10-60	10-60
Plant and Machinery	6-30	12-30
Furniture and Fixtures	5-10	10
Office Equipment	5-15	5
Motor Vehicles	8-10	8-10
Computers	3-5	3-6
Electric Equipment and Fittings	10	10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready or use/ (disposed off).

iv. Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

v. Capital advances

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under "other non-current assets".

vi. 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 Standalone Statement of Profit and Loss when the asset is derecognised.

vii. Transition to Ind AS

As permitted by Ind AS 101, the Company, on transition to Ind AS, had elected to continue with the carrying value under previous Generally Accepted Accounting Principles ("GAAP") for all of its property, plant and equipment and use that as its deemed cost.

i. Intangible assets

i. Recognition and measurement

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The intangible assets

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

are recorded at cost of acquisition including incidental costs related to acquisition and are carried at cost less accumulated amortisation and impairment losses, if any.

ii. Subsequent expenditure

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognised in the Standalone Statement of Profit and Loss, as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation expense in the Standalone Statement of Profit and Loss.

Asset category	Management's estimate of useful life considered by (Years)
Computer software	3-5
Technical know how	3-5

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Amortisation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready or use/ (disposed off).

iv. Derecognition

An item of intangible assets 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 Standalone Statement of Profit and Loss when the asset is derecognised.

v. Transition to Ind AS

As permitted by Ind AS 101, the Company, on transition to Ind AS, had elected to continue with the carrying value under previous GAAP for all of its intangible assets and use that as its deemed cost.

J. Investment properties

i. Recognition and measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost, including related transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

iii. Depreciation

Based on technical evaluation and consequent advice, the management believes a period of 60 years as representing the best estimate of the period over which investment property (which is quite similar) is expected to be used. Accordingly, the Company depreciates investment property over a period of 60 years on a straight-line basis. Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready or use/ (disposed off).

iv. Reclassification from / to investment property

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

v. Fair value disclosure

The fair values of investment property is disclosed in the Note 3. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and is a registered valuer.

vi. Transition to Ind AS

On transition to Ind AS, the Company had elected to continue with the carrying value under previous GAAP for all of its investment property and use that as its deemed cost.

k. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued (comprise of short-term commercial papers) are initially recorded when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets other than trade receivables includes investment in bonds and debentures, alternative investment fund, portfolio management service, limited liability partnership firm, Infrastructure investment trust, equity shares and mutual funds, security deposits paid, finance lease receivables, bank deposits, interest receivables, cash and cash equivalents and loans to employees.

Financial liabilities other than debt securities include short-term borrowings, cash credit, credit card payables, trade payables, unclaimed dividend, security deposits received, capital creditors and employee related payables.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- at amortised cost;
- Financial assets at fair value through other comprehensive income (FVOCI) – debt investment;
- Financial assets at fair value through other comprehensive income (FVOCI) – equity investment; or
- Financial assets at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at the amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within the business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all investments in unlisted equity shares, infrastructure investment trust, portfolio management services, alternative investment fund, mutual funds and limited liability partnership firm (Refer Note 5). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset

The Company enters into transactions whereby it transfers assets recognised on its Standalone Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Reverse factoring arrangement

The Company participates in a reverse factoring arrangement which is disclosed under trade payables under which its suppliers receive payment of their invoice from a bank/financial institution by factoring their receivable from the Company. Under the arrangement, a bank/financial institution agrees to pay amounts to a participating supplier in respect of invoices owed by the Company and receives settlement from the Company at a later date. The Company presents such liabilities as part of 'trade payables' since these liabilities have a similar nature and function to trade payables, i.e. these liabilities are part of the working capital used in the Company's normal operating cycle and are in respect of the amounts due on account of goods purchased or services received in the normal course of business.

The payments to the bank/financial institution are included within operating cash flows because they continue to be part of the normal operating cycle of the Company and their principal nature remains operating i.e., payments for the purchase of goods and services.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Standalone Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

I. Impairment

i. Non-derivative financial assets

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial instruments and contract assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Company also recognises loss allowances for ECLs on finance lease receivables, which are disclosed as financial assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and finance lease receivables are always measured at an amount equal to lifetime ECLs.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than three sixty days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than thirty days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than one years past due;

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the Standalone Balance Sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than investment property and inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of goodwill, if any allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

In respect of assets other than goodwill for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or recognised if no impairment loss had been recognised.

m. Provisions (other than employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Expected future operating losses are not provided for.

Where the Company expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Warranties

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

n. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognised a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be amortised over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

equipment' and lease liabilities separately in the Standalone Balance Sheet within 'Financial Liabilities'.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognised the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognised lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

o. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are recognised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p. Contingent liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

Provisions and contingent liabilities are reviewed at each standalone balance sheet date.

q. Earnings per share

i. Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit (or loss) attributable to the owners of the Company by the weighted

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

ii. Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

r. Investment in subsidiaries

Investment in subsidiaries (under Ind AS 27) are carried at cost, less any impairment in the value of investment, in these standalone financial statements.

s. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Chairman and Managing Director and Executive Director who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

t. Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

u. Dividend distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors of the Company, or in respect of the final dividend when approved by shareholders of the Company.

v. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (a) Property, plant and equipment

As at March 31, 2024

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2023	Additions for the Year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	Depreciation for the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	As at March 31, 2024
Freehold land	17,639.80	1,442.58	-	19,082.38	-	-	-	-	17,639.80	19,082.38
Factory building	8,563.69	2,876.59	-	11,440.28	3,209.31	310.06	-	3,519.37	5,354.38	7,920.91
Office building	12,082.07	364.33	-	12,446.40	868.55	203.14	-	1,071.69	11,213.52	11,374.71
Plant and machinery	15,223.74	4,132.82	1,180.58	18,175.98	6,545.80	924.98	460.19	7,010.59	8,677.94	11,165.39
Furniture and fixtures	2,408.29	732.58	232.69	2,908.18	972.11	198.87	221.04	949.94	1,436.18	1,958.24
Office equipment	685.43	37.66	138.37	584.72	402.89	47.43	131.46	318.86	282.54	265.86
Motor vehicles	2,313.66	1,995.62	468.17	3,841.11	837.69	350.19	201.99	985.89	1,475.97	2,855.22
Computer	538.76	159.51	328.21	370.06	471.79	45.32	313.21	203.90	66.97	166.16
Electric equipment and fittings	885.26	147.11	120.04	912.33	304.05	68.16	114.04	258.17	581.21	654.16
Total	60,340.70	11,888.80	2,468.06	69,761.44	13,612.19	2,148.15	1,441.93	14,318.41	46,728.51	55,443.03

As at March 31, 2023

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2022	Additions for the Year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	Depreciation for the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Freehold land	16,573.87	1,065.93	-	17,639.80	-	-	-	-	16,573.87	17,639.80
Factory building	7,851.20	712.49	-	8,563.69	2,949.15	260.16	-	3,209.31	4,902.05	5,354.38
Office building	11,172.15	909.92	-	12,082.07	749.63	118.92	-	868.55	10,422.52	11,213.52
Plant and machinery	14,463.10	2,364.50	1,603.86	15,223.74	5,996.19	807.24	257.63	6,545.80	8,466.91	8,677.94
Furniture and fixtures	1,392.23	1,016.06	-	2,408.29	857.39	114.72	-	972.11	534.84	1,436.18
Office equipment	568.41	117.53	0.51	685.43	358.70	44.19	-	402.89	209.71	282.54
Motor vehicles	2,308.25	469.49	464.08	2,313.66	984.86	237.85	385.02	837.69	1,323.39	1,475.97
Computer	505.75	33.01	-	538.76	449.44	22.35	-	471.79	56.31	66.97
Electric equipment and fittings	490.54	394.72	-	885.26	268.65	35.40	-	304.05	221.89	581.21
Total	55,325.50	7,083.65	2,068.45	60,340.70	12,614.01	1,640.83	642.65	13,612.19	42,711.49	46,728.51

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (b) Capital Work-in-progress

Particulars	As at April 1, 2022	Additions during the year	Capitalised during the year	As at March 31, 2023	Additions during the year	Capitalised during the year	As at March 31, 2024
Capital work-in-progress	2,429.27	4,110.98	4,098.82	2,441.43	7,449.89	5,527.65	4,363.67

During the current year and previous year, the Company has incurred expenses for extension of plants and corporate office.

The following table presents Capital-work-in progress capitalised during the year

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Factory building	2,805.96	537.05
Office building	3.17	905.61
Plant and machinery	2,095.59	1,221.55
Furniture and fixtures	524.95	1,002.65
Office equipment	1.17	74.24
Electric equipment and fittings	96.81	357.72
Total	5,527.65	4,098.82

The following table presents the ageing schedule for Capital-work-in progress

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
As at March 31, 2024					
Projects in Progress	4,014.89	348.78	-	-	4,363.67
	4,014.89	348.78	-	-	4,363.67
As at March 31, 2023					
Projects in progress	2,287.39	154.04	-	-	2,441.43
	2,287.39	154.04	-	-	2,441.43

There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2024 and March 31, 2023.

2 (c) Property, plant and equipment Pledged as security (net) (Refer note 15)

Particulars	As at March 31, 2024	As at March 31, 2023
Plant and machinery	11,165.39	8,677.94
	11,165.39	8,677.94

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

S. No.	Relevant line item in the Standalone Balance Sheet	Description of item of property	Gross carrying amount	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Amount as per buyers agreement	Reason for not being held in the name of the Company
1.	Investment property	Building at Jasola, New Delhi	293.49	Bright-ways Housing & Land Development Limited	No	August 7, 2007	146.43	The possession and original buyers agreement, of the property, is in the name of Company. However, the Company is yet to pay conversion charges to Delhi Development Authority to get the title deed registered with appropriate authority.
2	Property, plant and equipment	Building at Faridabad, Haryana	2,030.39	Godavari Shilpkala Limited	No	March 31, 2012	1,283.74	The possession and original buyers agreement, of the property, is in the name of Company. However, Godavari Shilpkala Limited is in the process of getting compounding of the building from Municipal Corporation & Country Planning Department to get the title deed registered with appropriate authority.
3	Property, plant and equipment	Building at Sarita Vihar, New Delhi	36.24	K.K. Enterprises	No	November 3, 2000	33.86	The possession and original buyers agreement, of the property, is in the name of Company. However, the Company is yet to pay conversion charges to Delhi Development Authority to get the title deed registered with appropriate authority.
4	Property, plant and equipment	Building at Kolkata, West Bangal	388.80	Mr. Vijay Agarwal	Yes, promoter and director	February 12, 2021	380.53	The possession and Original buyers agreement, of the property, is in the name of Company. Further, the Company is taking adequate legal steps to get the title deeds registered with appropriate authority.
5	Property, plant and equipment	Building at Faridabad, Haryana	300.00	Mr. Vijay Agarwal, Mrs. Mona Agarwal	Yes, promoter and director	March 30, 2021	300.00	The possession and original buyers agreement, of the property, is in the name of Company. However, the Company is yet to pay endorsement charges to Mr. Vijay Agarwal and Mrs. Mona Agarwal to get the title deed registered with appropriate authority.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

6	Property, plant and equipment	Building at Prithla, Haryana	101.34	Steelfab Private Limited	No	August 13, 1997	101.34	The Company has received this property by way of merger of M/s Steelfab Private Limited with the Company. The Company is legal owner of the property by way of order of the National Company Law Tribunal (NCLT), however the name is still not changed in the title deed.
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3. Investment Property

As at March 31, 2024

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	Depreciation for the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	As at March 31, 2024
Buildings	1,763.15	510.87	-	2,274.02	611.43	25.82	-	637.25	1,151.72	1,636.77
Total	1,763.15	510.87	-	2,274.02	611.43	25.82	-	637.25	1,151.72	1,636.77

As at March 31, 2023

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	Depreciation for the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Buildings	1,763.15	-	-	1,763.15	587.86	23.57	-	611.43	1,175.29	1,151.72
Total	1,763.15	-	-	1,763.15	587.86	23.57	-	611.43	1,175.29	1,151.72

Amounts recognised in the Standalone Statement of Profit and Loss in respect of the investment properties is as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental income (Refer Note 22)	96.89	70.86
Direct operating expenses arising from investment properties that generated rental income during the year	-	13.27
Direct operating expenses arising from investment properties that did not generate rental income during the year	-	-
Profit arising from investment properties before depreciation and indirect expenses	96.89	57.59

The fair value of the investment property is ₹ 3,521.50 lakhs (31 March 2023 - ₹ 2,772.91 lakhs). The fair value has been determined on the basis of valuation carried out at the reporting date by the registered valuer as defined under Rule 2 of the Companies (Registered

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Valuers and Valuation) Rules, 2017 and the same has been categorised as Level 2 based on the comparable valuation approach used and inputs applied. The registered valuer is independent of the Company and has relevant professional experience. The main inputs considered by the valuer are property location, property structure, market research and trends, market rentals and comparable values, as appropriate.

The Company has no restrictions on the realisability of its investment properties.

4. Intangible assets

As at March 31, 2024

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount	
	As at April 1, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	Amortisation for the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	As at March 31, 2024
Computer software	763.32	73.38	-	836.70	673.03	38.21	-	711.24	90.29	125.46
Technical know how	457.84	79.76	-	537.60	298.82	50.99	-	349.81	159.02	187.79
Total	1,221.16	153.14	-	1,374.30	971.85	89.20	-	1,061.05	249.31	313.25

As at March 31, 2023

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount	
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	Amortisation for the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Computer software	754.71	8.61	-	763.32	643.25	29.78	-	673.03	111.46	90.29
Technical know how	412.84	45.00	-	457.84	258.16	40.66	-	298.82	154.68	159.02
Total	1,167.55	53.61	-	1,221.16	901.41	70.44	-	971.85	266.14	249.31

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

5. Investments

(i) Non-current investments

Particulars	As at March 31, 2024	As at March 31, 2023
Investments measured at cost - unquoted		
Investments in subsidiary companies		
SC Forma SA (Under Liquidation) [#] [8,29,982 shares at par value of RON 1.16 per share (March 31, 2023: 8,29,982 shares at par value of RON 1.16 per share)]	147.76	147.76
Crane Kraft India Private Limited [29,99,994 shares at par value of ₹ 10 per share (March 31, 2023: 29,99,994 shares at par value of ₹ 10 per share)]	300.00	300.00
Investments in partnership firm		
Namo Metals*	485.09	489.25
Investment in equity shares (Un-quoted investment designated at fair value through profit or loss)	1,910.48	495.44
Investment in infrastructure investment trust (Quoted investment designated at fair value through profit or loss)	703.79	-
Investment in bonds and debentures (Quoted investments measured at amortised cost)	5,993.74	6,363.38
Investment in bonds and debentures (Un-quoted investments measured at amortised cost)	4,001.73	-
Investment in alternative investment fund (Un-quoted investment designated at fair value through profit or loss)	9,347.94	5,253.32
Investment in portfolio management service (Un-quoted investment designated at fair value through profit or loss)	495.57	752.07
Investment in limited liability partnership firm (Un-quoted investment designated at fair value through profit or loss)	-	810.14
	23,386.10	14,611.36
Aggregate book value of quoted investments	6,697.53	6,363.38
Aggregate market value of quoted investments	6,728.06	6,325.65
Aggregate book value of unquoted investments	16,688.57	8,247.98
Aggregate amount of impairment in the value of investments	-	-

[#] SC Forma SA is under liquidation. However considering that the net assets value, which primarily includes cash and cash equivalent is greater than the carry value of the investment, therefor no impairment has been recorded.

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 31.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

*Details of investment in Namu Metals

Name of partners	Share in profit and loss		Capital	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Action Construction Equipment Limited	90.00%	90.00%	485.09	489.25
Mona Agarwal	10.00%	10.00%	4.12	2.80

(ii) Current investments

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in mutual funds (Quoted investment designated at fair value through profit or loss)	27,166.56	15,296.70
Investment in bonds and debentures (Quoted investment measured at amortised cost)	8,707.13	5,894.72
Investment in bonds and debentures (Un-quoted investment measured at amortised cost)	1,083.83	-
	36,957.52	21,191.42
Aggregate book value of quoted investments	35,873.69	21,191.42
Aggregate market value of quoted investments	35,900.10	21,193.03
Aggregate book value of unquoted investments	1,083.83	-
Aggregate amount of impairment in the value of investments	-	-

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 31.

6. Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Non-current financial assets (Unsecured, considered good, unless otherwise stated)		
Finance lease receivables	233.30	1,036.39
Security deposits	221.86	212.07
Bank deposits with remaining maturity of more than 12 months*	635.41	2,227.87
	1,090.57	3,476.33
(ii) Current financial assets (Unsecured, considered good, unless otherwise stated)		
Finance lease receivables	194.14	420.78
Security deposits	99.13	76.37
Interest receivable on bonds and debentures	-	152.82
Others (receivable from banks on account of maturity of bank deposits and rental income receivable)	646.77	125.28
	940.04	775.25

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 31.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

*Bank deposits includes the following:

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits under lien as security or collateral	420.22	100.00
Deposit pledged against the bank guarantee	0.58	86.66

7. Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Other non-current assets (Unsecured, considered good, unless otherwise stated)		
Capital advances (Refer Note 34b)	3,582.37	866.19
Less: Loss allowance for capital advances	-	(472.58)
	3,582.37	393.61
Prepaid expenses	14.14	22.06
	3,596.51	415.67
(ii) Other current assets (Unsecured, considered good, unless otherwise stated)		
Advances other than capital advances		
Advances to suppliers	1,561.34	1,557.81
Advances to employees	24.80	17.04
Others		
Balance with government authorities	4,590.98	3,597.65
Prepaid expenses	202.68	150.00
Net defined benefit plan asset (Refer Note 30)	69.97	70.34
Other current assets (meal coupons)	2.90	1.98
	6,452.67	5,394.82

Movement in loss allowance of advance to suppliers

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	-	1,009.06
Loss allowance created during the year	-	-
Amount written off during the year	-	(1,009.06)
Balance at the end of the year	-	-

Movement in loss allowance of capital advances

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	472.58	-
Loss allowance created during the year	-	472.58
Amount written off during the year	(472.58)	-
Balance at the end of the year	-	472.58

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

8. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials [includes stock in transit of ₹ 3,028.92 lakhs (March 31, 2023: ₹ 1,266.60 lakhs)]*#	30,293.41	21,858.69
Work-in-progress	3,034.05	4,163.91
Finished goods [includes stock in transit of ₹ 4,390.77 lakhs (March 31, 2023: ₹ 3,340.55 lakhs)]	21,054.98	15,188.52
Right to recover returned goods	766.17	530.72
	55,148.61	41,741.84

Note :- The Company has availed working capital facilities which are secured first pari passu charge on entire inventories. Refer Note 15 for details.

* Net of provision for slow-moving and non-moving inventories ₹ 1,829.65 lakhs (₹ 335.55 lakhs as at March 31, 2023)
Raw materials lying with related parties for job work amounting to ₹ 49.68 lakhs (₹ Nil as at March 31, 2023).

9. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good, unsecured	17,397.88	17,258.66
Trade receivable - credit impaired	3,163.88	2,200.99
Total trade receivables	20,561.76	19,459.65
Less: Loss allowance	(3,992.59)	(2,550.74)
Net trade receivables	16,569.17	16,908.91

Ageing of trade receivables as at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than Six months	6 months- 1 year	1 - 2 years	2 - 3 Years	More than 3 years	
Undisputed trade receivables- considered good	124.82	5,970.71	10,644.97	657.38	-	-	-	17,397.88
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	278.76	-	-	-	278.76
Undisputed trade receivables- credit impaired	-	-	-	-	860.40	142.66	1,673.74	2,676.80
Disputed trade receivables- Considered good	-	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Disputed trade receivables - Credit impaired	-	-	4.34	23.90	55.49	2.55	122.04	208.32
Total	124.82	5,970.71	10,649.31	960.04	915.89	145.21	1,795.78	20,561.76
Weighted average loss rate	-	-	-5.65%	-55.60%	-100.00%	-100.00%	-100.00%	-19.42%
Less: Loss allowance	-	-	(601.94)	(533.77)	(915.89)	(145.21)	(1,795.78)	(3,992.59)
Total	124.82	5,970.71	10,047.37	426.27	-	-	-	16,569.17

Ageing of trade receivables as at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than Six months	6 months-1 year	1 - 2 years	2 - 3 Years	More than 3 years	
Undisputed trade receivables-considered good	92.35	3,443.37	12,016.45	1,207.62	498.87	-	-	17,258.66
Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	276.76	133.90	1,668.39	2,079.05
Disputed trade receivables-Considered good	-	-	-	-	-	-	-	-
Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - Credit impaired	-	-	-	-	0.31	56.44	65.19	121.94
Total	92.35	3,443.37	12,016.45	1,207.62	775.94	190.34	1,733.58	19,459.65
Weighted average loss rate	-	-0.94%	-1.26%	-13.70%	-35.71%	-100.00%	-100.00%	-13.11%
Less: Loss allowance	-	(32.44)	(151.81)	(165.50)	(277.07)	(190.34)	(1,733.58)	(2,550.74)
Total	92.35	3,410.93	11,864.64	1,042.12	498.87	-	-	16,908.91

Notes:-

- Receivables due from related parties was ₹ 284.45 lakhs as at March 31, 2024 (₹ 243.41 lakhs as at March 31, 2023). Refer Note 33 for details.
- The Company has availed working capital facilities which are secured by first pari passu charge on entire book debts. Refer Note 15 for details.
- Information about the Company's exposure to credit risk, market risks, fair value measurement and impairment losses is included in Note 31.
- Debts due by private companies in which there is a common director are ₹ 284.45 lakhs (As at 31 March 2023 - ₹ 243.41 lakhs). Refer Note 33 for details.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

10. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
On current accounts	1,345.52	469.42
Deposits with original maturity less than 3 months	1,900.52	-
Cash on hand	23.28	29.48
	3,269.32	498.90

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 31.

11. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Bank deposits with original maturity for more than 3 months but less than 12 months and bank deposits with remaining maturity for less than 12 months*	6,206.48	2,733.70
Earmarked balances with bank**	8.58	8.36
	6,215.06	2,742.06

**Earmarked balances with banks pertain to unclaimed dividends.

*Bank deposits includes the following:

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits under lien as security or collateral	286.39	490.56
Deposit pledged against the bank guarantee	110.22	1,229.24

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 31.

12. Loans

Particulars	As at March 31, 2024	As at March 31, 2023
Loan to employees (Unsecured, considered good, unless otherwise stated)	82.86	65.57
	82.86	65.57

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 31.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

13. Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
a) Authorised				
Equity shares of ₹ 2 each	27,62,50,000	5,525.00	27,62,50,000	5,525.00
Total	27,62,50,000	5,525.00	27,62,50,000	5,525.00
b) Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	11,90,83,196	2,381.66	11,90,83,196	2,381.66
Total	11,90,83,196	2,381.66	11,90,83,196	2,381.66

(c) Reconciliation of number of equity shares outstanding.

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	11,90,83,196	2,381.66	11,90,83,196	2,381.66
Addition during the year	-	-	-	-
At the end of the year	11,90,83,196	2,381.66	11,90,83,196	2,381.66

- d) During the financial year 2019-20 pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, the provisions of the SEBI (Buy Back of Securities) Regulations, 2018, Article 62 of the Articles of Association of the 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 had bought back 3,839,804 equity shares of ₹ 2 each in electronic form.
- e) During the financial year 2021-22, the Qualified Institutions Placement Committee ("QIP Committee") in its meeting held on September 24, 2021 had approved the allotment of 56,00,000 Equity Shares of face value of ₹ 2 each to eligible qualified institutional buyers at the issue price of ₹ 242 per Equity Shares (including a premium of ₹ 240 per Equity Share) against the Floor Price of ₹ 254.55 per Equity Shares, aggregating to ₹ 13,552.00 lakhs pursuant to the issue in accordance with the SEBI ICDR Regulations, 2018.
- f) **Rights, preferences and restrictions attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shareholders are entitled to receive dividend as declared from time to time.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% holding	No. of Shares	% holding
Mr. Vijay Agarwal	3,42,36,078	28.75%	3,42,36,078	28.75%
Mrs. Mona Agarwal	3,06,57,579	25.74%	3,06,57,579	25.74%
Mr. Sorab Agarwal	76,23,650	6.40%	76,23,650	6.40%
Mrs. Surbhi Garg	69,30,156	5.82%	69,30,156	5.82%

h) Disclosure of change in equity shareholding of promoters

Particulars	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Mr. Vijay Agarwal	3,42,36,078	28.75%	3,42,36,078	28.75%	-
Mrs. Mona Agarwal	3,06,57,579	25.74%	3,06,57,579	25.74%	-
Mr. Sorab Agarwal	76,23,650	6.40%	76,23,650	6.40%	-
Mrs. Surbhi Garg	69,30,156	5.82%	69,30,156	5.82%	-
Mrs. Anuradha Garg	50,000	0.04%	50,000	0.04%	-
Total	7,94,97,463	66.76%	7,94,97,463	66.76%	-

Particulars	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Mr. Vijay Agarwal	3,42,36,078	28.75%	3,42,36,078	28.75%	-
Mrs. Mona Agarwal	3,06,57,579	25.74%	3,06,57,579	25.74%	-
Mr. Sorab Agarwal	76,23,650	6.40%	76,23,650	6.40%	-
Mrs. Surbhi Garg	69,30,156	5.82%	69,30,156	5.82%	-
Mrs. Anuradha Garg	50,000	0.04%	50,000	0.04%	-
Total	7,94,97,463	66.76%	7,94,97,463	66.76%	-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

14. Other Equity

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Reserves and surplus			
General reserve	(a)	9,925.00	9,925.00
Capital redemption reserve	(b)	3,098.74	3,098.74
Securities premium	(c)	18,337.38	18,337.38
Treasury shares	(d)	(546.56)	-
Share options outstanding reserve	(e)	73.52	-
Retained earnings	(f)	88,709.79	57,174.28
		1,19,597.87	88,535.40

Movement in reserves and surplus

Particulars	As at March 31, 2024	As at March 31, 2023
a) General reserve		
Balance at the beginning and end of the year	9,925.00	9,925.00
b) Capital Redemption Reserve		
Balance at the beginning and end of the year	3,098.74	3,098.74
c) Securities premium		
Balance at the beginning and end of the year	18,337.38	18,337.38
d) Treasury Shares		
Balance at the beginning of the year	-	-
Purchase of Treasury shares by trust during the year	(546.56)	-
Balance at the end of the year	(546.56)	-
e) Share options outstanding reserve		
Balance at the beginning of the year	-	-
Options granted during the year	73.52	-
Balance at the end of the year	73.52	-
f) Retained earnings		
Balance at the beginning of the year	57,174.28	41,766.06
Profit during the year	32,764.14	16,119.89
Dividends paid	(1,190.83)	(714.50)
Transferred from Other comprehensive income - actuarial gain/(loss) on defined benefit plan for the year	(37.80)	2.83
Balance at the end of the year	88,709.79	57,174.28

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature and purpose of reserves and surplus

a) General reserve

General reserve are free reserves of the Company which are kept aside out of the Company's profit to meet the future requirements as and when they arise.

b) Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Company created a capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from the general reserve.

c) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

d) Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity and presented as treasury shares. The Company holds 73,791 (Nil as at March 31, 2023) number of its shares.

e) Share options outstanding reserve

The share option outstanding account is used to record value of equity-settled share based payment transactions with employees. The amount recorded in this account are transferred to retained earnings upon exercise of stock options by employees.

f) Retained earnings

Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilised or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

g) Dividends

The following dividends were declared and paid by the Company during the year.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
₹ 1 per equity share (March 31, 2023: ₹ 0.60 per equity share)	1,190.83	714.50

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting. The dividends have not been recognised as liabilities.

Particulars	As at March 31, 2024	As at March 31, 2023
₹ 2 per equity share (March 31, 2023: ₹ 1)	2,381.66	1,190.83

15. Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Current Borrowings		
Secured		
Cash credit	387.81	620.32
	387.81	620.32

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Current Borrowings

Nature of Borrowing	Repayment terms	Security offered	Currency	Rate of interest	As at March 31, 2024	As at March 31, 2023
Secured						
Cash credit	Repayable within a period ranging from 15 to 45 days (March 31, 2023: 15 to 45 days).	Secured by way of hypothecation of the Company's entire inventories and such other movables including book-debts, outstanding monies, receivables, both present & future and Plant and Machinery on pari passu basis.	INR	Interest rate ranges from 7.50 % p.a. to 8.75 % p.a. (March 31, 2023: 6.50 % p.a. to 8.10 % p.a.).	387.81	620.32
Unsecured						
Credit card payables	Repayable within a period ranging from 15 to 45 days (March 31, 2023: 15 to 45 days)	Unsecured in nature	INR	Interest rate ranges from 7 % p.a. to 8 % p.a. (March 31, 2023: 6 % p.a. to 7 % p.a.).	-	-

Information about the Company's exposure to interest rate and liquidity risks is included in Note 31.

There are no borrowings guaranteed by the directors or others.

16. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Provision for compensated absences (Refer Note 30)	315.25	262.17
	315.25	262.17
Current Provisions		
Provision for warranty*	348.73	214.95
Provision for compensated absences (Refer Note 30)	31.73	33.21
	380.46	248.16

*Provision for warranty

The Company gives warranties on certain products and undertake to repair or replace them, if they fail 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 next year. The provision is based on estimates made from historical warranty data associated with similar products and services. The Company expect to incur the related expenditure within next year.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in provision for warranty

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	214.95	146.11
Additional provisions recognised	393.68	302.58
Amount utilised during the year	(259.90)	(233.74)
Balance at the end of the year	348.73	214.95

17(a) Other tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets	39.82	68.09
	39.82	68.09

17(b) Current tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax liabilities (Net of advance tax of ₹ 10,296.24 lakhs (31 March 2023 - ₹ Nil))	699.33	-
	699.33	-

17(c) Deferred tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax effect of items resulting in taxable temporary differences		
Depreciation on property, plant and equipment, investment property and intangible assets	2,203.93	1,777.89
Finance lease receivables	107.57	366.74
Unrealised gain on investments	613.33	252.47
Right of use assets	8.52	17.65
	2,933.35	2,414.75
Tax effect of items resulting in deductible temporary differences		
Provision for employee benefits	169.94	56.64
Provisions for doubtful debts, advances, warranty and slow-moving and non-moving inventories	1,631.80	949.93
Total principal outstanding dues of micro enterprises and small enterprises	159.52	-
Lease liabilities	9.33	18.90
	1,970.59	1,025.47
Net deferred tax liabilities/(asset)	962.76	1,389.28

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in deferred tax liabilities (net)

As at March 31, 2024

Movement of temporary differences	As at April 1, 2023	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2024
Depreciation on property, plant and equipment, investment property and other intangible assets	1,777.89	426.04	-	2,203.93
Finance lease receivables	366.74	(259.17)	-	107.57
Provision for employee benefits	(56.64)	(100.59)	(12.71)	(169.94)
Provisions for doubtful debts, advances, warranty, slow-moving and non-moving inventories and refund liability	(949.93)	(681.87)	-	(1,631.80)
Unrealised gain on investment	252.47	360.86	-	613.33
Total outstanding overdues of micro enterprises and small enterprises	-	(159.52)	-	(159.52)
Right of use assets	17.65	(9.13)	-	8.52
Lease liabilities	(18.90)	9.57	-	(9.33)
Net deferred tax liabilities/(asset)	1,389.28	(413.81)	(12.71)	962.76

As at March 31, 2023

Movement of temporary differences	As at April 1, 2022	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2023
Depreciation on property, plant and equipment, investment property and other intangible assets	1,849.40	(71.51)	-	1,777.89
Finance lease receivables	-	366.74	-	366.74
Provision for employee benefits	(54.89)	(2.70)	0.95	(56.64)
Provisions for doubtful debts, advances, warranty, slow-moving and non-moving inventories and refund liability	(427.99)	(521.94)	-	(949.93)
Unrealised gain on investment	-	252.47	-	252.47
Right of use assets	25.40	(7.75)	-	17.65
Lease liabilities	(26.03)	7.13	-	(18.90)
Net deferred tax liabilities/(asset)	1,365.89	22.45	0.95	1,389.28

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

18. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	8,604.74	12,036.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	60,162.07	37,851.26
	68,766.81	49,887.35

Ageing of trade payables as at March 31, 2024

Particulars	Unbilled dues*	Trade Payables which are not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	742.76	4,713.08	3,148.90	-	-	-	8,604.74
(ii) Others	4,990.89	42,312.07	12,618.01	110.25	36.84	94.01	60,162.07
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	5,733.65	47,025.15	15,766.91	110.25	36.84	94.01	68,766.81

Ageing of trade payables as at March 31, 2023

Particulars	Unbilled dues*	Trade Payables which are not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	7,305.66	4,730.43	-	-	-	12,036.09
(ii) Others	1,266.60	29,851.99	6,435.07	28.20	40.21	229.19	37,851.26
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	1,266.60	37,157.65	11,165.50	28.20	40.21	229.19	49,887.35

*Unbilled trade payables shall include accruals which are not classified as provisions under Ind AS 37. Information about the Company's exposure to liquidity risks and market risk is included in Note 31.

The Company participates in a reverse factoring arrangement which is disclosed under trade payables under which its suppliers receive payment of their invoice from a bank/financial institution by factoring their receivable from the Company. Under the arrangement, a bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Company and receives settlement from the Company at a later date. The Company presents such liabilities as part of 'trade payables' since these liabilities have a similar nature and function to trade payables, i.e. these liabilities are part of the working capital used in the Company's normal operating cycle and are in respect of the amounts due on account of goods purchased or services received in the normal course of business.

All payables under the reverse factoring aggregating to ₹ 21,122.78 lakhs as at March 31, 2024 and ₹ 11,527.36 lakhs as at March 31, 2023 are classified as current. The payments to the bank/financial institution are included within operating cash flows because they continue to be part of the normal operating cycle of the Company and their principal nature remains operating i.e., payments for the purchase of goods and services.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

19. Other current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Unclaimed dividends	8.58	8.36
Security deposits	1,601.07	585.10
Capital creditors	905.58	653.13
Employee related payables*	1,611.66	1,047.72
	4,126.89	2,294.31

Information about the Company's exposure to liquidity risks and market risk is included in Note 31.

*Include payables to related parties of ₹ 32.77 lakhs as at March 31, 2024 (₹ 36.22 lakhs as at March 31, 2023). Refer Note 33 for details.

20. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Contract liabilities (Refer Note 40)		
- Advances received from customers*	13,950.47	10,493.79
- Deferred revenue	1,877.40	1,326.19
- Refund liabilities**	1,078.83	731.23
Statutory liabilities	976.19	286.37
	17,882.89	12,837.58

*Advance from related parties was ₹ 107.85 lakhs as at March 31, 2024 (Nil as at March 31, 2023). Refer Note 33 for details.

** For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

21. Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers		
Sale of products*	2,88,031.75	212,939.88
Sale of services	1,787.87	1,557.28
Hiring charges	922.17	1,074.90
Other operating revenues		
Export incentives	412.09	226.56
	2,91,153.88	2,15,798.62

*Sale of products includes products sold on finance lease amounting ₹ Nil (March 31, 2023: ₹ 1,696.44 lakhs)
Refer Note 40 for disclosures pursuant to Ind AS 115 - Revenue from Contracts with Customers.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

22. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income under effective interest method on - financial assets held at amortised cost	1,950.04	790.39
Other non-operating income		
- Rental income	96.89	70.86
- Profit on sale of property, plant and equipment	-	118.61
- Gain on investments carried at fair value through profit and loss	4,241.81	466.59
- Net profit on foreign currency transactions	89.40	-
- Interest income earned on finance lease	64.47	138.75
- Dividend received	40.27	6.60
- Provision/liabilities not longer required written back	631.23	324.36
- Miscellaneous income	504.95	308.15
	7,619.06	2,224.31

23. Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory of materials at the beginning of the year (Refer Note 8)	21,858.69	17,750.62
Add: Purchases (net of returns)	2,15,765.76	1,61,944.24
Less: Inventory of materials at the end of the year (Refer Note 8)	(30,293.41)	(21,858.69)
	2,07,331.04	1,57,836.17

The Cost of materials consumed include products sold on finance lease amounting ₹ Nil (March 31, 2023 ₹ 1,402.66 lakhs)

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Stock (Refer Note 8)		
Work-in-progress	4,163.91	3,587.79
Finished goods (including right to recover returned goods)	15,719.24	11,908.17
	19,883.15	15,495.96
Closing Stock (Refer Note 8)		
Work-in-progress	3,034.05	4,163.91
Finished goods (including right to recover returned goods)	21,821.15	15,719.24
	24,855.20	19,883.15
Changes in inventories of finished goods and work-in-progress	(4,972.05)	(4,387.19)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

25. Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	10,501.31	8,668.36
Contribution to provident and other funds	399.55	350.06
Share based payment expenses (Refer Note 44)	73.52	-
Staff welfare expenses	913.83	824.74
	11,888.21	9,843.16

26. Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on financial liabilities at amortised cost		
- on credit facilities	1,602.90	924.02
- credit cards	167.77	92.76
Interest on delay in payments of income tax	63.32	-
Interest on delay of payments to micro, small and medium enterprises	475.59	-
Interest expense on lease liabilities	4.45	7.14
	2,314.03	1,023.92

27. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment (Refer Note 2)	2,148.15	1,640.83
Amortisation on right-of-use assets (Refer Note 37)	25.97	30.76
Amortisation on intangible assets (Refer Note 4)	89.20	70.44
Depreciation on investment property (Refer Note 3)	25.82	23.57
	2,289.14	1,765.60

28. Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Manufacturing expenses	12,025.45	8,437.79
Repairs and maintenance		
-Building	689.65	556.19
-Plant and machinery	760.00	520.41
Power and fuel	1,025.13	760.57
Freight and forwarding charges	6,814.27	6,522.84
Selling expenses	3,047.01	2,331.05

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Warranty expenses	393.68	302.58
Commission on sales	1,817.78	1,542.80
Rent expense (Refer Note 37)	68.11	64.65
Rates and taxes	49.48	67.48
Insurance	237.82	222.02
Travelling and conveyance	2,364.63	1,651.50
Legal and professional fees	1,408.54	1,248.20
Communication expenses	649.22	464.36
Payment to auditors*	70.62	47.40
Vehicle expenses	537.59	340.27
Loss allowance for capital advances	-	472.58
Loss on sale of property, plant and equipment	49.45	-
Net loss on foreign currency transactions	-	352.25
Corporate social responsibility (CSR) expense (Refer Note 41)	329.76	254.00
Provision for slow-moving and non-moving inventory (Refer Note 8)	1,494.10	335.55
Miscellaneous expenses	1,244.25	1,342.90
	35,076.54	27,837.39

***Payment to auditors**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor		
Statutory audit fees	39.00	26.00
Limited review of quarterly results	24.00	20.00
Re-imburement of out-of-pocket expenses	7.62	1.40
	70.62	47.40

29. Income tax expense

Amounts recognised in the standalone statement of profit and loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expense		
- Current year	10,932.25	5,744.71
- Changes in estimates related to prior years	40.37	29.09
Deferred tax expense/(income) attributable to -		
- Origination and reversal of temporary differences (Refer Note 17(c))	(413.81)	22.45
Tax expense	10,558.81	5,796.25

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2024		
	Before tax	Tax benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability (asset)	(50.51)	12.71	(37.80)
	(50.51)	12.71	(37.80)

Particulars	For the year ended March 31, 2023		
	Before tax	Tax benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability (asset)	3.78	(0.95)	2.83
	3.78	(0.95)	2.83

Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
Profit before tax		43,322.95		21,916.14
Tax using the domestic tax rate	25.168%	10,903.52	25.168%	5,515.85
Tax effect of				
Adjustment of income not taxable	-0.15%	(67.12)	-0.06%	(12.99)
Tax on expense not eligible for deduction	0.48%	209.14	0.66%	145.40
Adjustment for tax expense pertaining to prior years	0.09%	40.37	0.13%	29.09
Difference on account on tax rates	-1.25%	(542.21)	-	-
Others	0.03%	15.11	0.54%	118.90
Total income tax expense	24.37%	10,558.81	26.45%	5,796.25

30. Employee benefit expenses

A. Defined Benefit Plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India by whom the plan assets are maintained. Employees are not required to contribute to the plan.

These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk.

Investment Risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Interest Rate Risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

Higher than expected increases in salary will increase the defined benefit obligation.

The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows :-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.24% P.a.	7.37% P.a.
Future salary increase	8.50% P.a.	8.00% P.a.
Return on plan assets	7.37% P.a.	7.24% P.a.
Withdrawal rate	22.00% P.a.	25.00% P.a.
Expected average remaining working lives of employees (years)	21.31 Years	21.13 Years
Retirement Age	58 Years	58 Years
In Service Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows :-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Service cost:		
Current service cost	115.65	94.53
Net Interest expense/(income)	(10.89)	(8.35)
Components of defined benefit costs recognised in profit or loss	104.76	86.18
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	3.15	3.34
Actuarial (gains)/losses arising from changes in financial assumptions	25.74	(3.09)
Actuarial (gains)/losses arising from experience adjustments	21.62	(4.03)
Components of defined benefit costs recognised in other comprehensive income	50.51	(3.78)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	935.88	796.97
Fair value of plan assets	1,005.85	867.31
Net liability/ (asset) arising from defined benefit obligation	(69.97)	(70.34)

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening defined benefit obligation	796.97	728.93
Current service cost	115.65	94.53
Interest cost	55.79	50.25
Actuarial loss/(gain) recognized during the year	47.36	(7.12)
Benefits paid	(79.89)	(69.62)
Closing defined benefit obligation	935.88	796.97

Movements in the fair value of plan assets are as follows :-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair Value of plan assets at beginning of year*	867.31	807.00
Expected return on plan assets	66.69	58.61
Employer's contribution	154.89	74.66
Benefit paid	(79.89)	(69.62)
Actuarial loss on plan assets	(3.15)	(3.34)
Fair Value of plan assets at the end of the year*	1,005.85	867.31
Actual return on plan assets	63.54	55.27

*Plan assets are managed by Life Insurance Corporation of India.

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year, while holding all other assumptions constant.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Impact of the change in discount rate		
Impact due to increase of 1.00%	(31.65)	(22.86)
Impact due to decrease of 1.00%	34.17	24.52
Impact of the change in future salary growth rate		
Impact due to increase of 1.00%	30.42	22.41
Impact due to decrease of 1.00%	(29.58)	(21.51)

The Company expects to make a contribution of ₹ 80.99 lakhs (March 31, 2023 - ₹ 74.66 lakhs) to the defined benefit plans during the next financial year.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

At March 31, 2024 the weighted-average duration of the defined benefit obligation is 6.42 years (March 31, 2023: 5.43 years).

Maturity profile of defined benefit obligation

Financial Year	As at March 31, 2024
2024-25	254.53
2025-29	507.70
2029-34	320.85
2034 onwards	179.08
Financial Year	As at March 31, 2023
2023-24	264.17
2024-28	434.03
2028-33	226.64
2033 onwards	106.21

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. Amount of ₹ 105.67 lakhs (March 31, 2023: ₹ 94.84 lakhs) has been recognised in the Standalone Statement of Profit and Loss.

Particulars	As at March 31, 2024	As at March 31, 2023
Compensated absences (unfunded)		
Current	31.73	33.21
Non-Current	315.25	262.17
	346.98	295.38

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 standalone statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident and other funds for the year aggregated to ₹ 294.79 lakhs (March 31, 2023: ₹ 263.88 lakhs).

31. Financial Instruments

A) Accounting classification

The following table shows the carrying amounts of financial assets and financial liabilities.

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value		
Investments	39,624.34	22,607.67
Financial assets measured at amortised cost		
Investments	19,786.43	12,258.10

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Trade receivables	16,569.17	16,908.91
Loans	82.86	65.57
Cash and cash equivalents	3,269.32	498.90
Bank balances other than cash and cash equivalents	6,215.06	2,742.06
Other financial assets	2,030.61	4,251.58
	87,577.79	59,332.79
Financial liabilities measured at amortised cost		
Short term borrowings	387.81	620.32
Lease liabilities	37.09	75.11
Trade payables	68,766.81	49,887.35
Other financial liabilities	4,126.89	2,294.31
	73,318.60	52,877.09

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 (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value as at March 31, 2024

Particulars	Level 1	Level 2	Level 3	Total
Investments				
Investment in Equity Shares	-	1,910.48	-	1,910.48
Investment in Alternative Investment Fund	-	9,347.94	-	9,347.94
Investment in Portfolio Management Service	-	495.57	-	495.57
Investment in limited liability partnership firm	-	-	-	-
Investment in infrastructure investment trust	703.79	-	-	703.79
Investment in Mutual funds	27,166.56	-	-	27,166.56
	27,870.35	11,753.99	-	39,624.34

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Financial assets and liabilities measured at fair value as at March 31, 2023

Particulars	Level 1	Level 2	Level 3	Total
Investments				
Investment in Equity Shares	-	495.44	-	495.44
Investment in Alternative Investment Fund	-	5,253.32	-	5,253.32
Investment in Portfolio Management Service	-	752.07	-	752.07
Investment in limited liability partnership firm	-	810.14	-	810.14
Investment in Mutual funds	15,296.70	-	-	15,296.70
	15,296.70	7,310.97	-	22,607.67

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2024

Particulars	Level 1	Level 2	Level 3	Total
Investment in bonds and debentures#	14,757.80	5,071.58	-	19,829.38
Trade receivables*	-	-	-	-
Loans*	-	-	-	-
Cash and cash equivalents*	-	-	-	-
Bank balances other than cash and cash equivalents*	-	-	-	-
Other financial assets*	-	-	-	-
Short term borrowings*	-	-	-	-
Lease liabilities**	-	-	-	-
Trade payables*	-	-	-	-
Other financial liabilities*	-	-	-	-

As at March 31, 2023

Particulars	Level 1	Level 2	Level 3	Total
Investment in bonds and debentures#	12,221.98	-	-	12,221.98
Trade receivables*	-	-	-	-
Loans*	-	-	-	-
Cash and cash equivalents*	-	-	-	-
Bank balances other than cash and cash equivalents*	-	-	-	-
Other financial assets*	-	-	-	-
Short term borrowings*	-	-	-	-
Lease liabilities**	-	-	-	-
Trade payables*	-	-	-	-
Other financial liabilities*	-	-	-	-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Investment in bonds and debenture are measure at amortised cost. Fair value of quoted bonds and debentures has been determined on the basis of quoted market rate as on reporting date. Fair value of unquoted bonds and debenture is determined based on market prices that are directly observable in unlisted market place.

*The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other current financial assets which comprise of finance lease receivables, security deposits receivable, receivable from banks on account of maturity of bank deposits, rental income receivable and trade payables, short term borrowings and other current financial liabilities which comprise of unclaimed dividends, security deposits payables, capital creditors and employee related payables approximates the fair values, due to their short-term nature. The other non current financial assets represents finance lease receivables, bank deposits (due for remaining maturity after twelve months from the reporting date), and security deposits receivables, the carrying values of which approximates the fair values as on the reporting date. The valuation technique used is discounted cash flow with no significant unobservable inputs.

**The lease liabilities represent non-current and current lease liabilities the carrying value of which approximates the fair values as on the reporting date.

Valuation process and technique used to determine fair value

The fair value of 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.

The valuation of portfolio management service and alternative investment fund is based on the underlying assets wherein investments have been made. The investments are made either in listed securities or fixed deposits, therefore the fair value is based on the quoted price of underlying investment in case of listed security and carrying amount in case of fixed deposit.

The valuation of investment in unquoted shares is determined based on market prices that are directly observable in unlisted market place.

The fair value of investments in infrastructure investment trust has been determined on the basis of quoted market rate as on reporting date.

Transfers between Levels 1, Level 2 and Level 3

There has been no transfer between level 1, level 2 and level 3 for the years ended March 31, 2024 and March 31, 2023.

C) Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. 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.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The Company's risk management is carried out by a treasury department under the supervision of Chief Financial Officer of the Company. The treasury department identifies and evaluates financial risks. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, liquidity risk etc.

The Risk management Committee of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

C.1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amounts of financial assets represent the maximum credit exposure.

Particulars	As at March 31, 2024	As at March 31, 2023
Investments (excluding subsidiary companies and partnership firm)	59,410.77	34,865.77
Trade receivables	16,569.17	16,908.91
Loans	82.86	65.57
Cash and cash equivalents	3,269.32	498.90
Bank balances other than cash and cash equivalents	6,215.06	2,742.06
Other financial assets	2,030.61	4,251.58
Total	87,577.79	59,332.79

Expected credit losses for financial assets other than trade receivables and finance lease receivables

The Company maintains its cash and cash equivalents and bank deposits with reputed banks. The credit risk on these instruments is limited because the counterparties are bank with high credit ratings assigned by domestic credit rating agencies. Hence, the credit risk associated with cash and cash equivalent and bank deposits is relatively low

Loan comprises loans given to employees, which would be adjusted against salary of the employees and hence credit risk associated with such amount is also relatively low.

The Company maintains its investment in bonds and debentures with reputed financial institutions and corporates. The credit risk on these instruments is limited because the counterparties are financial institutions and corporates with high credit ratings assigned by domestic credit rating agencies. Hence, the credit risk associated with these investments is relatively low. Investments in Mutual funds, Alternative Investment Fund, Shares, Portfolio Management Service, Investment in Infrastructure Investment Trust and limited liability Partnership firm are measured at mark to market hence, the credit risk associated with these investments already considered in valuation as on reporting date.

Security deposits are given for operational activities of the Company and will be returned to the Company as per the contracts with respective vendors. The Company monitors the credit ratings of the counterparties on regular basis. These security deposits carry very minimal credit risk based on the financial position of parties and Company's historical experience of dealing with the parties.

Receivable from banks on account of maturity of bank deposits is limited because the counterparties are bank with high credit ratings assigned by domestic credit rating agencies. Hence, the credit risk associated with receivable from banks on account of maturity of bank deposits is relatively low.

Impairment loss on financial lease receivables is not recognised since the same is not material considering size and nature of financial lease receivables.

Expected credit losses for trade receivables and finance lease receivable

Credit risks related to receivables is managed by each business unit subject to the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on trade receivables and finance lease receivable by using lifetime expected credit losses as per simplified approach wherein the weighted average loss rates are analysed from the historical trend of defaults relating to each business segment. Such provision matrix has been considered to recognise lifetime expected credit losses on trade receivables and finance lease receivable (other than those where defaults criteria are met).

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

The Company evaluates the concentration of risk with respect to trade receivables and finance lease receivable as low, since its customers are from various industries, jurisdictions and operate in independent markets. These receivables are written off when there is no reasonable expectation of recovery.

The Company considers the probability of default upon initial recognition of asset and whether there has been 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 by calculating forward looking loss rate based upon Vasicek methodology. For the same, the Company has identified India Gross Domestic Product as an appropriate factor based on qualitative criteria.

Movement in the allowance for impairment in respect of trade receivables:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	2,550.75	691.48
Additional provision during the year	1,523.08	2,187.74
Deductions on account of write offs and collections	81.24	328.47
Balance at the end of the year	3,992.59	2,550.75

Movement in the allowance for impairment in respect of finance lease receivable:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	-	-
Additional provision during the year	-	-
Less : Reversal of provisions	-	-
Deductions on account of write offs and collections	-	-
Balance at the end of the year	-	-

C.2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use. 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Carrying value	Contractual cash flows					Total
		6 months or less	6–12 months	Between 1 and 2 years	Between 2 and 5 years	More than 5 Years	
As at March 31, 2024							
Borrowings	387.81	387.81	-	-	-	-	387.81
Lease liabilities	37.09	8.83	8.28	14.40	9.60	-	41.11
Trade payables	68,766.81	68,766.81	-	-	-	-	68,766.81
Other financial liabilities	4,126.89	4,126.89	-	-	-	-	4,126.89
	73,318.60	73,290.34	8.28	14.40	9.60	-	73,322.62
As at March 31, 2023							
Borrowings	620.32	620.32	-	-	-	-	620.32
Lease liabilities	75.11	17.55	15.13	21.12	31.50	-	85.30
Trade payables	49,887.35	49,887.35	-	-	-	-	49,887.35
Other financial liabilities	2,294.31	2,294.31	-	-	-	-	2,294.31
	52,877.09	52,819.53	15.13	21.12	31.50	-	52,887.28

C.3) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely : currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Price risk

The Company invests in mutual funds, alternative investment fund, equity shares, portfolio management service, infrastructure investment trust and limited liability partnership firm, bonds and debentures, which are susceptible to market price risk arising from uncertainties about future values of the investment securities. In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

Particulars	As at March 31, 2024	As at March 31, 2023
Market price sensitivity (impact of profit before tax)		
Increase by 200 bps	1,188.22	697.32
Decrease by 200 bps	(1,188.22)	(697.32)
Market price sensitivity (impact on equity post tax)		
Increase by 200 bps	889.17	521.82
Decrease by 200 bps	(889.17)	(521.82)

Foreign currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Company's operating, investing and financing activities. The Company undertakes transactions denominated in foreign currency (mainly US Dollar, Euro and CNY) 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 ₹, are as follows

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets	1,026.49	1,306.92
Financial liabilities	4,645.24	3,548.69
Net exposure to foreign currency risk (liabilities)/assets	(3,618.75)	(2,241.77)

Sensitivity

A reasonably possible strengthening (weakening) of the US dollar against ₹, at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

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

Particulars	As at March 31, 2024	As at March 31, 2023
USD sensitivity (Impact on profit before tax)		
₹/USD increase by 200 bps*	(72.38)	(44.84)
₹/USD decrease by 200 bps*	72.38	44.84
USD sensitivity (impact on equity post tax)		
₹/USD increase by 200 bps*	(54.16)	(33.55)
₹/USD decrease by 200 bps*	54.16	33.55

*Holding all others 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 ₹, are as follows

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets	352.33	176.09
Financial liabilities	0.24	0.40
Net exposure to foreign currency risk	352.09	175.69

Sensitivity

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
EURO sensitivity (Impact on profit before tax)		
₹/EURO increase by 200 bps*	7.04	3.51
₹/EURO decrease by 200 bps*	(7.04)	(3.51)
EURO sensitivity (impact on equity post tax)		
₹/EURO increase by 200 bps*	5.27	2.63
₹/EURO decrease by 200 bps*	(5.27)	(2.63)

*Holding all others variables constant

Foreign currency risk exposure in CNY:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets	101.11	714.50
Financial liabilities	298.72	196.51
Net exposure to foreign currency risk	(197.61)	517.99

Sensitivity

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

Particulars	As at March 31, 2024	As at March 31, 2023
CNY sensitivity (Impact on profit before tax)		
₹/CNY increase by 200 bps*	(3.95)	10.36
₹/CNY decrease by 200 bps*	3.95	(10.36)
CNY sensitivity (impact on equity post tax)		
₹/CNY increase by 200 bps*	(2.96)	7.75
₹/CNY decrease by 200 bps*	2.96	(7.75)

*Holding all other variables constant

C.4) Interest Rate Risk

The Company's interest rate risk arises from investment in bonds and debentures and borrowings. Investment in bonds and debentures and borrowings at variable rates expose the Company to cash flow interest rate risk, whilst investment in bonds and debentures and borrowings at fixed rates expose the Company to fair value interest rate risk. The risks are managed by monitoring an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk:- The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed rate instruments		
Investment in bonds and debentures	19,786.43	12,258.10
Total Fixed rate instruments	19,786.43	12,258.10
Variable rate instruments		
Short term borrowings from bank	387.81	620.32
Total variable rate instruments	387.81	620.32

Fair value sensitivity analysis of interest rate

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable-rate instruments for the year ended March 31, 2024

Particulars	Impact on profit before tax - 50 bps increase	Impact on profit before tax - 50 bps decrease	Impact on other components of equity - 50 bps increase	Impact on other components of equity - 50 bps decrease
Variable - rate instruments	(1.94)	1.94	(1.45)	1.45
Total	(1.94)	1.94	(1.45)	1.45

Cash flow sensitivity analysis for variable-rate instruments for the year ended March 31, 2023

Particulars	Impact on profit before tax - 50 bps increase	Impact on profit before tax - 50 bps decrease	Impact on other components of equity - 50 bps increase	Impact on other components of equity - 50 bps decrease
Variable - rate instruments	(3.10)	3.10	(2.32)	2.32
Total	(3.10)	3.10	(2.32)	2.32

32 Capital Management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, maintain a strong credit rating and a healthy capital ratio to support the business and to enhance shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and business strategies to maintain or adjust the capital structure, issue new shares or raise and repay debts. The Company's capital management objectives, policies or processes were unchanged during the year.

The Company monitors capital using 'total debt to total capital' and 'net debt to total capital' ratios. These ratios are as follows:

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Debt equity ratio

Particulars	As at March 31, 2024	As at March 31, 2023
Total debt	424.90	695.43
Net debt*	-	196.53
Total equity	1,21,979.53	90,917.06
Total capital (based on total debt)	1,22,404.43	91,612.49
Total capital (based on net debt)	1,21,979.53	91,113.59
Net debt to equity ratio	-	0.002
Total debt to total capital (based on total debt) ratio	0.003	0.008
Net debt to total capital (based on net debt) ratio	-	0.002

*Total debt less cash and cash equivalents, if negative then restricted to nil.

33 Related party disclosures

A. List of related parties and nature of relationship where control exists:

a) Ultimate controlling party is promoter group

b) Subsidiaries

SC Forma SA (Under Liquidation)
Namo Metals (Partnership firm)
Crane Kraft India Private Limited

B. List of related parties and nature of relationship with whom transactions have taken place during the current year/previous year

a) Subsidiaries

Namo Metals (partnership firm)
Crane Kraft India Private Limited

b) Key managerial personnel of the Company

Mr. Vijay Agarwal (Part of promoter group)	Chairman and Managing Director
Mrs. Mona Agarwal (Part of promoter group)	Whole - Time Director
Mr. Sorab Agarwal (Part of promoter group)	Whole - Time Director
Mrs. Surbhi Garg (Part of promoter group)	Whole - Time Director
Mr. Avinash Parkash Gandhi	Independent Director
Dr. Divya Singhal	Independent Director
Mr. Shriniwas Vashisht	Independent Director
Dr. Jagan Nath Chamber	Independent Director
Mr. Rajan Luthra	Chief Financial Officer
Mr. Anil Kumar	Company secretary and compliance officer

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Other related parties - Entities where significant influence exist of parties as given in (a) or (b) above.

VMS Equipment Private Limited
 Rotadrill India Private Limited
 Reachall India Private Limited
 ACE Emergency Response Service Trust
 ACE Employees Group Gratuity Scheme Trust
 RSV Combine
 Asia Consolidated Private Limited
 Asia Resorts Limited

C. Transactions with related parties during the current year / previous year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Sale of products & Services		
VMS Equipment Private Limited	1,952.86	1,266.73
Reachall India Private Limited	2.68	0.44
Crane Kraft India Private Limited	2,715.11	2,202.25
Asia Resorts Limited	8.03	
(ii) Purchase of raw material and services		
VMS Equipment Private Limited	22.50	-
Reachall India Private Limited	0.44	-
Crane Kraft India Private Limited	20.22	8.34
Asia Resorts Limited	97.29	15.01
(iii) Raw materials sent for job work		
Reachall India Private Limited	49.68	-
(iv) Rental income		
VMS Equipment Private Limited	4.44	4.44
Rotadrill India Private Limited	-	1.20
Reachall India Private Limited	1.80	1.20
Asia Consolidated Private Limited	0.36	0.36
ACE Emergency Response Service Trust	1.34	1.28
(v) Rent expense		
Namo Metals	24.00	24.00
Mrs. Surbhi Garg	26.40	26.40

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(vi) Corporate social responsibility expenses		
ACE Emergency Response Service Trust	329.76	228.00
(vii) Investment in equity shares		
Crane Kraft India Private Limited	-	240.00
(viii) Drawings (net of share of profit)		
Namo Metals	(4.16)	(21.50)
(ix) Final dividend paid		
Mr. Vijay Agarwal	342.36	205.42
Mrs. Mona Agarwal	306.58	183.95
Mr. Sorab Agarwal	76.24	45.74
Mrs. Surbhi Garg	69.30	41.58
(x) Compensation to key managerial personnel		
Mr. Vijay Agarwal	479.18	371.16
Mrs. Mona Agarwal	250.39	205.41
Mr. Sorab Agarwal	124.06	91.86
Mrs. Surbhi Garg	98.58	75.28
Mr. Rajan Luthra	57.73	57.25
Mr. Anil Kumar	11.11	8.73
(xi) Share based payment expenses		
Mr. Rajan Luthra	5.16	-
(xii) Director's Sitting Fee**		
Mr. Avinash Parkash Gandhi	2.60	1.95
Dr. Divya Singhal	2.45	1.30
Mr. Shriniwas Vashisht	2.45	1.65
Dr. Jagan Nath Chamber	2.30	2.30

**Excludes applicable taxes.

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or those which might reasonably be expected to be available, in similar transactions with non-key management personnel-related companies on an arm's length basis.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

D. Outstanding balances

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Trade receivables		
VMS Equipment Private Limited	-	125.13
Rotadrill India Private Limited	24.02	25.02
Reachall India Private Limited	0.43	-
Crane Kraft India Private Limited	260.00	93.26
(ii) Advances received from customers		
VMS Equipment Private Limited	107.85	-
(iii) Raw materials lying for job work		
Reachall India Private Limited	49.68	-
(iv) Employee benefit payables		
Mr. Vijay Agarwal	18.54	18.72
Mrs. Mona Agarwal	-	3.59
Mr. Sorab Agarwal	6.30	5.30
Mrs. Surbhi Garg	5.34	5.14
Mr. Rajan Luthra	2.18	2.82
Mr. Anil Kumar	0.41	0.65
(v) Provision for gratuity		
Mr. Rajan Luthra	17.10	16.07
Mr. Anil Kumar	1.61	1.39
(vi) Provision for compensated absences		
Mr. Rajan Luthra	6.01	5.75
Mr. Anil Kumar	0.57	0.38
(vii) Share options outstanding		
Mr. Rajan Luthra	5.16	-
(viii) Investment in subsidiaries		
SC Forma SA	147.76	147.76
Crane Kraft India Private Limited	300.00	300.00
Namo Metals	485.09	489.25

- a) There are no loans due to the Company by directors either individually, severally or jointly with another person, by firms or private companies in which any director is a partner or director or member respectively.
- b) There are no advances made to directors or other officers of the Company or any of them, either severally or jointly with any other person, or advances to firms or private companies respectively, in which any director is a partner, a director, or member.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

34 Contingent liabilities, commitments and other claims

(a) Claims against the company not acknowledged as debts

(i) Claims made by Tax Authorities

Name of the statute	Nature of the dues	As at March 31, 2024	As at March 31, 2023	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of deduction claimed u/s 35(2AB), disallowance of Interest expenses u/s 36(1)(iii), disallowance u/s 14A and disallowance of expenses on adhoc basis.	236.34	241.20	Financial year 2014-15 to Financial year 2016-17 and 2019-20	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Error in demand on portal	119.34	119.34	Financial year 2012-13	Deputy Commissioner of Income Tax
Central Excise Act, 1994	Classification Dispute on parts	607.44	607.44	Financial year 2006-07 to Financial year 2010-11	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1994	Demand of Excise duty on account of section 11D for exempt goods	829.60	829.60	Financial year 2008-09 to Financial year 2013-14	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1994	Demand raised for utilization of Cenvat credit.#	-	2.39	Financial year 2009-10	Commissioner (Appeals)
Income Tax Act, 1961	PF expenditure for delayed payment to the PF authorities	2.92	2.92	Financial year 2020-21	Commissioner of Income Tax (Appeals)
Finance Act, 1994 (Service Tax)	Demand is related to the violation of the Export of Services rules 2005	8.11	8.11	Financial year 2008-09	Additional Commissioner
West Bengal Value Added Tax Act, 2003	Rate dispute classification of products	375.56	375.56	Financial year 2006-07 to Financial year 2013-14	Additional Commissioner Review Board (West Bengal)
West Bengal Value Added Tax Act, 2003	Rate dispute classification of products	852.89	852.89	Financial year 2006-07 to Financial year 2013-14	West Bengal Tribunal
West Bengal Value Added Tax Act, 2003	Rate dispute classification of products	33.87	33.87	Financial year 2006-07 to Financial year 2013-14	High court of West Bengal
Goods & Services Tax Act, 2017	Dispute of Transition of input tax credit	16.96	-	Financial year 2017-18	Additional Commissioner Goods & Services Tax (GST) Jaipur
		3,083.03	3,073.32		

The case has been settled during the year ended March 31,2024

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(ii) Other matters including claims related to employees/ ex-employees, and customers etc.	1007.54	825.62

Notes

- (i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- (ii) 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.
- (iii) The Company has reviewed all its pending litigations and proceedings and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

(b) Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances - Refer Note 7)	15,921.90	2,586.72
Lease commitments (Refer Note 37)	41.11	85.30

35 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to equity holders of the Company		
Profit attributable to equity holders of the Company (A)	32,764.14	16,119.89
Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating EPS	11,90,83,196	11,90,83,196
Effect of Treasury shares held in controlled ESOP trust	(32,514)	-
Weighted average number of equity shares in calculating basic earnings per share (B)	11,90,50,682	11,90,83,196
Effect of employee share options	22,897	-
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share (C)	11,90,73,579	11,90,83,196
Basic and Diluted earnings per share		
(a) Basic earnings per share (₹) (A/B)	27.52	13.54
(b) Diluted earnings per share (₹) (A/C)	27.52	13.54
Nominal value per equity share	2.00	2.00

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

36 Qualified Institutional Placement (QIP)

During the year ended March 31, 2022, the Company had completed the Qualified Institutional Placement (“QIP”) under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, pursuant to which 5,600,000 equity shares having a face value of ₹ 2 each were issued and allotted, at an issue price of ₹ 242 per equity share (including a securities premium of ₹ 240 per equity share), aggregating to ₹ 13,552 lakhs.

The proceeds of such Qualified Institutional Placement amounts to ₹ 13,173.87 lakhs (net of issue related expenses amounting ₹ 378.13 lakhs which had been adjusted against securities premium). As per the placement document, QIP proceeds were to be utilised for funding the long term growth of its existing businesses; organic or inorganic growth, making strategic acquisitions; financing other long term capital, working capital, and general corporate requirements; pre-payment and / or repayment of loans. The fund raised were utilised uptill the previous year ended March 31, 2023 and there is no deviation in use of proceeds from the objects stated in the placement document for the QIP.

Utilisation of funds	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	-	9,727.07
Amount raised (net)	-	-
Utilised during the year	-	9,727.07
Balance Unutilised funds as at the year end	-	-

37 Leases

a) Leases as Lessee

The Company leases plant and machinery and office building. The leases typically run with an option to renew the lease after that date on mutual consent of both the parties.

Information about leases for which the Company is a lessee is presented below :

i. Right-of-use assets

Particulars	Office Building	Plant and Machinery	Total
Balance as at April 1, 2022	45.67	55.24	100.91
Additions during the year	-	-	-
Amortisation charged during the year	(18.92)	(11.84)	(30.76)
Balance as at March 31, 2023	26.75	43.40	70.15
Additions during the year	-	-	-
Amortisation charged during the year	(14.13)	(11.84)	(25.97)
Termination of lease during the year	(10.33)	-	(10.33)
Balance as at March 31, 2024	2.29	31.56	33.85

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

ii. Amounts recognised in profit or loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on lease liabilities	4.45	7.14
Amortisation charged during the year	25.97	30.76
Expense relating to short term and low value leases	68.11	64.65

iii. Amounts recognised in Standalone Statement of Cash Flows

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow for leases	30.93	35.44

The following is the break-up of current and non-current lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	14.69	27.74
Non-current lease liabilities	22.40	47.37

The following is the movement in lease liabilities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at beginning of the year	75.11	103.41
Additions	-	-
Interest cost accrued during the year	4.45	7.14
Payment of lease liabilities and finance cost accrued during the year	(30.93)	(35.44)
Termination of lease during the year	(11.54)	-
Balance as at end of the year	37.09	75.11

Commitments for minimum undiscounted lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within one year	17.11	32.68
Later than one year but not later than five years	24.00	52.62
Later than five years	-	-

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

Rental expenses recorded for short-term leases during the year ended March 31, 2024 is ₹ 68.11 Lakhs (March 31, 2023: ₹ 64.65 lakhs).

b) Leases as Lessor

Finance lease

The Company entered into agreements with customers ("the lessee") for lease of products. The lease term has been considered as the entire tenure of the agreement. The lessee has an option to purchase the assets at expiry of the agreement.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

A finance lease receivable at an amount equal to the net investment in the lease represented by discounted value of recovery fee and is recorded in the balance sheet with a corresponding credit to statement of profit and loss as revenue from sale of products. The undiscounted value of such lease receivable, though, credited as revenue, but will be billed and collected from customer over the period of lease term. Interest income on such finance lease receivable is recognised over the life of the lease.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Particulars	As at March 31, 2024	As at March 31, 2023
Year 1	236.10	530.30
Year 2	222.38	501.60
Year 3	-	624.06
Total undiscounted lease receivable	458.48	1,655.96
Unearned finance income	31.04	198.79
Discounted finance lease receivable	427.44	1,457.17

Operating lease

The Company leases out its products and investment property. The Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Company during the year ended 31 March 2024 was ₹ 1,019.06 lakhs (March 31, 2023: ₹ 1,145.76 lakhs). These lease terms are on work order basis and are in short term in nature.

38. Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act):

This information has been determined to the extent such parties have been identified on the basis of information available with the Company

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the year.	8,239.34	12,036.09
Interest due thereon remaining unpaid to any supplier as at the end of the year.	25.01	-
(ii) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(iii) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the year;	365.40	-
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

39. Segment information

The Company has presented segment information in the consolidated financial statements. Accordingly, in terms of paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone financial statements.

40. Revenue from operations

a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major products and timing of revenue recognition. The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments. Invoices raised for credit sales are usually payable within 30 days.

For the year ended March 31, 2024

Revenue from operations	Cranes	Construction equipment	Material handling	Agricultural equipment
Major product line				
Sale of products	2,08,053.38	38,337.64	18,177.85	23,462.88
Sale of services	1,487.90	108.59	178.56	12.82
Total revenue from contracts with customers	2,09,541.28	38,446.23	18,356.41	23,475.70
Timing of revenue recognition				
Products transferred at a point in time	2,08,053.38	38,337.64	18,177.85	23,462.88
Services transferred over the time	1,487.90	108.59	178.56	12.82
Total revenue from contracts with customers	2,09,541.28	38,446.23	18,356.41	23,475.70
Hiring Charges	862.01	60.16	-	-
Other operating revenue	54.70	114.89	12.95	229.55
Revenue from operations (as reported in Note 21)	2,10,457.99	38,621.28	18,369.36	23,705.25
Total revenue from contracts with customers				2,89,819.62
Hiring Charges				922.17
Other operating revenue				412.09
Revenue from operations (as reported in Note 21)				2,91,153.88

For the year ended March 31, 2023

Revenue from operations	Cranes	Construction equipment	Material handling	Agricultural equipment
Major product line				
Sale of products	150,459.74	24,685.47	16,728.26	21,066.41
Sale of services	1,263.93	100.64	168.61	24.10
Total revenue from contracts with customers	1,51,723.67	24,786.11	16,896.87	21,090.51
Timing of revenue recognition				
Products transferred at a point in time	150,459.74	24,685.47	16,728.26	21,066.41
Services transferred over the time	1,263.93	100.64	168.61	24.10
Total revenue from contracts with customers	1,51,723.67	24,786.11	16,896.87	21,090.51
Hiring Charges	994.18	80.72	-	-
Other operating revenue	66.16	79.37	17.28	63.75

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Revenue from operations (as reported in Note 21)	152,784.01	24,946.20	16,914.15	21,154.26
Total revenue from contracts with customers				2,14,497.16
Hiring Charges				1,074.90
Other operating revenue				226.56
Revenue from operations (as reported in Note 21)				215,798.62

b) Geographic disaggregation of revenue from contracts with customers

For the year ended March 31, 2024

Revenue from operations	Cranes	Construction equipment	Material handling	Agricultural equipment
Major product line				
Sale of products				
- India	2,05,883.39	33,743.69	17,456.28	15,019.65
- Outside India	2,169.99	4,593.95	721.57	8,443.23
Sale of services				
- India	1,487.90	108.59	178.56	12.82
- Outside India	-	-	-	-
Total revenue from contracts with customers	2,09,541.28	38,446.23	18,356.41	23,475.70
Hiring Charges	862.01	60.16	-	-
Other operating revenue	54.70	114.89	12.95	229.55
Revenue from operations (as reported in Note 21)	2,10,457.99	38,621.28	18,369.36	23,705.25
Total revenue from contracts with customers				2,89,819.62
Hiring Charges				922.17
Other operating revenue				412.09
Revenue from operations (as reported in Note 21)				2,91,153.88

For the year ended March 31, 2023

Revenue from operations	Cranes	Construction equipment	Material handling	Agricultural equipment
Major product line				
Sale of products				
- India	1,48,918.38	21,365.16	15,933.78	19,475.14
- Outside India	1,541.36	3,320.31	794.48	1,591.27
Sale of services				
- India	1,263.93	100.64	168.61	24.10
- Outside India	-	-	-	-
Total revenue from contracts with customers	1,51,723.67	24,786.11	16,896.87	21,090.51
Hiring Charges	994.18	80.72	-	-
Other operating revenue	66.16	79.37	17.28	63.75

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Revenue from operations (as reported in Note 21)	1,52,784.01	24,946.20	16,914.15	21,154.26
Total revenue from contracts with customers				2,14,497.16
Hiring Charges				1,074.90
Other operating revenue				226.56
Revenue from operations (as reported in Note 21)				2,15,798.62

c) Contract balances

Particulars	As at March 31, 2024	As at March 31, 2023
Receivables, which are included in 'trade receivables'	16,569.17	16,908.91
Contract liabilities related to sale of products		
- Advances received from customers*	13,950.47	10,493.79
- Deferred revenue**	1,877.40	1,326.19

*The contract liabilities primarily relate to the advance consideration received from customers for supply of products and rendering of service.

** The Company allocates a portion of the consideration against sale of products to after sales maintenance services. The amount allocated to after sales maintenance services is deferred and is recognised as revenue when services are provided to customers.

The amount of ₹ 8,541.19 lakhs included in contract liabilities at March 31, 2023 has been recognised as revenue during the year ended March 31, 2024 (March 31, 2023: ₹ 2,565.11 lakhs).

d) Reconciliation of revenue recognised with contract price

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price (including product and after sale services)	2,98,657.00	2,18,958.25
Revenue from other services (installation and erection services)	290.47	273.87
Discount	(3,489.21)	(2,454.27)
Sales Return	(4,739.83)	(1,275.97)
Adjustments for contract liabilities		
- Deferred revenue - opening balance	1,326.19	1,052.70
- Deferred revenue - closing balance	(1,877.40)	(1,326.19)
- Refund liability - opening balance	731.23	-
- Refund liability - closing balance	(1,078.83)	(731.23)
Total revenue from contract with customers	2,89,819.62	2,14,497.16

41. Expenditure on Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company to monitor the CSR related activities.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent by the Company during the year	310.20	209.18
Amount approved by the board to be spent during the year	310.20 to 350.00	209.18 to 260.00
Amount spent during the year		
(a) Construction/acquisition of any assets	-	-
(b) On purpose other than (a) above	329.76	254.00
Shortfall at the end of the year	-	-
Total of previous years shortfall	NA	NA
Nature of CSR activities*		
Details of related party transactions (Refer Note 33)	329.76	228.00
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

* CSR activities primarily includes amount given to ACE Emergency Response Service Trust, which the trust has been used for promoting sustainable health, skills, development and implementation of swatch Bharat abhiyan activities.

42. Disclosure required under Section 186(4) of the Companies Act, 2013

The Company had given loan to employees during the year, however in line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10 March 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

43. Relationship with Struck off companies

Name of the struck off Company	Nature of Transactions	Transaction during the year ended March 31, 2024	Balance outstanding as at March 31, 2024	Relationship
MNS Logistics Private Limited	Payables	20.40	4.33	Vendor
Unickon Fincap Private Limited	Payables	0.09	-	Shareholder

Name of the struck off Company	Nature of Transactions	Transaction during the year ended March 31, 2023	Balance outstanding as at March 31, 2023	Relationship
MNS Logistics Private Limited	Payables	9.69	1.74	Vendor
Rehal Industries Private Limited	Payables	2.27	1.96	Vendor
Sakha Services Private Limited	Payables	-	0.01	Vendor

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

44. Share-based payment arrangements

1. Share option plans (equity-settled)

A. Description of share-based payment arrangements

“During the year ended March 31, 2024, the Company implemented Action Construction Equipment Limited Stock Option Scheme, 2021. The Action Construction Equipment Limited Stock Option Scheme was approved by the shareholders at the 27th Annual General Meeting held on September 03, 2021, under which the Board of Directors of the Company was authorised to create, grant, offer, issue and allot, in one or more tranches, such number of Employee Stock Options (“Options”) to the eligible employees of the Company not exceeding in the aggregate 5% of the issued equity share capital of the Company as on March 31, 2021.

Pursuant to the Action Construction Equipment Limited Employees Stock Option Scheme – 2021 (“Scheme”), the Company has issued stock options to its employees on such terms as may be approved by the Board of directors or the Nomination and Remuneration Committee. During the current year, the Company has granted share options to its eligible employees, which are convertible into equivalent number of equity shares once exercised. The options were granted on the dates as mentioned in the table below.”

S.No.	Grant Date	Exercise Price	Number of instruments granted	Vesting conditions	Contractual life of options
1	03-June-2023	415	79,674	Graded vesting i.e. 33.33 % annually over a period of three years starting from 03 June 2023 and ending on 03 June 2026.	Valid for a period of 3 months from the respective date of vesting.
Total share options			79,674		

A. Measurement of fair values

The weighted average fair value of stock options as on grant date

Grant date fair valuation for respective vesting dates	Method of Valuation	Fair value as on the grant date (₹)
03-June-2024	Black Scholes option pricing model	150.14
03-June-2025	Black Scholes option pricing model	200.31
03-June-2026	Black Scholes option pricing model	245.72

The inputs and assumptions used in the measurement of grant date fair value are as follows:

Vesting date	Fair value as on grant date	Exercise Price	Expected	Expected Life	Expected	Risk free
	₹	₹	Volatility	(in years)	Dividend	Interest Rate
03-June-2024	150.14	415	41.95%	1.25	0.121%	6.77%
03-June-2025	200.31	415	48.09%	2.25	0.121%	6.74%
03-June-2026	245.72	415	53.83%	3.25	0.121%	6.74%

B. Effect of employee stock option scheme on the separate statement of profit and loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employee stock option scheme expense (included in employee benefits expense)	73.52	-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option schemes were as follows:

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Number of Options	Weighted av- erage exercise price (₹)	Number of Options	Weighted average exercise price (₹)
Options outstanding as at the beginning of the year	-	-	-	-
Add: Options granted during the year	79,674	415	-	-
Less: Options forfeited and expired during the year.	-	-	-	-
Less: Options exercised during the year	-	-	-	-
Options outstanding as at the year end	79,674	415	-	-
Exercisable at the end of the year	-	-	-	-

45. Ratios as required by Schedule III to the Companies Act, 2013:

S.No.	Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Reason for vari- ance (exceeding 25%)
1	Current ratio (in times)	Total current asset	Total current liabilities	1.36	1.36	0.13%	
2	Debt- equity ratio (in %)	Total Borrowings	Total Equity	0.003	0.01	-65.17%	Primarily due to reduction in short term borrowings during the year
3	Debt service coverage ratio (in times)	Profit before tax + Depreciation and amortisation expense + Finance costs - Other income	Finance costs + Lease repayments+Borrowings repayments	14.77	13.73	7.60%	
4	Return on equity ratio (in %)	Profit for the year	Average Total Equity	30.78%	19.37%	58.90%	Primarily due to increase in profitability during the year
5	Inventory turnover ratio (in times)	Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods and work-in-progress	Average Inventory	4.18	4.09	2.13%	
6	Trade receivable turnover ratio (in times)	Revenue from sale of product and services	Average trade receivables	17.37	12.03	44.38%	Primarily due to improvement in collection of trade receivables during the year.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

7	Trade payable turn-over ratio (in times)	Purchases (net of returns) + Purchases of stock-in-trade + Other expenses	Average trade payables	4.23	4.16	1.64%	
8	Net capital turnover ratio (in times)	Revenue from operations	Total current assets – current liabilities	8.72	9.22	-5.39%	
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	11.25%	7.47%	50.65%	Primarily due to increase in profitability during the year
10	Return on capital employed (in %)	Profit before tax + finance costs	Capital Employed = Total Equity + Total Borrowings + Deferred Tax Liability	36.99%	24.67%	49.95%	Primarily due to increase in profitability during the year.
11	Return on investment (in %)	Income generated from investments	Average investments	11.97%	4.62%	159.05%	Primarily due to increase in return on investment during the year.

46. Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iv) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (v) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

- (viii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (ix) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- (x) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (xi) The Company has not granted any loans to the promoters, directors, Key Managerial Person's and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayments as at March 31, 2024 (as at March 31, 2023: Nil).
- (xii) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have Core Investment Company (CIC).
- (xiii) The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts, except as below :

March 31, 2024

Quarter (Q)	Particulars	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Excess/(shortage)	Whether return/ statement subsequently rectified
Q1-FY 2023-24	Trade payables (Net of advances)	40,708.42	40,421.85	286.57	NA
	Purchases (Net of returns)	47,421.53	47,891.95	(470.42)	NA
Q2-FY 2023-24	Trade receivables	17,248.88	17,378.85	(129.97)	NA
Q3-FY 2023-24	Sale of products and services	2,06,390.49	2,06,425.93	(35.44)	NA

March 31, 2023

Quarter (Q)	Particulars	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Excess/(shortage)	Whether return/ statement subsequently rectified
Q1-FY 2022-23	Inventories	36,238.34	36,238.36	(0.02)	NA
	Trade receivables	19,029.24	19,059.23	(29.99)	NA
	Trade payables	34,349.28	34,538.16	(188.88)	NA
Q2-FY 2022-23	Inventories	41,211.00	41,305.04	(94.04)	NA
	Trade receivables	20,455.00	20,257.24	197.76	NA
Q3-FY 2022-23	Inventories	38,663.36	38,599.70	63.66	NA

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

47. In accordance with requirement of rule 3(1) of Companies (Accounts) Rules, 2014, the Company has used an accounting software for maintaining its books of account, however, the feature of recording audit trail (edit log) facility has not been enabled during the current year ended 31 March 2024.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Action Construction Equipment Limited
CIN: L74899HR1995PLC053860

Sd/
Kunal Kapur
Partner
Membership No : 509209
Place: Faridabad
Date: May 21, 2024

Sd/
Vijay Agarwal
Chairman and Managing Director
DIN : 00057634
Place: Faridabad
Date: May 21, 2024

Sd/
Sorab Agarwal
Whole Time Director
DIN: 00057666
Place: Faridabad
Date: May 21, 2024

Sd/
Anil Kumar
Company Secretary
Membership No.: 37791
Place: Faridabad
Date: May 21, 2024

Sd/
Rajan Luthra
Chief Financial Officer
Place: Faridabad
Date: May 21, 2024

Independent Auditor’s Report To the Members of Action Construction Equipment Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Action Construction Equipment Limited (hereinafter referred to as the “Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”) (in which are included financial statements of Action Construction Equipment Limited Employees Welfare Trust (hereinafter referred to as the “Employee welfare trust/ Trust”), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other independent auditors on separate financial statements of such subsidiary and employee welfare trust as was audited by the other independent auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“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 consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other independent auditors referred to in paragraph (a) of the “Other Matters” section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other independent auditor on separate financial statements of component audited by them, were of most significance in our audit of the consolidated financial statements of the current period. 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.

Revenue recognition relating to sale of products

See Note 22 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 22 to the consolidated financial statements, the Group’s revenue from sale of products for the year ended 31 March 2024 was Rs. 288,257.75 lakhs.</p> <p>Revenue is recognised upon transfer of control of promised product to the customers and when the collection of consideration by the Group is “probable”. In specifically, revenue from sale of products is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract.</p> <p>There is a risk, during the year and at the end of the year, revenue being recognised from sale of products without contract with customer or without transfer of control of the products as per the delivery terms or revenue is not recorded in the correct accounting period.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard; Evaluated the design and implementation of key controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions. Involved our IT specialists to assist us in testing of key IT system controls which impact revenue recognition; Performed detailed testing by selecting samples of revenue transactions recorded during and after the year. For such samples, verified the underlying documents supporting the revenue recognition as per the accounting policy in the correct accounting year; and

There is presumption of fraud risk with regard to revenue recognition as per the Standards on Auditing. Also, revenue is one of the key performance indicators of the Group which makes it susceptible to misstatement.

- Tested sample journal entries for revenue recognized during the year, selected based on specified risk-based criteria, to identify unusual transactions.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's and Board of Directors'/Board of Trustees'/Designated Partners' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies/Board of Trustees of the trust/Designated Partners of the partnership firm included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/trust/partnership firm and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies/Board of Trustees of the trust/Designated Partners of the partnership firm included in the Group are responsible for assessing the ability of each company/trust/partnership firm to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Board of Trustees/Designated Partners either intends to liquidate the company/trust/partnership firm or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies/Board of Trustees of the trust/Designated Partners of the partnership firm included in the Group are responsible for overseeing the financial reporting process of each company/trust/partnership firm.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the 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 with reference to financial statements 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of entity or business activity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entity of which we are the independent auditor. For the other entities included in the consolidated financial statements, which have been audited by other independent auditors, such other independent auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

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

Other Matter

- a. We did not audit the financial statements of one subsidiary and one employee welfare trust, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 1,193.41 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 2,962.10 lakhs and net cash inflows (before consolidation adjustments) amounting to Rs. 42.83 for the year ended on that date, as considered in the consolidated financial statements. These financial statements has been audited by other independent auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other independent auditors.
Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other independent auditors.
- b. The financial statements of two subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of Rs. 1,976.31 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 128.32 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 137.30 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other independent auditor. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, 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 financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) 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.
- 2A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other independent auditor on separate financial statements of one subsidiary, as was audited by other independent auditor, as noted in paragraph (a) of the "Other Matters" section, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other independent auditor except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on various dates in April 2024 taken on record by the Board of Directors of the Holding Company and report of statutory auditor of its subsidiary company, none of the directors of the Group company incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other independent auditor on separate financial statements of one subsidiary, as noted in paragraph (a) of the "Other Matters" section:
 - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
 - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024.
 - d. (i) The management of the Holding Company and its subsidiary company incorporated in India whose financial statements has been audited under the Act represented to us and on the consideration of report of the other independent auditor on separate financial statements of such subsidiary company incorporated in India that, to the best of their knowledge and belief, as disclosed in the Note 46 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or subsidiary

company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management of the Holding Company and its subsidiary company incorporated in India whose financial statements has been audited under the Act represented to us and on the consideration of report of the other independent auditor on separate financial statements of such subsidiary company incorporated in India that, to the best of their knowledge and belief, as disclosed in the Note 46 to the consolidated financial statements, no funds have been received by the Holding Company or subsidiary company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the other independent auditor of the subsidiary company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other independent auditor notice that has caused us or the other independent auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 14 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination, which included test checks, and that performed by the auditor of the subsidiary company which is a company incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiary company have used an accounting software for maintaining its books of account, however, the feature of recording audit trail (edit log) facility has not been enabled.

C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid and payable during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid and payable to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

Further, based on the report of the statutory auditor of one subsidiary company incorporated in India which was not audited by us, where provisions of Section 197 of the Act are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No.:101248W/W-100022

Sd/-
Kunal Kapur
Partner

Membership No.: 509209
ICAI UDIN: 24509209BKEPUI8729

Place : Faridabad
Date : 21 May 2024

Annexure A to the Independent Auditors' Report on the Consolidated Financial Statements of Action Construction Equipment Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks given by its independent auditor in his report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Action Construction Equipment Limited	L74899HR1995PLC053860	Holding Company	Clause 3(i)(c) of Annexure A to Independent Auditor's Report
2	Action Construction Equipment Limited	L74899HR1995PLC053860	Holding Company	Clause 3(ii)(b) of Annexure A to Independent Auditor's Report
3	Action Construction Equipment Limited	L74899HR1995PLC053860	Holding Company	Clause 3(vii)(a) of Annexure A to Independent Auditor's Report
4	Crane Kraft India Private Limited	U29309HR2021PTC096749	Subsidiary Company	Clause 3(xvii) of Annexure A to Independent Auditor's Report

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sd/-
Kunal Kapur
Partner

Membership No.: 509209
ICAI UDIN:24509209BKEPUI8729

Place : Faridabad
Date : 21 May 2024

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Action Construction Equipment Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Action Construction Equipment Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion and based on the consideration of report of the other independent auditor on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other independent auditor, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other independent auditor of the relevant subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to a subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sd/-
Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN:24509209BKEPUI8729

Place : Faridabad
Date : 21 May 2024

Consolidated Balance Sheet as at March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	2 (a)	55,954.14	47,227.55
Capital work-in-progress	2 (b)	4,363.67	2,441.43
Investment property	3	1,636.77	1,151.72
Right-of-use assets	38	52.24	116.14
Intangible assets	4	313.25	249.31
Financial assets			
i. Investments	5	22,453.25	13,674.35
ii. Other financial assets	6	1,097.56	3,482.20
Other tax assets (net)	18 (a)	41.10	67.18
Deferred tax assets	18 (c)	61.50	-
Other non-current assets	7	3,670.99	415.66
Total Non-current assets		89,644.47	68,825.54
Current assets			
Inventories	8	55,339.99	41,854.41
Financial assets			
i. Investments	5	36,957.52	21,191.42
ii. Trade receivables	9	16,430.86	16,933.57
iii. Cash and cash equivalents	10	4,820.65	2,148.15
iv. Bank balances other than (iii) above	11	6,220.49	2,747.48
v. Loans	12	82.86	65.57
vi. Other financial assets	6	940.44	777.61
Other current assets	7	6,484.03	5,430.25
Total current assets		1,27,276.84	91,148.46
Total Assets		2,16,921.31	159,974.00
Equity and Liabilities			
Equity			
Equity share capital	13	2,381.66	2,381.66
Other equity	14	1,20,602.44	89,474.23
Equity attributable to the owners of the Company		1,22,984.10	91,855.89
Non-controlling Interests	15	166.05	162.34
Total equity		1,23,150.15	92,018.23
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	38	22.40	68.72
Provisions	17	322.32	265.62

Consolidated Balance Sheet as at March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	18(c)	969.88	1,334.26
Total non-current liabilities		1,314.60	1,668.60
Current liabilities			
Financial liabilities			
i. Borrowings	16	387.81	620.32
ii. Lease liabilities	38	36.04	55.78
iii. Trade payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises;		8,604.76	12,035.64
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		60,189.58	38,056.78
iv. Other financial liabilities	20	4,140.67	2,309.57
Other current liabilities	21	18,014.77	12,958.34
Provisions	17	380.76	250.74
Current tax liabilities (Net)	18 (b)	702.17	-
Total Current Liabilities		92,456.56	66,287.17
Total liabilities		93,771.16	67,955.77
Total equity and liabilities		2,16,921.31	1,59,974.00

Summary of material accounting policies 1.3
The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **BSR & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

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

Sd/
Kunal Kapur
Partner
Membership No : 509209
Place: Faridabad
Date: May 21, 2024

Sd/
Vijay Agarwal
Chairman and Managing Director
DIN : 00057634
Place: Faridabad
Date: May 21, 2024

Sd/
Sorab Agarwal
Whole Time Director
DIN: 00057666
Place: Faridabad
Date: May 21, 2024

Sd/
Rajan Luthra
Chief Financial Officer
Place: Faridabad
Date: May 21, 2024

Sd/
Anil Kumar
Company Secretary
Membership No.: 37791
Place: Faridabad
Date: May 21, 2024

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	22	2,91,380.10	215,967.53
Other income	23	7,709.64	4,111.73
Total income		2,99,089.74	220,079.26
Expenses			
Cost of materials consumed	24	2,07,312.46	157,995.34
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(5,030.11)	(4,440.46)
Employee benefits expenses	26	12,065.96	9,975.53
Finance costs	27	2,316.81	1,028.80
Depreciation and amortisation expenses	28	2,323.78	1,800.00
Impairment losses on financial assets	32	1,523.08	2,187.74
Other expenses	29	35,184.05	28,157.68
Total expenses		2,55,696.03	196,704.63
Profit before tax		43,393.71	23,374.63
Tax expense:			
Current tax	30	10,991.68	6,092.99
Deferred tax	30	(417.79)	(16.67)
Tax expenses		10,573.89	6,076.32
Profit for the year		32,819.82	17,298.31
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability/(assets)		(50.93)	3.65
Income tax relating to items that will not be reclassified to profit or loss		12.82	(0.92)
		(38.11)	2.73
Items that will be reclassified to profit or loss			
Exchange differences on translating financial statements of foreign operations		18.81	(1.53)
Income tax relating to items that will be reclassified to profit or loss		(4.73)	0.39
		14.08	(1.14)
Other comprehensive income / (loss) for the year (net of tax)		(24.03)	1.59
Total comprehensive income for the year		32,795.79	17,299.90

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year attributable to:			
Owners of the Company		32,816.11	17,159.94
Non-controlling interest	15	3.71	138.37
		32,819.82	17,298.31
Other Comprehensive income/(loss) for the year attributable to:			
Owners of the Company		(24.03)	1.59
Non-controlling interest		-	-
		(24.03)	1.59
Total Comprehensive income attributable to:			
Owners of the Company		32,792.08	17,161.53
Non-controlling interest		3.71	138.37
		32,795.79	17,299.90
Earnings per equity share of face value of ₹ 2 each (March 31, 2023 : ₹ 2 each)			
Basic earnings per share (in ₹)	36	27.56	14.41
Diluted earnings per share (in ₹)		27.56	14.41

Summary of material accounting policies 1.3
The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **BSR & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
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Chief Financial Officer
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Date: May 21, 2024

Sd/
Anil Kumar
Company Secretary
Membership No.: 37791
Place: Faridabad
Date: May 21, 2024

Consolidated Statement of Cash Flows for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	43,393.71	23,374.63
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	2,323.78	1,800.00
Loss/ (Gain) on sale of property, plant and equipment (net)	49.45	(1,986.01)
Share based payment expenses	73.52	-
Gain on modification of lease	(1.21)	-
Unrealised foreign exchange fluctuation (gain)/loss	1.60	(6.17)
Interest income on financial assets held at amortised cost	(2,034.01)	(855.54)
Interest income earned on finance lease receivable	(64.47)	(138.75)
Dividend received	(40.27)	(6.60)
Gain on investments carried at fair value through profit or loss	(4,241.82)	(466.59)
Rental income	(96.89)	(70.86)
Finance costs	2,316.81	1,028.80
Loss allowance for capital advances	-	472.58
Impairment losses on financial assets	1,523.08	2,187.74
Provision/liabilities not longer required written back	(631.23)	(324.36)
Warranty expenses	393.77	305.43
Provision for slow-moving and non-moving inventory	1,494.10	335.55
Operating profit before working capital changes	44,459.92	25,649.85
Working capital adjustments		
(Increase) in trade receivables	(1,010.88)	(222.11)
(Increase) in inventories	(14,979.68)	(8,852.67)
(Increase)/Decrease in loans	(17.29)	12.43
Decrease/(Increase) in other financial assets	975.68	(1,616.82)
(Increase)/Decrease in other current assets	(1,043.40)	1,063.39
Increase in trade payables	18,795.47	9,114.80
(Decrease) in provisions	(257.98)	(196.13)
Increase in other financial liabilities	1,578.65	193.41
Increase in other current liabilities	5,104.96	8,773.14
Cash generated from operating activities	53,605.45	33,919.29
Income taxes paid (net of refunds)	(10,263.43)	(6,491.51)
Net cash from operating activities (A)	43,342.02	27,427.78

Consolidated Statement of Cash Flows for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets, capital work-in-progress and capital advances	(17,504.96)	(7,388.40)
Proceeds from sale of property, plant and equipment	976.68	3,749.10
Purchase of investments	(55,884.17)	(52,506.71)
Proceeds from sale of investments	36,011.58	36,031.83
Investment in bank deposits	(4,214.02)	(5,862.90)
Proceeds from redemption of bank deposits	2,119.79	3,154.00
Interest income received	1,535.23	994.29
Dividend received	40.27	6.60
Rental income	96.89	70.86
Net cash used in investing activities (B)	(36,822.71)	(21,751.33)
Cash flows from financing activities		
Proceeds from short term borrowings	63,819.77	50,780.63
Repayment of current borrowings	(64,052.28)	(53,072.75)
Payment of principal portion of lease liabilities	(54.51)	(65.27)
Payment of finance costs (including payment of interest portion of lease liabilities)	(1,841.21)	(1,028.80)
Purchase of Treasury shares by trust during the year	(546.56)	-
Payment of final dividend	(1,190.83)	(714.50)
Net cash used in from financing activities (C)	(3,865.62)	(4,100.69)
Effect of Exchange difference on translation of foreign currency (D)	18.81	-
Net increase in cash and cash equivalents (A+B+C+D)	2,672.50	1,575.76
Cash and cash equivalents at the beginning of the year	2,148.15	572.39
Cash and cash equivalents at end of the year	4,820.65	2,148.15

Cash and cash equivalents comprises of:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	25.99	30.43
Balance with bank		
On current accounts	1,416.28	528.84
Deposits with original maturity less than 3 months	3,378.38	1,588.88
	4,820.65	2,148.15

Consolidated Statement of Cash Flows for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Notes:

- (a) The cash flows from operating activities section in consolidated statement of cash flows has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 'Statement of Cash Flows', as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.
- (b) Figures in bracket indicate cash outflow.
- (c) The following is the movement in lease liabilities.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at beginning of the year	124.50	177.75
Additions during the year	-	-
Finance cost accrued during the year	7.23	12.02
Payment of lease liabilities and finance cost accrued during the year	(61.74)	(65.27)
Termination of lease during the year	(11.55)	-
Balance at the end of the year	58.44	124.50

- (d) The following is the movement in borrowings:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at beginning of the year	620.32	2,924.47
Repayment of borrowings	(64,052.28)	(53,072.75)
Proceeds from borrowings	63,819.77	50,780.63
Non-cash changes in borrowings	-	(12.03)
Balance as at end of the year	387.81	620.32

- (e) The Group has also undrawn credit facility of ₹ 32,612 lakhs (March 31, 2023: ₹ 25,880 lakhs) for its future operating activities

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

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

Sd/
Kunal Kapur
Partner
Membership No : 509209
Place: Faridabad
Date: May 21, 2024

Sd/
Vijay Agarwal
Chairman and Managing Director
DIN : 00057634
Place: Faridabad
Date: May 21, 2024

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Whole Time Director
DIN: 00057666
Place: Faridabad
Date: May 21, 2024

Sd/
Rajan Luthra
Chief Financial Officer
Place: Faridabad
Date: May 21, 2024

Sd/
Anil Kumar
Company Secretary
Membership No.: 37791
Place: Faridabad
Date: May 21, 2024

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

March 31, 2024

Particulars	Note	No. of Shares	Amount
Balance as at April 01, 2023		11,90,83,196	2,381.66
Changes in equity share capital during the year	13	-	-
Balance as at March 31, 2024		11,90,83,196	2,381.66

March 31, 2023

Particulars	Note	No. of Shares	Amount
Balance as at April 01, 2022		11,90,83,196	2,381.66
Changes in equity share capital during the year	13	-	-
Balance as at March 31, 2023		11,90,83,196	2,381.66

B) Other equity

March 31, 2024

Particulars	Note	Reserves and Surplus					Treasury shares	Items of OCI	Total equity attributable to the owners of the Group	Non-controlling interests	Total other equity
		General reserve	Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding reserve					
Balance as at April 1, 2023		9,925.00	3,098.74	18,337.38	58,420.97	-	-	(307.86)	89,474.23	162.34	89,636.57
Profit for the year	14	-	-	-	32,816.11	-	-	-	32,816.11	3.71	32,819.82
Other comprehensive loss	14	-	-	-	(38.11)	-	-	-	(38.11)	-	(38.11)
Total comprehensive income for the year		-	-	-	32,778.00	-	-	-	32,778.00	3.71	32,781.71
Contributions and distributions											
Purchase of treasury shares by trust during the year	14	-	-	-	-	-	(546.56)	-	(546.56)	-	(546.56)
Equity share options granted during the year	14	-	-	-	-	73.52	-	-	73.52	-	73.52
Dividend paid on equity shares	14	-	-	-	(1,190.83)	-	-	-	(1,190.83)	-	(1,190.83)
Translation of foreign currency loans/Investments		-	-	-	-	-	-	14.08	14.08	-	14.08
Balance as at March 31, 2024		9,925.00	3,098.74	18,337.38	90,008.14	73.52	(546.56)	(293.78)	1,20,602.44	166.05	1,20,768.49

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

March 31, 2023

Particulars	Note	Reserves and Surplus					Treasury shares	Items of OCI	Total equity attributable to the owners of the Group	Non-controlling interests	Total other equity
		General reserve	Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding reserve		Exchange differences on translating financial statements of foreign operations			
Balance as at April 1, 2022		9,925.00	3,098.74	18,337.38	41,972.80	-	-	(306.72)	73,027.20	23.97	73,051.17
Profit for the year	14	-	-	-	17,159.94	-	-	-	17,159.94	138.37	17,298.31
Other comprehensive income	14	-	-	-	2.73	-	-	-	2.73	-	2.73
Total comprehensive income for the year		-	-	-	17,162.67	-	-	-	17,162.67	138.37	17,301.04
Contributions and distributions											
Dividend paid on equity shares	14	-	-	-	(714.50)	-	-	-	(714.50)	-	(714.50)
Translation of foreign currency loans/Investments		-	-	-	-	-	-	(1.14)	(1.14)	-	(1.14)
Balance as at March 31, 2023		9,925.00	3,098.74	18,337.38	58,420.97	-	-	(307.86)	89,474.23	162.34	89,636.57

Summary of material accounting policies

1.3

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of

Action Construction Equipment Limited

Sd/

Kunal Kapur

Partner

Membership No : 509209

Place: Faridabad

Date: May 21, 2024

Sd/

Vijay Agarwal

Chairman and Managing Director

DIN : 00057634

Place: Faridabad

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Whole Time Director

DIN: 00057666

Place: Faridabad

Date: May 21, 2024

Sd/

Rajan Luthra

Chief Financial Officer

Place: Faridabad

Date: May 21, 2024

Sd/

Anil Kumar

Company Secretary

Membership No.: 37791

Place: Faridabad

Date: May 21, 2024

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

1.1 GROUP 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. The Company is listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group') for the year ended March 31, 2024. The Group is engaged in the business of manufacturing and marketing of Hydraulic Mobile Cranes, Mobile Tower Cranes, Crawler Cranes, Truck Mounted Cranes, Material Handling Equipments like Forklifts, Road Construction Equipments like Backhoe loaders, Compactors, Motor graders and Agriculture Equipments like Tractors, Harvesters, Rotavators etc

1.2 Basis of preparation

A. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013("Act").

The consolidated financial statements were approved for issue by the Board of Directors of the Group on May 21, 2024. Details of the Group's accounting policies are included in Note 1.3.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

C. Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis except certain financial assets, financial liabilities and plan assets, which are measured on an alternative basis on each reporting date. Refer Note 31 and 32.

D. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following note:

- Note 1.3.o - Judgement required to whether an arrangement contains a lease or to ascertain lease classification
- Note 19 - Presentation of amounts related to reverse factoring arrangement in the balance sheet.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Notes 1.3.c.i - revenue recognition: estimate of expected returns;
- Note 1.3.d- measurements of defined benefit obligations: key actuarial assumptions;
- Note 1.3.i, 1.3.j and 1.3.k - measurement of useful life and residual values of property, plant and equipment and investment property and useful life of intangible assets;

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

- Note 1.1.E and 1.3.l - Fair value measurement of financial instruments;
- Note 1.3.n and 1.3.q - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 1.3 and 1.3.m - Impairment of financial and non-financial assets;
- Note 1.3.d.vi - fair value measurement of share based payment; and
- Note 1.2.h - provision for obsolescence and slow-moving inventory

E. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and reports directly to the Group's Chief Financial Officer.

The management of the Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

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. 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 to/ by the Group.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 3, 32, 45.

F. Current - non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has identified twelve months as its operating cycle for determining current and non-current classification of assets

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

and liabilities in the balance sheet.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements

a. Basis of consolidation

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Consolidation procedure followed is as under:

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined on like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

ii) Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b. Foreign currency transaction

i) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

transaction. Foreign currency exchange differences are generally recognised in profit or loss, except foreign currency exchange differences arising from the translation of the following items which are recognised in OCI.

- an investment in equity securities designated as at FVOCI;
- financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

ii) Foreign operations

The assets and liabilities of foreign operations (subsidiary) and fair value adjustments arising on acquisition, are translated into INR at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency differences are recognised in OCI and accumulated in the equity (as exchange differences on translating the financial statements of foreign operation), except to the extent that the exchange differences are allocated to NCI.

c. Revenue from contracts with customer

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

i) Sale of products

Revenue from sale of products is recognised when control of the products being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch or delivery depending on delivery terms.

The consideration is allocated between sales of product and after sales maintenance services, based on their standalone selling price which is determined as per price list at which the Group provides such services and products in separate transaction. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of discount) allocated to that performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other current liabilities (Refer Note 21) and the right to recover returned goods is included in inventory (Refer Note 8). The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

ii. Sale of services

Revenue from providing services is recognised in the accounting period in which services are rendered.

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

iii. Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by nature of goods and service. Refer Note 41.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

iv. Contract liabilities

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities. Advance received from customer and deferred revenue are included in contract liabilities.

d. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan where the Group legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Group makes specified monthly contributions towards Government administered provident fund scheme.

Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the Consolidated Statement of Profit and Loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits - compensated absences

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Group net obligation in respect of other long-term employee benefit of accumulating

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the Consolidated Balance Sheet if the Group does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

v. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

vi. Share based payments

a. Treasury shares

The Group has created “Action Construction Equipment Limited employees Welfare Trust” (ESOP Trust) for providing share-based payment to employees of holding company under the Action Construction Equipment Limited Employee Stock Option Scheme – 2021 (ESOP Scheme). In order to fund the ESOP scheme, the ESOP Trust, upon intimation from the holding company, carries out secondary market acquisition of the equity shares of the holding company. They are equivalent to the employee stock options granted to its employees. The holding company provides loan to the ESOP Trust for enabling such secondary acquisition. As and when the employee stock options vest with eligible employees, upon intimation of such details by the holding company, the ESOP Trust sells the equivalent shares to employees and hands over the net proceeds to the holding company in accordance with the Trust Rules framed. The holding company treats ESOP Trust as its extension and shares held by ESOP Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity and presented as separate line item “treasury shares” in other equity. No gain or loss is recognised in profit or loss on the purchase of the holding company’s own equity instruments. Any difference between the carrying amount and the consideration is recognised in share options outstanding reserve.

b. Share option plan (Equity settled)

The grant date fair value of equity-settled share-based payment arrangements granted to employees is recognised as an employee benefits expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true up for differences between expected and actual outcomes.

Liability for the holding company’s share option plan, granted pursuant to Action Construction Equipment Limited Stock Option Scheme – 2021, is measured, initially and at the end of reporting period until settled, at the grant date fair value of the options, by applying Black Scholes model, and is recognized as employee benefit expense over the relevant service period .

e. Government grants

The Group recognise an unconditional government grant related to export of sales in profit or loss as other operating revenue, when the grant becomes receivable. Other government grants related to assets, including non-monetary grants, are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

f. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

g. Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction.
 - that is not a business combination and
 - at the time of transaction that (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

h. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials, cost comprises of cost of purchase. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on actual use of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Provision for obsolescence and slow-moving inventory is made based on management's best estimates of net realisable value of such inventories. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

i. Property, plant and equipment

i. Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is recognised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

iii. Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the Consolidated Statement of Profit and Loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided on straight line basis using the lives as mentioned below.

Asset category	Management's estimate of useful life considered by (Years)	Useful life as per Schedule II to the Companies Act, 2013 (Years)
Factory Building	10-30	10-30
Office Building	10-60	10-60
Plant and Machinery	6-30	8-15
Furniture and Fixtures	5-10	10
Office Equipment	5-15	5
Motor Vehicles	8-10	8-10
Computers	3-5	3-6
Electric Equipment and Fittings	10	10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready or use/ (disposed off).

iv. Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

v. Capital advances

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under "other non-current assets".

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

vi. 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 Consolidated Statement of Profit and Loss when the asset is derecognised.

vii. Transition to Ind AS

As permitted by Ind AS 101, the Group, on transition to Ind AS, had elected to continue with the carrying value under previous GAAP for all of its property, plant and equipment and use that as its deemed cost.

j. Intangible assets

i. Recognition and measurement

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and are carried at cost less accumulated amortisation and impairment losses, if any.

ii. Subsequent expenditure

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognised in the Consolidated Statement of Profit and Loss, as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation on pro-rata basis expense in the Consolidated Statement of Profit and Loss.

Asset category	Management's estimate of useful life considered by (Years)
Computer software	5
Technical know how	5

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Amortisation on additions/(disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready or use/(disposed off).

iv. Derecognition

An item of intangible assets 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 Consolidated Statement of Profit and Loss when the asset is derecognised.

v. Transition to Ind AS

As permitted by Ind AS 101, the Group, on transition to Ind AS, had elected to continue with the carrying value under previous GAAP for all of its intangible assets and use that as its deemed cost.

k. Investment properties

i. Recognition and measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost, including related transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

iii. Depreciation

Based on technical evaluation and consequent advice, the management believes a period of 60 years as representing the best estimate of the period over which investment property (which is quite similar) is expected to be used. Accordingly, the Group depreciates investment property over a period of 60 years on a straight-line basis. Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready or use/(disposed off).

iv. Reclassification from / to investment property

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

v. Fair value disclosure

The fair values of investment property is disclosed in the Note 32. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and is a registered valuer.

vi. Transition to Ind AS

On transition to Ind AS, the Group had elected to continue with the carrying value under previous GAAP for all of its investment property and use that as its deemed cost.

I. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued (comprise of short-term commercial papers) are initially recorded when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets other than trade receivables includes investment in bonds and debentures, alternative investment fund, portfolio management service, limited liability partnership firm, infrastructure investment trust, shares and mutual funds, security deposits paid, finance lease receivables, bank deposits, interest receivables, cash and cash equivalents and loans to employees.

Financial liabilities other than debt securities include short-term borrowings, credit card payables, trade payables, unclaimed dividend, security deposits received, capital creditors, employee related payables.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- at amortised cost;
- Financial assets at fair value through other comprehensive income (FVOCI) – debt investment;
- Financial assets at fair value through other comprehensive income (FVOCI) – equity investment; or
- Financial assets at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at the amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within the business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all investments in unlisted equity shares, infrastructure trust, limited liability partnership firm, mutual funds, portfolio management services and alternative investment fund (Refer Note 5). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset

The Group enters into transactions whereby it transfers assets recognised on its Consolidated Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Reverse factoring arrangement

The Group participates in a reverse factoring arrangement which is disclosed under trade payables under which its suppliers receive payment of their invoice from a bank/financial institution by factoring their receivable from the Group. Under the arrangement, a bank/financial institution agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. The Group presents such liabilities as part of 'trade payables' since these liabilities have a similar nature and function to trade payables, i.e. these liabilities are part of the working capital used in the Group's normal operating cycle and are in respect of the amounts due on account of goods purchased or services received in the normal course of business.

The payments to the bank/financial institution are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating i.e., payments for the purchase of goods and services.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

m. Impairment

i. Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost;

The Group also recognises loss allowances for ECLs on finance lease receivables, which are disclosed as financial assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and finance lease receivables are always measured at an amount equal to lifetime ECLs.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than thirty days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than one year past due;

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the Consolidated Balance Sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group procedures for recovery of amounts due.

ii. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of goodwill, if any allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

In respect of assets other than goodwill for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or recognised if no impairment loss had been recognised.

n. Provisions (other than employee benefits)

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Expected future operating losses are not provided for.

Where the Group expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Warranties

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities

o. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognised a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be amortised over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities separately in the Consolidated Balance Sheet within 'Financial Liabilities'.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognised the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies Ind AS 115 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease (Refer note 38). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognised lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

p. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are recognised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

q. Contingent liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the Consolidated financial statements.

Contingent assets

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

that may never be recognised. However, when the recognition of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Provisions, contingent liabilities and contingent assets are reviewed at each consolidated balance sheet date.

r. Earnings per share

i. Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit (or loss) attributable to the owners of the Group by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

ii. Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

s. Segment reporting

An Operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Chairman and Managing Director and Executive Director who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Basis of allocation of segment revenue, expenses, assets and liabilities

The financial information of operating segments is prepared and reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM evaluates segment performance and allocates resources based on this internal information.

Revenue and expenses : Revenue and expenses are attributed to the segments based on the direct relationship to the specific activities of each segment. This includes both directly attributable costs and revenue and a proportionate allocation of common cost. Inter-segment revenue and expenses are eliminated upon consolidation.

Assets : Segment assets include financial assets used by a segment, such as property, plant, equipment, finance lease receivables, prepaid expenses, balance with government authorities, inventories, advance to vendors, security deposit given, capital advances, trade receivables etc. These are directly attributable to the segments where they are utilized.

Liabilities : It principally includes trade payables, provisions for warranty, provision for compensated absences, security deposits received, capital creditors, deferred revenue, advance from customers, refund liabilities, statutory liabilities, employee related payables etc. which are directly attributable to the segments where they incur.

Unallocated assets, liabilities, income and expenses: Unallocated assets and liabilities are used for corporate purposes. Income and expenses which are not directly attributable to particular segment is disclosed as unallocated.

t. Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

u. Dividend distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors of the Group, or in respect of the final dividend when approved by shareholders of the Group.

v. Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standard applicable to the Group.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (a) Property, plant and equipment

As at March 31, 2024

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	Depreciation for the year	Disposals during the year	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024
Freehold land	18,025.58	1,442.58	-	19,468.16	-	-	-	-	18,025.58	19,468.16
Factory building	8,677.79	2,876.59	-	11,554.38	3,218.63	315.58	-	3,534.21	5,459.16	8,020.17
Office building	12,099.45	364.33	-	12,463.78	885.45	203.14	-	1,088.59	11,214.00	11,375.19
Plant and machinery	15,231.63	4,151.94	1,180.58	18,202.99	6,548.12	925.65	460.19	7,013.58	8,683.51	11,189.41
Furniture and fixtures	2,408.56	732.58	232.69	2,908.45	972.26	198.89	221.04	950.11	1,436.30	1,958.34
Office equipment	686.68	37.66	138.37	585.97	403.07	47.67	131.46	319.28	283.61	266.69
Motor vehicles	2,313.66	1,995.62	468.17	3,841.11	837.69	350.19	201.99	985.89	1,475.97	2,855.22
Computer	540.65	159.51	328.21	371.95	472.45	45.92	313.21	205.16	68.20	166.79
Electric equipment and fittings	885.26	147.11	120.04	912.33	304.04	68.16	114.04	258.16	581.22	654.17
Total	60,869.26	11,907.92	2,468.06	70,309.12	13,641.71	2,155.20	1,441.93	14,354.98	47,227.55	55,954.14

As at March 31, 2023

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	Depreciation for the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Freehold land	17,296.87	1,065.93	337.22	18,025.58	-	-	-	-	17,296.87	18,025.58
Factory building	7,965.30	712.49	-	8,677.79	2,952.95	265.68	-	3,218.63	5,012.35	5,459.16
Office building	11,189.53	909.92	-	12,099.45	766.53	118.92	-	885.45	10,423.00	11,214.00
Plant and machinery	14,469.75	2,365.74	1,603.86	15,231.63	5,997.96	807.79	257.63	6,548.12	8,471.79	8,683.51
Furniture and fixtures	1,392.50	1,016.06	-	2,408.56	857.52	114.74	-	972.26	534.98	1,436.30
Office equipment	569.14	118.05	0.51	686.68	358.71	44.36	-	403.07	210.43	283.61
Motor vehicles	2,308.25	469.49	464.08	2,313.66	984.86	237.85	385.02	837.69	1,323.39	1,475.97
Computer	507.16	33.49	-	540.65	449.55	22.90	-	472.45	57.61	68.20
Electric equipment and fittings	490.54	394.72	-	885.26	268.64	35.40	-	304.04	221.90	581.22
Total	56,189.04	7,085.89	2,405.67	60,869.26	12,636.72	1,647.64	642.65	13,641.71	43,552.32	47,227.55

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (b) Capital Work-in-progress

Particulars	As at April 1, 2022	Additions during the Year	Capitalised during the year	As at March 31, 2023	Additions during the Year	Capitalised during the year	As at March 31, 2024
Capital work-in-progress	2,429.27	4,110.98	4,098.82	2,441.43	7,449.89	5,527.65	4,363.67

During the current year and previous year, the Group has incurred expenses for extension of plants and corporate office.

The following table presents Capital-work-in progress capitalised during the year.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Factory building	2,805.96	537.05
Office building	3.17	905.61
Plant and machinery	2,095.59	1,221.55
Furniture and fixtures	524.95	1,002.65
Office equipment	1.17	74.24
Electric equipment and fittings	96.81	357.72
Total	5,527.65	4,098.82

The following table presents the ageing schedule for Capital-work-in progress

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
As at March 31, 2024					
Projects in progress	4,014.89	348.78	-	-	4,363.67
	4,014.89	348.78	-	-	4,363.67
As at March 31, 2023					
Projects in progress	2,287.39	154.04	-	-	2,441.43
	2,287.39	154.04	-	-	2,441.43

There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2024 and March 31, 2023.

2 (c) Property, plant and equipment pledged as security (net) (Refer Note 16)

Particulars	As at March 31, 2024	As at March 31, 2023
Plant and machinery	11,165.83	8,677.94
	11,165.83	8,677.94

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (d) Title deeds of immovable properties not held in the name of the Group

S. No	Relevant Line item in the Consolidated Balance Sheet	Description of item of property	Gross carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Amount as per buyers agreement	Reason for not being held in the name of the Group
1	Investment property	Building at Jasola, New Delhi	293.49	Bright-ways Housing & Land Development Ltd	No	August 7, 2007	146.43	The possession and original buyers agreement, of the property, is in the name of Group. However, the Group is yet to pay conversion charges to Delhi Development Authority (DDA) to get the title deed registered with appropriate authority.
2	Property, plant and equipment	Building at Faridabad, Haryana	2,030.39	Godavari Shilpkala Limited	No	March 31, 2012	1,283.74	The possession and original buyers agreement, of the property, is in the name of Group. However, Godavari Shilpkala Limited is in the process of getting compounding of the building from Municipal Corporation & Country Planning Department to get the title deed registered with appropriate authority.
3	Property, plant and equipment	Building at Sarita Vihar, New Delhi	36.24	K.K. Enterprises	No	November 3, 2000	33.86	The possession and original buyers agreement, of the property, is in the name of Group. However, the Group is yet to pay conversion charges to Delhi Development Authority to get the title deed registered with appropriate authority.
4	Property, plant and equipment	Building at Kolkata, West Bangal	388.80	Mr. Vijay Agarwal	Yes, promoter and director	February 12, 2021	380.53	The possession and Original buyers agreement, of the property, is in the name of Group. Further, the Group is taking adequate legal steps to get the title deeds registered with appropriate authority.
5	Property, plant and equipment	Building at Faridabad, Haryana	300.00	Mr. Vijay Agarwal, Mrs. Mona Agarwal	Yes, promoter and director	March 30, 2021	300.00	The possession and original buyers agreement, of the property, is in the name of Group. However, the Group is yet to pay endorsement charges to Mr. Vijay Agarwal and Mrs. Mona Agarwal to get the title deed registered with appropriate authority.
6	Property, plant and equipment	Building at Prithla, Haryana	101.34	Steelfab Private Limited	No	August 13, 1997	101.34	The Group has received this property by way of merger of Steelfab Private Limited with the Group. Group is legal owner of the property by way of order of the National Company Law Tribunal (NCLT), however the name is still not changed in the title deed.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

3. Investment property

As at March 31, 2024

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	Depreciation for the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	As at March 31, 2024
Buildings	1,763.15	510.87	-	2,274.02	611.43	25.82	-	637.25	1,151.72	1,636.77
Total	1,763.15	510.87	-	2,274.02	611.43	25.82	-	637.25	1,151.72	1,636.77

As at March 31, 2023

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	Depreciation for the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Buildings	1,763.15	-	-	1,763.15	587.86	23.57	-	611.43	1,175.29	1,151.72
Total	1,763.15	-	-	1,763.15	587.86	23.57	-	611.43	1,175.29	1,151.72

Amounts recognised in the Consolidated Statement of Profit and Loss in respect of the investment properties is as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental income (Refer Note 23)	96.89	70.86
Direct operating expenses arising from investment properties that generated rental income during the year	-	13.27
Direct operating expenses arising from investment properties that did not generate rental income during the year	-	-
Profit arising from investment properties before depreciation and indirect expenses	96.89	57.59

The fair value of the investment property is ₹ 3,521.50 lakhs (31 March 2023 - ₹ 2,772.91 lakhs). The fair value has been determined on the basis of valuation carried out at the reporting date by the registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 and the same has been categorised as Level 2 based on the comparable valuation approach used and inputs applied. The registered valuer is independent of the Group and has relevant professional experience. The main inputs considered by the valuer are property location, property structure, market research and trends, market rentals and comparable values, as appropriate.

The Group has no restrictions on the realisability of its investment properties.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

4. Intangible assets

As at March 31, 2024

Particulars	Gross carrying amount				Accumulated Amortisation				Net carrying amount	
	As at April 1, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	As at March 31, 2024
Computer software	763.32	73.38	-	836.70	673.03	38.21	-	711.24	90.29	125.46
Technical know how	457.84	79.76	-	537.60	298.82	50.99	-	349.81	159.02	187.79
Total	1,221.16	153.14	-	1,374.30	971.85	89.20	-	1,061.05	249.31	313.25

As at March 31, 2023

Particulars	Gross carrying amount				Accumulated Amortisation				Net carrying amount	
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	As at March 31, 2023
Computer software	754.78	8.61	0.07	763.32	643.25	29.78	-	673.03	111.53	90.29
Technical know how	412.84	45.00	-	457.84	258.16	40.66	-	298.82	154.68	159.02
Total	1,167.62	53.61	0.07	1,221.16	901.41	70.44	-	971.85	266.21	249.31

5. Investments

(i) Non-current investments

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in equity shares (Un-quoted investment designated at fair value through profit or loss)	1,910.48	495.44
Investment in infrastructure investment trust (Quoted investment designated at fair value through profit or loss)	703.79	-
Investment in bonds and debentures (Quoted investment measured at amortised cost)	5,993.74	6,363.38
Investment in bonds and debentures (Un-quoted investment measured at amortised cost)	4,001.73	-
Investment in alternative investment fund (Un-quoted investment designated at fair value through profit or loss)	9,347.94	5,253.32

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Investment in portfolio management service - (Un-quoted investment designated at fair value through profit or loss)	495.57	752.07
Investment in limited liability partnership firm (Un-quoted investment designated at fair value through profit or loss)	-	810.14
	22,453.25	13,674.35
Aggregate book value of quoted investments	6,697.53	6,363.38
Aggregate market value of quoted investments	6,732.27	6,325.65
Aggregate book value of unquoted investments	15,755.72	7,310.97
Aggregate amount of impairment in the value of investments	-	-

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 32.

(ii) Current investments

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in mutual funds (Quoted investment designated at fair value through profit or loss)	27,166.56	15,296.70
Investment in bonds and debentures (Quoted investment measured at amortised cost)	8,707.13	5,894.72
Investment in bonds and debentures (Un-quoted investment measured at amortised cost)	1,083.83	-
	36,957.52	21,191.42
Aggregate book value of quoted investments	35,873.69	21,191.42
Aggregate market value of quoted investments	35,900.10	21,193.03
Aggregate book value of unquoted investments	1,083.83	-
Aggregate amount of impairment in the value of investments	-	-

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 32.

6. Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Non-current financial assets (Unsecured, considered good, unless otherwise stated)		
Finance lease receivables	233.30	1,036.39
Security deposits	227.73	217.94
Bank deposits with remaining maturity of more than 12 months*	636.53	2,227.87
	1,097.56	3,482.20
(ii) Current financial assets (Unsecured, considered good, unless otherwise stated)		
Finance lease receivables	194.14	420.78
Security deposits	99.53	76.77
Interest receivable on bonds and debentures	-	154.79
Others (receivable from banks on account of maturity of bank deposits and rental income receivable)	646.77	125.27
	940.44	777.61

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 32.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

* Bank deposits includes the following:

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits under lien as security or collateral	420.22	100.00
Deposit pledged against the bank guarantee	0.58	86.66

7. Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Other non-current assets		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Capital advances (Refer Note 35b)	3,656.85	866.19
Less: Loss allowance for capital advances	-	(472.58)
	3,656.85	393.61
Prepaid expenses	14.14	22.05
	3,670.99	415.66
(ii) Other current assets		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Advances other than capital advances		
Advances to suppliers	1,562.02	1,557.81
Advance to Employees	26.86	18.60
Others		
Balance with government authorities	4,618.87	3,630.11
Prepaid expenses	203.23	150.73
Net defined benefit plan asset (Refer Note 31)	69.97	70.34
Other current assets	3.08	2.66
	6,484.03	5,430.25

Movement in loss allowance of advance to suppliers

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	-	1,009.06
Loss allowance created during the year	-	-
Amount written off during the year	-	(1,009.06)
Balance at the end of the year	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in loss allowance of capital advances

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	472.58	-
Loss allowance created during the year	-	472.58
Amount written off during the year	(472.58)	-
Balance at the end of the year	-	472.58

8. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials [includes stock in transit of ₹ 3,028.92 lakhs (March 31, 2023: ₹ 1,266.60 lakhs)]*#	30,373.46	21,917.99
Work in-progress	3,034.05	4,163.91
Finished goods [includes stock in transit of ₹ 4,390.77 lakhs (March 31, 2023: ₹ 3,340.55 lakhs)]	21,166.31	15,241.79
Right to recover returned goods	766.17	530.72
	55,339.99	41,854.41

Note:- The Group has availed working capital facilities which are secured first pari passu charge on entire inventories. Refer Note 16 for details.

* Net of provision for slow-moving and non-moving inventories ₹ 1,829.65 lakhs (₹ 335.55 lakhs as at March 31, 2023)

#Raw materials lying with related parties for job work amounting to ₹ 49.68 lakhs (₹ Nil at March 31, 2023)

9. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good, Unsecured	17,259.57	17,283.33
Trade receivable - credit impaired	3,163.88	2,200.99
Total trade receivables	20,423.45	19,484.32
Less: Loss allowance	(3,992.59)	(2,550.75)
Net trade receivables	16,430.86	16,933.57

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Ageing of trade receivables as at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than Six months	6 months-1 year	1 - 2 years	2 - 3 Years	More than 3 years	
Undisputed trade receivables-considered good	124.82	5,970.71	10,506.66	657.38	-	-	-	17,259.57
Undisputed trade receivables-which have significant increase in credit risk	-	-	-	278.76	-	-	-	278.76
Undisputed trade receivables-credit impaired	-	-	-	-	860.40	142.66	1,673.74	2,676.80
Disputed trade receivables-considered good	-	-	-	-	-	-	-	-
Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	4.34	23.90	55.49	2.55	122.04	208.32
Total	124.82	5,970.71	10,511.00	960.04	915.89	145.21	1,795.78	20,423.45
Weighted average loss rate	-	-	-5.73%	-55.60%	-100.00%	-100.00%	-100.00%	-19.55%
Less: Loss Allowance	-	-	(601.94)	(533.77)	(915.89)	(145.21)	(1,795.78)	(3,992.59)
Total	124.82	5,970.71	9,909.06	426.27	-	-	-	16,430.86

Ageing of trade receivables as at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than Six months	6 months-1 year	1 - 2 years	2 - 3 Years	More than 3 years	
Undisputed trade receivables-considered good	92.35	3,468.04	12,016.45	1,207.62	498.87	-	-	17,283.33
Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	276.76	133.90	1,668.39	2,079.05
Disputed trade receivables-Considered good	-	-	-	-	-	-	-	-
Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than Six months	6 months-1 year	1 - 2 years	2 - 3 Years	More than 3 years	
Disputed trade receivables - Credit impaired	-	-	-	-	0.31	56.44	65.19	121.94
Total	92.35	3,468.04	12,016.45	1,207.62	775.94	190.34	1,733.58	19,484.32
Weighted average loss rate	-	-0.94%	-1.26%	-13.71%	-35.71%	-100.00%	-100.00%	-13.09%
Less: Loss allowance	-	(32.44)	(151.81)	(165.51)	(277.07)	(190.34)	(1,733.58)	(2,550.75)
Total	92.35	3,435.60	11,864.64	1,042.11	498.87	-	-	16,933.57

Notes:-

- Receivables due from related parties was ₹ 24.45 lakhs as at March 31, 2024 (₹ 150.15 lakhs as at March 31, 2023). Refer Note 34 for details.
- The Group has availed working capital facilities which are secured by first pari passu charge on entire book debts. Refer Note 16 for details.
- Information about the Group's exposure to credit risk, market risks, fair value measurement and impairment losses is included in Note 32
- Debts due by private companies in which there is a common director are ₹ 24.45 lakhs (As at 31 March 2023 - ₹ 150.15 lakhs). Refer Note 34 for details.

10. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
On current accounts	1,416.28	528.84
Deposits with original maturity less than 3 months	3,378.38	1,588.88
Cash on hand	25.99	30.43
	4,820.65	2,148.15

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 32.

11. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Bank deposits with original maturity for more than 3 months but less than 12 months and bank deposits with remaining maturity for less than 12 months*	6,211.91	2,739.12
Earmarked balances with bank**	8.58	8.36
	6,220.49	2,747.48

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

*Bank deposits includes the following:

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits under lien as security or collateral	286.39	490.56
Deposit pledged against the bank guarantee	110.22	1,229.24

**Earmarked balances with banks pertain to unclaimed dividends.

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 32.

12. Loans

Particulars	As at March 31, 2024	As at March 31, 2023
Loan to employees (Unsecured, considered good, unless otherwise states)	82.86	65.57
	82.86	65.57

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 32.

13. Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
a) Authorised				
Equity shares of ₹ 2/- each	27,62,50,000	5,525.00	27,62,50,000	5,525.00
	27,62,50,000	5,525.00	27,62,50,000	5,525.00
b) Issued, subscribed and fully paid up:				
Equity shares of ₹ 2/- each	11,90,83,196	2,381.66	11,90,83,196	2,381.66
Total	11,90,83,196	2,381.66	11,90,83,196	2,381.66

c) Reconciliation of number of equity shares outstanding

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	11,90,83,196	2,381.66	11,90,83,196	2,381.66
Additions during the year	-	-	-	-
At the end of the year	11,90,83,196	2,381.66	11,90,83,196	2,381.66

- d) During the financial year 2019-20 pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, the provisions of the SEBI (Buy Back of Securities) Regulations, 2018, Article 62 of the Articles of Association of the 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 had bought back 3,839,804 equity shares of ₹ 2 each in electronic form.
- e) During the financial year 2021-22, the Qualified Institutions Placement Committee ("QIP Committee") had in its meeting held on September 24, 2021 has approved the allotment of 56,00,000 Equity Shares of face value of ₹ 2 each to eligible

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

qualified institutional buyers at the issue price of ₹ 242 per equity shares (including a premium of ₹ 240 per equity share) against the Floor Price of ₹ 254.55 per equity shares, aggregating to ₹ 13,552.00 pursuant to the issue in accordance with the SEBI ICDR Regulations, 2018. Refer to Note 37.

f) Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% holding	No. of Shares	% holding
Mr. Vijay Agarwal	3,42,36,078	28.75%	3,42,36,078	28.75%
Mrs. Mona Agarwal	3,06,57,579	25.74%	3,06,57,579	25.74%
Mr. Sorab Agarwal	76,23,650	6.40%	76,23,650	6.40%
Mrs. Surbhi Garg	69,30,156	5.82%	69,30,156	5.82%

h) Disclosure of change in equity shareholding of promoters

Particulars	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Mr. Vijay Agarwal	3,42,36,078	28.75%	3,42,36,078	28.75%	-
Mrs. Mona Agarwal	3,06,57,579	25.74%	3,06,57,579	25.74%	-
Mr. Sorab Agarwal	76,23,650	6.40%	76,23,650	6.40%	-
Mrs. Surbhi Garg	69,30,156	5.82%	69,30,156	5.82%	-
Mrs. Anuradha Garg	50,000	0.04%	50,000	0.04%	-
Total	7,94,97,463	66.76%	7,94,97,463	66.76%	-

Particulars	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Mr. Vijay Agarwal	3,42,36,078	28.75%	3,42,36,078	28.75%	-
Mrs. Mona Agarwal	3,06,57,579	25.74%	3,06,57,579	25.74%	-
Mr. Sorab Agarwal	76,23,650	6.40%	76,23,650	6.40%	-
Mrs. Surbhi Garg	69,30,156	5.82%	69,30,156	5.82%	-
Mrs. Anuradha Garg	50,000	0.04%	50,000	0.04%	-
Total	7,94,97,463	66.76%	7,94,97,463	66.76%	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

14. Other equity

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
General reserve	(a)	9,925.00	9,925.00
Capital redemption reserve	(b)	3,098.74	3,098.74
Securities premium	(c)	18,337.38	18,337.38
Treasury shares	(d)	(546.56)	-
Share options outstanding	(e)	73.52	-
Retained earnings	(f)	90,008.14	58,420.97
Foreign currency translation reserve	(g)	(293.78)	(307.86)
		1,20,602.44	89,474.23

Movement in reserves and surplus

Particulars	As at March 31, 2024	As at March 31, 2023
a) General reserve		
Balance at the beginning and end of the year	9,925.00	9,925.00
b) Capital Redemption Reserve		
Balance at the beginning and end of the year	3,098.74	3,098.74
c) Securities premium		
Balance at the beginning and end of the year	18,337.38	18,337.38
d) Treasury Shares		
Balance at the beginning of the year	-	-
Purchase of Treasury shares by Trust during the year	(546.56)	-
Balance at the end of the year	-546.56	-
e) Share options outstanding		
Balance at the beginning of the year	-	-
Options granted during the year	73.52	-
Balance at the end of the year	73.52	-
f) Retained earnings		
Balance at the beginning of the year	58,420.97	41,972.80
Profit during the year	32,816.11	17,159.94
Dividend paid	(1,190.83)	(714.50)
Other comprehensive income - actuarial loss/(gain) on defined benefit plan for the year	(38.11)	2.73
Balance at the end of the year	90,008.14	58,420.97

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

g) Foreign currency translation reserve		
Balance at the beginning of the year	(307.86)	(306.72)
Exchange differences on translating financial statements of foreign operations	14.08	(1.14)
Balance at the end of the year	(293.78)	(307.86)

Nature and purpose of reserves and surplus

a) General reserve

General reserve are free reserves of the Group which are kept aside out of the Group's profit to meet the future requirements as and when they arise.

b) Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Group created a capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from the general reserve.

c) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

d) Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity and presented as treasury shares. The Company holds 73,791 (Nil as at March 31, 2023) number of its shares.

e) Share options outstanding reserve

The share option outstanding account is used to record value of equity-settled share based payment transactions with employees. The amount recorded in this account are transferred to retained earnings upon exercise of stock options by employees.

f) Retained earnings

Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilised or distributed by the Group in accordance with the provisions of the Companies Act, 2013.

g) Foreign currency translation reserve

The foreign currency translation reserve contains the accumulated foreign exchange differences from the translation of the financial statements of the Group's foreign operations, arising when the Group's entities are consolidated.

h) Dividends

The following dividends were declared and paid by the Group during the year.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
₹ 1 per equity share (March 31, 2023: ₹ 0.60 per equity share)	1,190.83	714.50

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

Particulars	As at March 31, 2024	As at March 31, 2023
₹ 2 per equity share (March 31, 2023: ₹ 1 per equity share)	2,381.66	1,190.83

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

15 Non-controlling interests ('NCI')

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

March 31, 2024

Particulars	SC Forma SA	Namo Metals	Total
Movement of non-controlling interests			
NCI Percentage	10.48%	10.00%	
Balance as at April 1, 2023	159.54	2.80	162.34
Share of total comprehensive Income	2.40	1.31	3.71
Balance as at March 31, 2024	161.94	4.11	166.05

March 31, 2023

Particulars	SC Forma SA	Namo Metals	Total
Movement of non-controlling interests			
NCI Percentage	10.48%	10.00%	
Balance as at April 1, 2022	22.45	1.52	23.97
Share of total comprehensive Income	137.09	1.28	138.37
Balance as at March 31, 2023	159.54	2.80	162.34

16. Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Current Borrowings		
<i>Secured</i>		
Cash credit	387.81	620.32
	387.81	620.32

Nature of Borrowing	Repayment terms	Security offered	Currency	Rate of Interest	As at March 31, 2024	As at March 31, 2023
Current borrowings						
Secured						
Cash credit	Repayable within a period ranging from 15 to 45 days (March 31, 2023: 15 to 45 days)	Secured by way of hypothecation of the Group's entire inventory and such other movables including book -debts, outstanding monies, receivables, both present & future and Plant and Machinery on pari passu basis.	INR	Interest rate ranges from 7.50 % p.a. to 8.75 % p.a. (March 31, 2023: 6.50 % p.a. to 8.10 % p.a.)	387.81	620.32
Unsecured						

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Credit card payables	Repayable within a period ranging from 15 to 45 days (March 31, 2023: 15 to 45 days)	Unsecured in nature	INR	Interest rate ranges from 7% p.a. to 8% p.a. (March 31, 2023: 6% p.a. to 7% p.a.).	-	-
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Information about the Group's exposure to interest rate and liquidity risks is included in Note 32. There are no borrowings guaranteed by the directors or others.

17. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Provision for compensated absences (Refer Note 31)	318.51	264.24
Provision for Gratuity	3.81	1.38
	322.32	265.62
Current Provisions		
Provision for warranty*	348.73	217.32
Provision for compensated absences (Refer Note 31)	32.01	33.42
Provision for Gratuity	0.02	-
	380.76	250.74

*Provision for warranty

The Group gives warranties on certain products and undertake to repair or replace them, if they fail 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 next year. The provision is based on estimates made from historical warranty data associated with similar products and services. The Group expect to incur the related expenditures within next year.

Movement in provision for warranty

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	217.32	146.36
Additional provisions recognised	393.77	305.43
Amount utilised during the year	(262.36)	(234.47)
Balance at the end of the year	348.73	217.32

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

18. Other tax assets

(a) Income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets	41.10	67.18
	41.10	67.18

(b) Current tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax liabilities (Net of advance tax of ₹ 10,289.51 lakhs as at March 31, 2024 (March 31, 2023 ₹ Nil))	702.17	-
	702.17	-

(c) Deferred tax liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
The balance comprises temporary differences attributable to:		
Tax effect of items resulting in taxable temporary differences		
Depreciation on property, plant and equipment, investment property and intangible assets	2,204.80	1,778.24
Finance lease receivables	107.57	366.74
Unrealised gain on investments	613.33	252.47
Right of use assets	8.52	17.65
Others	7.11	2.38
	2,941.33	2,417.48
Tax effect of items resulting in deductible temporary differences		
Provision for employee benefits	173.26	57.94
Provisions for doubtful debts, advances, warranty, slow-moving and non-moving inventories and Refund liability	1,632.61	950.55
Lease liabilities	10.85	19.72
Brought forward losses	56.72	55.01
Total principal outstanding overdues of micro and small enterprises	159.51	-
	2,032.95	1,083.22
Net deferred tax liabilities / (asset)	908.38	1,334.26
Deferred tax assets	61.50	-
Deferred tax liabilities	969.88	1,334.26

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in deferred tax liabilities (Net)

As at March 31, 2024

Movement of temporary differences	As at April 1, 2023	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2024
Depreciation and amortisation on property, plant and equipment, investment property and intangible assets	1,778.24	426.56	-	2,204.80
Finance lease receivables	366.74	(259.17)	-	107.57
Unrealised gain on investments	252.47	360.86	-	613.33
Provision for employee benefits	(57.94)	(102.50)	(12.82)	(173.26)
Provisions for doubtful debts, advances, warranty, slow-moving and non-moving inventories and Refund liability	(950.55)	(682.06)	-	(1,632.61)
Right of use assets	17.65	(9.13)	-	8.52
Lease liabilities	(19.72)	8.87	-	(10.85)
Brought forward losses	(55.01)	(1.71)	-	(56.72)
Total principal outstanding overdues of micro and small enterprises	-	(159.51)	-	(159.51)
Others	2.38	-	4.73	7.11
Net deferred tax liabilities/(asset)	1,334.26	(417.79)	(8.09)	908.38

As at March 31, 2023

Movement of temporary differences	As at April 1, 2022	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2023
Depreciation on property, plant and equipment, investment property and intangible assets	1,849.53	(71.29)	-	1,778.24
Finance lease receivables	-	366.74	-	366.74
Unrealised gain on investments	-	252.47	-	252.47
Provision for employee benefits	(55.21)	(3.65)	0.92	(57.94)
Provisions for doubtful debts, advances, warranty, slow-moving and non-moving inventories and Refund liability	(427.99)	(522.56)	-	(950.55)
Right of use assets	25.40	(7.75)	-	17.65
Lease liabilities	(26.22)	6.50	-	(19.72)
Brought forward losses	(17.87)	(37.14)	-	(55.01)
Others	2.77	-	(0.39)	2.38
Net deferred tax liabilities/(asset)	1,350.41	(16.67)	0.53	1,334.26

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

19. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer note 39)	8,604.76	12,035.64
Total outstanding dues of creditors other than micro enterprises and small enterprises	60,189.58	38,056.78
	68,794.34	50,092.42

Ageing of trade payables as at March 31, 2024

Particulars	Unbilled dues*	Trade Payables which are not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	742.76	4,713.08	3,148.92	-	-	-	8,604.76
(ii) Others	4,990.85	42,312.07	12,645.55	110.25	36.84	94.01	60,189.57
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	5,733.61	47,025.15	15,794.47	110.25	36.84	94.01	68,794.33

Ageing of trade payables as at March 31, 2023

Particulars	Unbilled dues*	Trade Payables which are not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	7,165.12	4,870.52	-	-	-	12,035.64
(ii) Others	1,266.60	28,936.92	7,352.19	231.67	40.21	229.19	38,056.78
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	1,266.60	36,102.04	12,222.71	231.67	40.21	229.19	50,092.42

*Unbilled trade payables shall include accruals which are not classified as provisions under Ind AS 37.

Information about the Group's exposure to liquidity risks and market risk is included in Note 32.

The Group participates in a reverse factoring arrangement which is disclosed under trade payables under which its suppliers receive payment of their invoice from a bank/financial institution by factoring their receivable from the Group. Under the arrangement, a bank/financial institution agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. The Group presents such liabilities as part of 'trade payables' since these liabilities have a similar nature and function to trade payables, i.e. these liabilities are part of the working capital used in the Group's normal operating cycle and are in respect of the amounts due on account of goods purchased or services received in the normal course of business.

All payables under the reverse factoring aggregating to ₹ 21,122.78 lakhs as at March 31, 2024 and ₹ 11,527.36 lakhs as at March 31, 2023 are classified as current. The payments to the bank/financial institution are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating i.e., payments for the purchase of goods and services.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

20. Other current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Unclaimed dividends	8.58	8.36
Security deposits	1,601.07	585.29
Capital creditors	905.58	653.13
Employee related payables*	1,625.44	1,062.79
	4,140.67	2,309.57

Information about the Group's exposure to liquidity risks and market risk is included in Note 32.

*Include payables to related parties of ₹ 32.77 lakhs as at March 31, 2024 (₹ 36.22 lakhs as at March 31, 2023). Refer Note 34 for details.

21. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Contract liabilities (Refer Note 41)		
- Advances received from customers*	14,050.22	10,608.22
- Deferred revenue	1,877.40	1,326.19
Refund liabilities#	1,078.83	731.23
Statutory liabilities	1,008.32	292.70
	18,014.77	12,958.34

*Advance from related parties was ₹ 107.85 lakhs as at March 31, 2024 (₹ Nil as at March 31, 2023). Refer Note 34 for details.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

22. Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers		
Sale of products*	2,88,257.75	213,108.79
Sale of services	1,788.09	1,557.28
Hiring charges	922.17	1,074.90
Other operating revenues		
Export incentives	412.09	226.56
	2,91,380.10	215,967.53

*Sale of products includes products sold on finance lease, amounting ₹ Nil (March 31, 2023: ₹ 1,696.44 lakhs)

Refer Note 41 for disclosures pursuant to Ind AS 115 -Revenue from Contracts with Customers.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

23. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income under the effective interest method on:		
Financial assets held at amortised cost	2,034.01	855.54
Other non-operating income		
Rental income	96.89	70.86
Profit on sale of property, plant and equipment	-	1,986.01
Gain on investments carried at fair value through profit and loss	4,241.82	466.59
Net profit on foreign currency transactions	86.93	-
Interest income earned on finance lease	64.47	138.75
Dividend received	40.27	6.60
Provision/liabilities not longer required written back	631.23	324.36
Miscellaneous income	514.02	263.02
	7,709.64	4,111.73

24. Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory of materials at the beginning of the year (Refer Note 8)	21,917.99	17,841.33
Add: Purchases (net of returns)	2,15,767.93	1,62,072.00
Less: Inventory of materials at the end of the year (Refer Note 8)	(30,373.46)	(21,917.99)
	2,07,312.46	1,57,995.34

The Cost of materials consumed include products sold on finance lease amounting ₹ Nil (March 31, 2023: ₹ 1,402.66 lakhs)

25. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Stock (Refer note 8)		
Work-in progress	4,163.91	3,587.79
Finished goods (including right to recover returned goods)	15,772.51	11,908.17
	19,936.42	15,495.96
Closing Stock (Refer note 8)		
Work-in progress	3,034.05	4,163.91
Finished goods (including right to recover returned goods)	21,932.48	15,772.51
	24,966.53	19,936.42
Changes in inventories of finished goods and work-in-progress	(5,030.11)	(4,440.46)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

26. Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	10,669.39	8,793.86
Contribution to provident and other funds	404.92	354.34
Share based payment expenses (Refer Note 45)	73.52	-
Staff welfare expenses	918.13	827.33
	12,065.96	9,975.53

27. Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses on financial liability at amortised cost		
-on credit facilities	1,602.90	924.02
-credit cards	167.77	92.76
Interest on delay in payments of income tax	63.32	-
Interest on delay of payments to micro, small and medium enterprises	475.59	-
Interest expense on lease liabilities	7.23	12.02
	2,316.81	1,028.80

28. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment (Refer Note 2)	2,155.20	1,647.64
Amortisation on right-of-use assets (Refer Note 38)	53.56	58.35
Amortisation on intangible assets (Refer Note 4)	89.20	70.44
Depreciation on investment property (Refer Note 3)	25.82	23.57
	2,323.78	1,800.00

29. Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Manufacturing expenses	12,050.66	8,464.98
Repairs and maintenance		
-Building	691.52	334.72
-Plant and machinery	760.04	520.71
Power and fuel	1,028.41	762.61
Freight and forwarding charges	6,824.54	6,535.45
Selling expenses	3,047.98	2,332.95
Warranty expenses	393.77	305.43

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Commission on sales	1,833.49	1,730.64
Rent expense (Refer Note 38)	47.93	44.57
Rates and taxes	54.98	75.53
Insurance	238.74	223.31
Travelling and conveyance	2,390.11	1,672.23
Legal and professional fees	1,420.59	1,260.33
Communication expenses	651.65	465.77
Payment to auditors*	72.37	48.65
Vehicle expenses	545.32	344.56
Loss on sale of property, plant and equipment	49.45	-
Loss allowance for capital advances	-	472.58
Net loss on foreign currency transactions	-	353.15
Corporate social responsibility (CSR) expense (Refer Note 42)	329.76	254.00
Provision for slow-moving and non-moving inventory (Refer Note 8)	1,494.10	335.55
Miscellaneous expenses	1,258.64	1,619.96
	35,184.05	28,157.68

*Payment to auditors

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor		
Statutory audit fees	40.75	27.25
Limited review of quarterly results	24.00	20.00
Re-imbursment of out-of-pocket expenses	7.62	1.40
	72.37	48.65

30. Income tax expense

Amounts recognised in the consolidated statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expenses		
Current year	10,951.06	6,063.78
Changes in estimates related to prior years	40.62	29.21
	10,991.68	6,092.99
Deferred tax expense/(income) attributable to		
Origination and reversal of temporary difference {Refer Note 18(c)}	(417.79)	(16.67)
	(417.79)	(16.67)
Tax expense	10,573.89	6,076.32

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2024		
	Before tax	Tax benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability (asset)	(50.93)	12.82	(38.11)
Items that will be reclassified to profit or loss			
Exchange differences on translating financial statements of foreign operations	18.81	(4.73)	14.08
	(32.12)	8.09	(24.03)

Particulars	For the year ended March 31, 2023		
	Before tax	Tax benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability (asset)	3.65	(0.92)	2.73
Items that will be reclassified to profit or loss			
Exchange differences on translating financial statements of foreign operations	(1.53)	0.39	(1.14)
	2.12	(0.53)	1.59

Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
Profit before income tax expense		43,393.71		23,374.63
Tax using the Group's domestic tax rate	25.17%	10,921.33	25.17%	5,882.93
Tax effect of				
Income not taxable or deductible	-0.15%	(67.12)	-0.06%	(12.99)
Tax on expense not eligible for deduction	0.48%	209.14	0.62%	145.40
Differences on account of tax rates	-1.25%	(542.12)	-0.40%	(93.08)
Adjustment for tax expense pertaining to prior years	0.09%	40.62	0.12%	29.21
Others	0.03%	12.04	0.53%	124.85
Total income tax expense	24.37%	10,573.89	26.00%	6,076.32

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

31 Employee Benefits

A. Defined Benefit Plans

In accordance with the Payment of Gratuity Act, 1972, the Group provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Group contributes the ascertained liability to Life Insurance Corporation of India by whom the plan assets are maintained. Employees are not required to contribute to the plan.

These plans typically expose the Group to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk.

Investment Risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Rate Risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

Higher than expected increases in salary will increase the defined benefit obligation.

The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows :-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.24% P.a.	7.37% P.a.
Future salary increase	8.50% P.a.	8.00% P.a.
Return on plan assets	7.37% P.a.	7.24% P.a.
Withdrawal rate	22.00% P.a.	25.00% P.a.
Expected average remaining working lives of employees (years)	21.31 Years	21.13 Years
Retirement age	58 Years	58 Years
In service mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Amounts recognized in consolidated statement of profit and loss in respect of this defined benefit plan are as follows :-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Service Cost:		
Current service cost	117.55	95.62
Net interest expense/ (income)	(10.79)	(8.32)
Components of defined benefit costs recognized in profit or loss	106.76	87.30
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	3.15	3.34
Actuarial (gains)/losses arising from changes in financial assumptions	26.23	(3.09)
Actuarial (gains)/losses arising from experience adjustments	21.55	(3.90)
Components of defined benefit costs recognized in other comprehensive income	50.93	(3.65)

The amount included in the consolidated balance sheet arising from the Group's obligation in respect of its defined benefit plan is as follows:-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of defined benefit obligation	939.70	798.36
Fair value of plan assets	1,005.83	867.32
Asset arising from defined benefit obligation	(69.97)	(70.34)
Liability arising from defined benefit obligation		
Current	0.02	-
Non-current	3.81	1.38

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening defined benefit obligation	798.36	729.33
Current service cost	117.55	95.62
Interest cost	55.89	50.28
Actuarial loss/(gain) recognized during the year	47.79	(7.25)
Benefits paid	(79.89)	(69.62)
Closing defined benefit obligation	939.70	798.36

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Movements in the fair value of plan assets are as follows :-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair Value of plan assets at beginning of year*	867.32	807.00
Expected return on plan assets	66.68	58.61
Employer's contribution	154.87	74.67
Benefit paid	(79.89)	(69.62)
Actuarial gain/(loss) on plan assets	(3.15)	(3.34)
Fair Value of plan assets at the end of the year*	1,005.83	867.32
Actual Return on Plan Assets	63.53	55.27

*Plan assets are managed by Life Insurance Corporation of India.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year, while holding all other assumptions constant.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Impact of the change in discount rate		
Impact due to increase of 1.00%	(31.89)	(22.95)
Impact due to decrease of 1.00%	34.44	24.62
Impact of the change in future salary growth rate		
Impact due to increase of 1.00%	30.68	22.51
Impact due to decrease of 1.00%	(29.82)	(21.61)

The Group expects to make a contribution of ₹ 80.99 lakhs (March 31, 2023 - ₹ 74.66 lakhs) to the defined benefit plans during the next financial year.

As at March 31, 2024 the weighted-average duration of the defined benefit obligation is 6.42 years (March 31, 2023: 5.43 years).

Maturity profile of defined benefit obligation

Year	As at March 31, 2024
2024-25	254.55
2025-29	510.14
2029-34	323.24
2034 onwards	180.91

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Year	As at March 31, 2023
2023-24	264.17
2024-28	434.03
2028-33	226.64
2033 onwards	106.21

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. Amount of ₹ 107.06 lakhs (March 31, 2023: ₹ 96.24 lakhs) has been recognised in the Consolidated Statement of Profit and Loss.

Particulars	As at March 31, 2024	As at March 31, 2023
Compensated absences (unfunded)		
Current	32.01	33.42
Non-Current	318.51	264.24
	350.52	297.66

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 consolidated statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident and other funds for the year aggregated to ₹ 298.16 lakh (March 31, 2023: ₹ 267.04 lakh).

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

32 Financial Instruments

A. Accounting classification

The following table shows the carrying amounts of financial assets and financial liabilities.

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value		
Investments	39,624.34	22,607.67
Financial assets measured at amortised cost		
Investments	19,786.43	12,258.10
Trade receivables	16,430.86	16,933.57
Loans	82.86	65.57
Cash and cash equivalents	4,820.65	2,148.15
Bank balances other than cash and cash equivalents	6,220.49	2,747.48
Other financial assets	2,038.00	4,259.81
	89,003.63	61,020.35
Financial liabilities measured at amortised cost		
Short term borrowings	387.81	620.32
Lease liabilities	58.44	124.50
Trade payables	68,794.34	50,092.42
Other financial liabilities	4,140.67	2,309.57
	73,381.26	53,146.81

B. Fair value hierarchy and measurement of fair value

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 (unadjusted) for identical instruments in an active market

Level 2: The fair value of financial instruments that are not traded in an active market (for example, derivatives) is determined using valuation techniques which uses inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Financial assets and liabilities measured at fair value as at March 31, 2024

Particulars	Level 1	Level 2	Level 3	Total
Investments				
Investment in portfolio management service	-	495.57	-	495.57
Investment in alternative investment fund	-	9,347.94	-	9,347.94
Investment in equity shares	-	1,910.48	-	1,910.48
Investment in mutual funds	27,166.56	-	-	27,166.56
Investment in infrastructure investment trust	703.79	-	-	703.79
	27,870.35	11,753.99	-	39,624.34

Financial assets and liabilities measured at fair value as at March 31, 2023

Particulars	Level 1	Level 2	Level 3	Total
Investments				
Investment in portfolio management service	-	752.07	-	752.07
Investment in alternative investment fund	-	5,253.32	-	5,253.32
Investment in limited liability partnership firm	-	810.14	-	810.14
Investment in equity shares	-	495.44	-	495.44
Investment in mutual funds	15,296.70	-	-	15,296.70
	15,296.70	7,310.97	-	22,607.67

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2024

Particulars	Level 1	Level 2	Level 3	Total
Investment in bonds and debentures#	14,757.80	5,071.58	-	19,829.38
Trade receivables*	-	-	-	-
Loans*	-	-	-	-
Cash and cash equivalents*	-	-	-	-
Bank balances other than cash and cash equivalents*	-	-	-	-
Other financial assets*	-	-	-	-
Short term borrowings*	-	-	-	-
Lease liabilities**	-	-	-	-
Trade payables*	-	-	-	-
Other financial liabilities*	-	-	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

As at March 31, 2023

Particulars	Level 1	Level 2	Level 3	Total
Investment in bonds and debentures#	12,258.10	-	-	12,258.10
Trade receivables*	-	-	-	-
Loans*	-	-	-	-
Cash and cash equivalents*	-	-	-	-
Bank balances other than cash and cash equivalents*	-	-	-	-
Other financial assets*	-	-	-	-
Short term borrowings*	-	-	-	-
Lease liabilities**	-	-	-	-
Trade payables*	-	-	-	-
Other financial liabilities*	-	-	-	-

Investment in bonds and debenture are measure at amortised cost. Fair value of quoted bonds and debentures has been determined on the basis of quoted market rate as on reporting date. Fair value of unquoted bonds and debenture is determined based on market prices that are directly observable in unlisted market place.

* The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other current financial assets which comprise of finance lease receivables, security deposits receivable, receivable from banks on account of maturity of bank deposits and rental income receivable and trade payables, short term borrowings and other current financial liabilities which comprise of unclaimed dividends, security deposits payables, capital creditors and employee related payables approximates the fair values, due to their short-term nature. The other non current financial assets represents finance lease receivables, bank deposits (due for remaining maturity after twelve months from the reporting date), and security deposits receivables, the carrying values of which approximates the fair values as on the reporting date. The valuation technique used is discounted cash flow with no significant unobservable inputs.

**The lease liabilities represent non-current and current lease liabilities the carrying value of which approximates the fair values as on the reporting date.

Valuation process and technique used to determine fair value

The fair value of 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.

The valuation of portfolio management service and alternative investment fund is based on the underlying assets wherein investments have been made. The investments are made either in listed securities or fixed deposits, therefore the fair value is based on the quoted price of underlying investment in case of listed security and carrying amount in case of fixed deposit.

The valuation of investment in unquoted shares is determined based on market prices that are directly observable in unlisted market place.

The fair value of investments in infrastructure investment trust has been determined on the basis of quoted market rate as on reporting date.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Transfers between Levels 1, Level 2 and Level 3

There has been no transfer between level 1, level 2 and level 3 for the years ended March 31, 2024 and March 31, 2023.

C. Financial Risk Management

The Group's activities expose it to market risk, liquidity risk, credit risk and interest risk. This note explains the source of risk which the Group is exposed to and how the entity manages the risk and the related impact in the consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has exposure to the following risks arising from consolidated financial instruments:

- credit risk
- liquidity risk
- market risk

The Group's risk management is carried out by a treasury department under the supervision of Chief Financial Officer of the Group. The treasury department identifies and evaluates financial risks. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, liquidity risk etc.

The Risk management committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

C1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is represented by the total carrying amount of these financial assets in the Consolidated Balance Sheet.

The carrying amounts of financial assets represent the maximum credit exposure.

Particulars	As at March 31, 2024	As at March 31, 2023
Investments	59,410.77	34,865.77
Trade receivables	16,430.86	16,933.57
Loans	82.86	65.57
Cash and cash equivalents	4,820.65	2,148.15
Other bank balances	6,220.49	2,747.48
Other financial assets	2,038.00	4,259.81
Total	89,003.63	61,020.35

Expected credit losses for financial assets other than trade receivables and finance lease receivables

The Group maintains its cash and cash equivalents and bank deposits with reputed banks. The credit risk on these instruments is limited because the counterparties are bank with high credit ratings assigned by domestic credit rating agencies. Hence, the credit risk associated with cash and cash equivalent and bank deposits is relatively low.

Loan comprises loans given to employees, which would be adjusted against salary of the employees and hence credit risk associated with such amount is also relatively low.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

The Group maintains its investment in bonds and debentures with reputed financial institutions and corporates. The credit risk on these instruments is limited because the counterparties are financial institutions and corporates with high credit ratings assigned by domestic credit rating agencies. Hence, the credit risk associated with these investments is relatively low. Investments in Mutual funds, Alternative Investment Fund, Shares, Portfolio Management Service, Investment in infrastructure investment trust and Partnership firm are measured at mark to market hence, the credit risk associated with these investments already considered in valuation as on reporting date.

Security deposits are given for operational activities of the Group and will be returned to the Group as per the contracts with respective vendors. The Group monitors the credit ratings of the counterparties on regular basis. These security deposits carry very minimal credit risk based on the financial position of parties and Group's historical experience of dealing with the parties.

Receivable from banks on account of maturity of bank deposits is limited because the counterparties are bank with high credit ratings assigned by domestic credit rating agencies. Hence, the credit risk associated with receivable from banks on account of maturity of bank deposits is relatively low.

Expected credit losses for trade receivables and finance lease receivable

Credit risks related to receivables is managed by each business unit subject to the Group's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on trade receivables and finance lease receivable by using lifetime expected credit losses as per simplified approach wherein the weighted average loss rates are analysed from the historical trend of defaults relating to each business segment. Such provision matrix has been considered to recognize lifetime expected credit losses on trade receivables and finance lease receivable (other than those where defaults criteria are met).

The Group evaluates the concentration of risk with respect to trade receivables and finance lease receivable as low, since its customers are from various industries, jurisdictions and operate in independent markets. These receivables are written off when there is no reasonable expectation of recovery.

The Group considers the probability of default upon initial recognition of asset and whether there has been 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 by calculating forward looking loss rate based upon Vasicek methodology. For the same, the Group has identified India Gross Domestic Product as an appropriate factor based on qualitative criteria.

Impairment loss on financial lease receivables is not recognised since the same is not material considering size and nature of financial lease receivables.

Movement in the allowance for impairment in respect of trade receivables:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	2,550.75	691.48
Additional provision during the year	1,523.08	2,187.74
Deductions on account of write offs and collections	(81.24)	(328.47)
Balance at the end of the year	3,992.59	2,550.75

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in the allowance for impairment in respect of finance lease receivable:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	-	-
Additional provision during the year	-	-
Deductions on account of write offs and collections	-	-
Balance at the end of the year	-	-

C2. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Group is capital preservation and liquidity in preference to returns. The Group consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use. The Group manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Carrying value	Contractual cash flows					Total
		6 months or less	6–12 months	Between 1 and 2 years	Between 2 and 5 years	More than 5 Years	
As at March 31, 2024							
Borrowings	387.81	387.81	-	-	-	-	387.81
Lease liabilities	58.44	19.50	18.96	14.40	9.60	-	62.46
Trade payables	68,794.34	68,794.34	-	-	-	-	68,794.34
Other financial liabilities	4,140.67	4,140.67	-	-	-	-	4,140.67
Total	73,381.26	73,342.32	18.96	14.40	9.60	-	73,385.28
As at March 31, 2023							
Borrowings	620.32	620.32	-	-	-	-	620.32
Lease liabilities	124.50	31.57	29.15	42.47	31.50	-	134.69
Trade payables	50,092.42	50,092.42	-	-	-	-	50,092.42
Other financial liabilities	2,309.57	2,309.57	-	-	-	-	2,309.57
Total	53,146.81	53,053.88	29.15	42.47	31.50	-	53,157.00

C3. Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely : currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Price risk

The Group invests in mutual funds, alternative investment fund, equity shares, portfolio management service, infrastructure investment trust and limited liability partnership firm, bonds and debentures, which are susceptible to market price risk arising from uncertainties about future values of the investment securities. In order to manage its price risk arising from investments, the Group diversifies its portfolio in accordance with the limits set by the risk management policies.

Particulars	As at March 31, 2024	As at March 31, 2023
Market price sensitivity (impact of profit before tax)		
Increase by 200 bps	1,188.22	697.32
Decrease by 200 bps	(1,188.22)	(697.32)
Market price sensitivity (impact on equity post tax)		
Increase by 200 bps	889.17	521.82
Decrease by 200 bps	(889.17)	(521.82)

Foreign currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities. The Group undertakes transactions denominated in foreign currency (mainly US Dollar, Euro and CNY) 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 hence the Group 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 ₹, are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets	1,091.50	1,306.92
Financial liabilities	4,645.24	3,548.69
Net exposure to foreign currency risk	(3,553.74)	(2,241.77)

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Sensitivity

A reasonably possible strengthening (weakening) of the US dollar (USD) against ₹ at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

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

Particulars	As at March 31, 2024	As at March 31, 2023
USD sensitivity (Impact on profit before tax)		
₹/USD increase by 200 bps*	(71.07)	(44.84)
₹/USD decrease by 200 bps*	71.07	44.84
USD sensitivity (impact on equity post tax)		
₹/USD increase by 200 bps*	(53.19)	(33.55)
₹/USD decrease by 200 bps*	53.19	33.55

*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 ₹, are as follows

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assets	352.33	191.45
Financial Liabilities	0.24	0.44
Net exposure to foreign currency risk	352.09	191.01

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, 2024	As at March 31, 2023
Euro sensitivity (Impact on profit before tax)		
₹/Euro increase by 200 bps*	7.04	3.82
₹/Euro decrease by 200 bps*	(7.04)	(3.82)
Euro sensitivity (impact on equity post tax)		
₹/Euro increase by 200 bps*	5.27	2.86
₹/Euro decrease by 200 bps*	(5.27)	(2.86)

*Holding all other variables constant

Foreign currency risk exposure in CNY:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assets	101.11	104.02
Financial Liabilities	298.72	28.61
Net exposure to foreign currency risk	(197.61)	75.41

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, 2024	As at March 31, 2023
CNY sensitivity (Impact on profit before tax)		
₹/CNY increase by 200 bps*	(3.95)	1.51
₹/CNY decrease by 200 bps*	3.95	(1.51)
CNY sensitivity (impact of equity post tax)		
₹/CNY increase by 200 bps*	(2.96)	1.13
₹/CNY decrease by 200 bps*	2.96	(1.13)

*Holding all other variables constant

C4. Interest Rate Risk

The Group's interest rate risk arises from investment in bonds and debentures and borrowings. Investment in bonds and debentures and borrowings at variable rates expose the Group to cash flow interest rate risk, whilst investment in bonds and debentures and borrowings at fixed rates expose the Group to fair value interest rate risk. The risks are managed by monitoring an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed rate instruments		
Investment in bonds and debentures	19,786.43	12,258.10
Total Fixed rate instruments	19,786.43	12,258.10
Variable rate instruments		
Short term borrowings from bank	387.81	620.32
Total Variable rate instruments	387.81	620.32

Fair value sensitivity analysis of interest rate

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Cash flow sensitivity analysis for variable-rate instruments for the year ended March 31, 2024

Particulars	Impact on profit before tax - 50 bps increase	Impact on profit before tax - 50 bps decrease	Impact on other components of equity - 50 bps increase	Impact on other components of equity - 50 bps decrease
Variable - rate instruments	(1.94)	1.94	(1.45)	1.45
Total	(1.94)	1.94	(1.45)	1.45

Cash flow sensitivity analysis for variable-rate instruments for the year ended March 31, 2023

Particulars	Impact on profit after tax - 50 bps increase	Impact on profit after tax - 50 bps decrease	Impact on other components of equity - 50 bps increase	Impact on other components of equity - 50 bps decrease
Variable - rate instruments	(3.10)	3.10	(2.32)	2.32
Total	(3.10)	3.10	(2.32)	2.32

33 Capital Management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, maintain a strong credit rating and a healthy capital ratio to support the business and to enhance shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and business strategies to maintain or adjust the capital structure, issue new shares or raise and repay debts. The Group's capital management objectives, policies or processes were unchanged during the year.

The Group monitors capital using 'total debt to total capital' and 'net debt to total capital' ratios. These ratios are as follows:

Debt equity ratio

Particulars	As at March 31, 2024	As at March 31, 2023
Total debt	446.25	744.82
Net debt*	-	-
Total equity :	1,22,984.10	91,855.89
Total capital (based on total debt)	1,23,430.35	92,600.71
Total capital (based on net debt)	1,22,984.10	91,855.89
Net debt to equity ratio	-	-
Total debt to total capital(based on total debt) ratio (%)	0.004	0.008
Net debt to total capital(based on net debt) ratio (%)	-	-

* Total debt less cash and cash equivalents, if negative then restricted to nil.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

34 Related party disclosure

A. Parent and ultimate controlling party

Action Construction Equipment Limited (Ultimate controlling party is promoter group)

B. List of related parties and nature of relationship with whom transactions have taken place during the current year/ previous year

a) Key managerial personnel

Mr. Vijay Agarwal (part of promoter group)	Chairman and Managing Director of Holding Company
Mrs. Mona Agarwal (part of promoter group)	Whole - Time Director of Holding Company and Partner of Namu Metals
Mr. Sorab Agarwal (part of promoter group)	Whole - Time Director of Holding Company
Mrs. Surbhi Garg (part of promoter group)	Whole - Time Director of Holding Company
Mr. Avinash Parkash Gandhi	Independent Director of Holding Company
Dr. Divya Singal	Independent Women Director of Holding Company
Mr. Shriniwas Vashisht	Independent Director of Holding Company
Dr. Jagan Nath Chamber	Independent Director of Holding Company
Mr. Rajan Luthra	Chief Financial Officer of Holding Company
Mr. Anil Kumar	Company secretary and compliance officer of Holding Company
Mr. Rajesh Kumar Mehta	Director of Crane Kraft India Private Limited (Subsidiary Company)
Mr. Umesh Kumar	Director of Crane Kraft India Private Limited upto February 03, 2024 (Subsidiary Company)
Mr. Amit Kumar Verma	Director of Crane Kraft India Private Limited (Subsidiary Company)
Mr. Inderpal Singh Beniwal	Director of Crane Kraft India Private Limited w.e.f February 12, 2024 (Subsidiary Company)

b) Other related parties - Entities where significant influence exist of parties as given in (a) above.

VMS Equipment Private Limited
 Rotadrill India Private Limited
 Reachall India Private Limited
 ACE Emergency Response Service Trust
 ACE Employees Group Gratuity Scheme Trust
 RSV Combine
 Asia Consolidated Private Limited
 Asia Resorts Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

C. Transactions with related parties during the current / previous year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Sale of products & services		
VMS Equipment Private Limited	1,952.86	1,266.73
Reachall India Private Limited	2.68	0.44
Asia Resorts Limited	8.03	-
(ii) Purchase of raw material & services		
VMS Equipment Private Limited	22.50	-
Reachall India Private Limited	0.44	-
Asia Resorts Limited	97.29	15.01
(iii) Raw Material sent for Job work		
Reachall India Private Limited	49.68	-
(iv) Rental income		
VMS Equipment Private Limited	4.44	4.44
Rotadrill India Private Limited	-	1.20
Reachall India Private Limited	1.80	1.20
Asia Consolidated Private Limited	0.36	0.36
ACE Emergency Response Service Trust	1.34	1.28
(v) Rent expense		
Mrs. Surbhi Garg	26.40	26.40
(vi) Corporate social responsibility expenses		
ACE Emergency Response Service Trust	329.76	228.00
(vii) Final dividend paid		
Mr. Vijay Agarwal	342.36	205.42
Mrs. Mona Agarwal	306.58	183.95
Mr. Sorab Agarwal	76.24	45.74
Mrs. Surbhi Garg	69.30	41.58
(viii) Compensation to key managerial personnel		
Mr. Vijay Agarwal	479.18	371.16
Mrs. Mona Agarwal	250.39	205.41
Mr. Sorab Agarwal	124.06	91.86
Mrs. Surbhi Garg	98.58	75.28
Mr. Rajan Luthra	57.73	57.25
Mr. Anil Kumar	11.11	8.73
(ix) Share based payment expenses		
Mr. Rajan Luthra	5.16	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(x) Director's Sitting Fee**		
Mr. Avinash Parkash Gandhi	2.60	1.95
Dr. Divya Singal	2.45	1.30
Mr. Shrinivas Vashisht	2.45	1.65
Dr. Jagan Nath Chamber	2.30	2.30

**Excludes applicable taxes.

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or those which might reasonably be expected to be available, in similar transactions with non-key management personnel-related companies on an arm's length basis.

D. Outstanding balances

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Trade receivables		
VMS Equipment Private Limited	-	125.13
Rotadrill India Private Limited	24.02	25.02
Reachall India Private Limited	0.43	-
(ii) Advance received received from Customers		
VMS Equipment Private Limited	107.85	-
(iii) Raw materials lying for job work		
Reachall India Private Limited	49.68	-
(iv) Employee benefit payables		
Mr. Vijay Agarwal	18.54	18.72
Mrs. Mona Agarwal	-	3.59
Mr. Sorab Agarwal	6.30	5.30
Mrs. Surbhi Garg	5.34	5.14
Mr. Rajan Luthra	2.18	2.82
Mr. Anil Kumar	0.41	0.65
(v) Provision for gratuity		
Mr. Rajan Luthra	17.10	15.86
Mr. Anil Kumar	1.61	1.00
(vi) Provision for compensated absences		
Mr. Rajan Luthra	6.01	5.75
Mr. Anil Kumar	0.57	0.38
(vii) Share options outstanding		
Mr. Rajan Luthra	5.16	-

- E. (a) There are no loans due to the Group by directors either individually, severally or jointly with another person, by firms or private companies in which any director is a partner or director or member respectively.
- (b) There are no advances made to directors or other officers of the Group or any of them, either severally or jointly with any other person, or advances to firms or private companies respectively, in which any director is a partner, a director, or member.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

35 Contingent liabilities, commitments and other claims

(a) Claims against the Group not acknowledged as debts

(i) Claims made by Tax Authorities

Name of the statute	Nature of the dues	As at March 31, 2024	As at March 31, 2023	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of deduction claimed u/s 35(2AB), disallowance of Interest expenses u/s 36(1)(iii), disallowance u/s 14A and disallowance of expenses on adhoc basis.	236.34	241.20	Financial year 2014-15 to Financial year 2016-17 and 2019-20 to 2020-21	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Error in demand on portal	119.34	119.34	Financial year 2012-13	Deputy Commissioner of Income Tax
Central Excise Act, 1994	Classification Dispute on parts	607.44	607.44	Financial year 2006-07 to Financial year 2010-11	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1994	Demand of Excise duty on account of section 11D for exempt goods	829.60	829.60	Financial year 2008-09 to Financial year 2013-14	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1994	Demand raised for utilization of Cenvat credit.#	-	2.39	Financial year 2009-10	Commissioner (Appeals)
Income Tax Act, 1961	PF expenditure for delayed payment to the PF authorities	2.92	2.92	Financial year 2020-21	Commissioner of Income - tax (Appeals)
Finance Act, 1994 (Service Tax)	Demand is related to the violation of the Export of Services rules 2005	8.11	8.11	Financial year 2008-09	Additional Commissioner
West Bengal Value Added Tax Act, 2003	Rate dispute classification of products	375.56	375.56	Financial year 2006-07 to Financial year 2013-14	Additional Commissioner Review Board (West Bengal)
West Bengal Value Added Tax Act, 2003	Rate dispute classification of products	852.89	852.89	Financial year 2006-07 to Financial year 2013-14	West Bengal Tribunal
West Bengal Value Added Tax Act, 2003	Rate dispute classification of products	33.87	33.87	Financial year 2006-07 to Financial year 2013-14	High Court of West Bengal
Good & Services Tax Act, 2017	Dispute of Transition of input tax credit	16.96	-	Financial year 2017-18	Additional Commissioner Goods & Service Tax (GST) Jaipur
		3,083.02	3,073.32		

The case has been settled during the year ended March 31, 2024

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(ii) Other matters including claims related to employees/ ex-employees, and customers etc.	1,007.54	825.62

Notes :

- (i) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- (ii) 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.
- (iii) The Group has reviewed all its pending litigations and proceedings and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities.

(b) Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances - refer Note 7)	15,921.90	2,586.72
Lease commitment (Refer Note 38)	62.46	134.69

36 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to owners of the Company		
Profit attributable to owners of the Company (A)	32,816.11	17,159.94
Weighted average number of shares used as the denominator		
-Weighted average number of shares used as the denominator in calculating EPS	11,90,83,196	11,90,83,196
-Effect of Treasury shares held in controlled ESOP trust	(32,514)	-
-Weighted average number of equity shares in calculating basic earnings per share (B)	11,90,50,682	11,90,83,196
-Effect of employee share Options	22,897	-
-Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share (C)	11,90,73,579	11,90,83,196
Basic and Diluted earnings per share		
(a) Basic earnings per share (₹)	27.56	14.41
(b) Diluted earnings per share (₹)	27.56	14.41
Nominal Value per equity share	2.00	2.00

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

37 Qualified institutional placement (QIP)

During the year ended March 31, 2022, the Group had completed the Qualified Institutions Placement (“QIP”) under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, pursuant to which 5,600,000 equity shares having a face value of ₹ 2 each were issued and allotted, at an issue price of ₹ 242 per equity share (including a securities premium of ₹ 240 per equity share), aggregating to ₹ 13,552 Lakhs.

The proceeds of such Qualified Institutions Placement amounts to ₹ 13,173.87 lakhs (net of issue related expenses amounting ₹ 378.13 Lakhs which has been adjusted against securities premium). As per the placement document, QIP proceeds were to be utilised for funding the long term growth of its existing businesses; organic or inorganic growth, making strategic acquisitions; financing other long term capital, working capital, and general corporate requirements; pre-payment and / or repayment of loans. The fund raised were utilised uptill the previous year ended March 31, 2023 and there is no deviation in use of proceeds from the objects stated in the placement document for the QIP.

Utilisation of funds	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	-	9,727.07
Amount raised (net)	-	-
Utilised during the year	-	9,727.07
Balance Unutilised funds as at the year end	-	-

38 Leases

a) Leases as Lessee

The Group leases plant and machinery and office building. The leases typically run with an option to renew the lease after that date on mutual consent of both the parties.

Information about leases for which the Group is a lessee is presented below :

i. Right-of-use assets

Particulars	Office Building	Plant and Machinery	Total
Balance as at April 1, 2022	119.25	55.24	174.49
Additions during the year	-	-	-
Amortisation charged during the year	(46.51)	(11.84)	(58.35)
Balance as at March 31, 2023	72.74	43.40	116.14
Additions during the year	-	-	-
Amortisation charged during the year	(41.72)	(11.84)	(53.56)
Termination of lease during the year	(10.34)	-	(10.34)
Balance as at March 31, 2024	20.68	31.56	52.24

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

ii. Amounts recognised in profit or loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on lease liabilities	7.23	12.02
Amortisation charged during the year	53.56	58.35
Expense relating to short-term leases	47.93	44.57

iii. Amounts recognised in Consolidated Statement of Cash Flows

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow for leases	61.74	65.27

The following is the break-up of current and non-current lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	36.04	55.78
Non-current lease liabilities	22.40	68.72

The following is the movement in lease liabilities

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance as at beginning of the year	124.50	177.75
Additions during the year	-	-
Interest cost accrued during the year	7.23	12.02
Payment of lease liabilities and finance cost accrued during the year	(61.74)	(65.27)
Termination of lease during the year	(11.55)	-
Balance as at end of the year	58.44	124.50

Commitments for minimum undiscounted lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Within one year	38.46	60.72
Later than one year but not later than five years	24.00	73.97
Later than five years	-	-

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

Rental expenses recorded for short-term leases during the year ended March 31, 2024 is ₹ 47.93 lakhs (March 31, 2023: ₹ 44.57 lakhs).

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

b) Leases as Lessor

Finance lease

The Group entered into agreements with customers ("the lessee") for lease of products. The lease term has been considered as the entire tenure of the agreement. The lessee has an option to purchase the assets at any time during the term of the agreement.

A finance lease receivable at an amount equal to the net investment in the lease represented by discounted value of recovery fee and is recorded in the balance sheet with a corresponding credit to statement of profit and loss as revenue from sale of products. The undiscounted value of such lease receivable, though, credited as revenue, but will be billed and collected from customer over the period of lease term. Interest income on such finance lease receivable is recognized over the life of the lease.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Particulars	As at 31 March 2024	As at 31 March 2023
Year 1	236.10	530.30
Year 2	222.38	501.60
Year 3	-	624.06
Total undiscounted lease receivable	458.48	1,655.96
Unearned finance income	31.04	198.79
Discounted finance lease receivable	427.44	1,457.17

Operating lease

The Group leases out its products and investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during the year ended 31 March 2024 was ₹ 1,019.06 lakhs (March 31, 2023: ₹ 1,145.76 lakhs). These lease terms are on work order basis and are in short term in nature.

39 Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act):

This information has been determined to the extent such parties have been identified on the basis of information available with the Group

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the year.	8,239.36	12,035.64
Interest due thereon remaining unpaid to any supplier as at the end of the year.	25.01	-
(ii) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year;	-	-
(iii) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
iv) The amount of interest accrued and remaining unpaid at the end of the year;	365.40	-
v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

40 Operating segment information

The Group's operating segments are established on the basis of those components of the Group which are evaluated regularly by the chairman and managing director 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) Agricultural equipment

(a) Segment Revenue and Results

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Segment revenue (Net)		
i) Cranes	2,10,684.21	1,52,952.77
ii) Construction equipment	38,621.28	24,946.20
iii) Material handling	18,369.36	16,914.15
iv) Agricultural equipment#	23,705.25	21,154.41
Revenue from operations*	2,91,380.10	2,15,967.53
Depreciation and amortisation expense		
i) Cranes	1,167.81	980.04
ii) Construction equipment	86.23	85.24
iii) Material handling	10.86	7.96
iv) Agricultural equipment	123.78	115.54
v) Unallocated expense	935.10	611.22
	2,323.78	1,800.00
Segments results after depreciation and amortisation expense		
i) Cranes	34,333.20	19,381.77
ii) Construction equipment	4,959.18	2,350.56
iii) Material handling	2,424.79	2,084.78
iv) Agricultural equipment	892.17	541.48
	42,609.34	24,358.59
Other income	7,709.64	4,111.73
Finance costs	2,316.81	1,028.80
Other unallocated expenses	4,608.46	4,066.89
Profit before tax	43,393.71	23,374.63
Tax expense	10,573.89	6,076.32
Profit for the year	32,819.82	17,298.31

*Revenue from external customers has been disclosed in Note 41

This excludes inter-segment revenue of ₹ 1,012 lakhs for year ended 31 March 2024 (₹ 2,426 lakhs for the year ended 31 March 2023).

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

b) Segment assets and liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Segment assets		
i) Cranes	82,008.95	69,268.41
ii) Construction equipment	18,797.09	12,859.81
iii) Material handling	4,468.45	4,447.25
iv) Agricultural equipment	17,467.37	12,378.53
Total segment assets	1,22,741.86	98,954.00
Unallocated	94,179.46	61,020.00
Total assets as per the balance sheet	2,16,921.32	1,59,974.00
Segment liabilities		
i) Cranes	68,459.52	41,390.00
ii) Construction equipment	10,433.87	11,341.24
iii) Material handling	4,436.87	3,513.80
iv) Agricultural equipment	7,409.75	8,592.54
Total segment liabilities	90,740.01	64,837.58
Unallocated	3,031.17	3,118.19
Total liabilities as per the balance sheet	93,771.18	67,955.77

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 only reportable segments.

(c) The Group has disclosed these amounts for each reportable segments because they are regularly reviewed by CODM

41 Revenue from operations

a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major products and service lines and timing of revenue recognition. The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (Refer Note 40).

For the year ended March 31, 2024

Revenue from operations	Cranes	Construction equipment	Material handling	Agricultural equipment	Total
Major product line					
Sale of products	2,08,279.38	38,337.64	18,177.85	23,462.88	2,88,257.75
Sale of services	1,488.12	108.59	178.56	12.82	1,788.09
Total revenue from contracts with customers	2,09,767.50	38,446.23	18,356.41	23,475.70	2,90,045.84

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Timing of revenue recognition					
Products transferred at a point in time	2,08,279.38	38,337.64	18,177.85	23,462.88	2,88,257.75
Services transferred over the period of time	1,488.12	108.59	178.56	12.82	1,788.09
Total revenue from contracts with customers	2,09,767.50	38,446.23	18,356.41	23,475.70	2,90,045.84
Total revenue from contracts with customers	2,09,767.50	38,446.23	18,356.41	23,475.70	2,90,045.84
Hiring Charges	862.01	60.16	-	-	922.17
Other operating revenue	54.70	114.89	12.95	229.55	412.09
Revenue from operations (as reported in Note 22)	2,10,684.21	38,621.28	18,369.36	23,705.25	2,91,380.10

For the year ended March 31, 2023

Revenue from operations	Cranes	Construction equipment	Material handling	Agricultural equipment	Total
Major product line					
Sale of products	1,50,628.50	24,685.47	16,728.26	21,066.56	2,13,108.79
Sale of services	1,263.93	100.64	168.61	24.10	1,557.28
Total revenue from contracts with customers	1,51,892.43	24,786.11	16,896.87	21,090.66	2,14,666.07
Timing of revenue recognition					
Products transferred at a point in time	1,50,628.50	24,685.47	16,728.26	21,066.56	2,13,108.79
Services transferred over the period of time	1,263.93	100.64	168.61	24.10	1,557.28
Total revenue from contracts with customers	1,51,892.43	24,786.11	16,896.87	21,090.66	2,14,666.07
Total revenue from contracts with customers	1,51,892.43	24,786.11	16,896.87	21,090.66	2,14,666.07
Hiring Charges	994.18	80.72	-	-	1,074.90
Other operating revenue	66.16	79.37	17.28	63.75	226.56
Revenue from operations (as reported in Note 22)	1,52,952.77	24,946.20	16,914.15	21,154.41	2,15,967.53

b) Geographic disaggregation of revenue from contracts with customers

For the year ended March 31, 2024

Revenue from operations	Cranes	Construction equipment	Material handling	Agricultural equipment	Total
Major product line					
Sale of products					
- India	2,06,109.39	33,743.69	17,456.28	15,019.65	2,72,329.01
- Outside India	2,169.99	4,593.95	721.57	8,443.23	15,928.74
	2,08,279.38	38,337.64	18,177.85	23,462.88	2,88,257.75

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Sale of services					
- India	1,488.12	108.59	178.56	12.82	1,788.09
- Outside India	-	-	-	-	-
	1,488.12	108.59	178.56	12.82	1,788.09
Total revenue from contracts with customers	2,09,767.50	38,446.23	18,356.41	23,475.70	2,90,045.84
Hiring Charges	862.01	60.16	-	-	922.17
Other operating revenue	54.70	114.89	12.95	229.55	412.09
Revenue from operations (as reported in Note 22)	2,10,684.21	38,621.28	18,369.36	23,705.25	2,91,380.10

For the year ended March 31, 2023

Revenue from operations	Cranes	Construction equipment	Material handling	Agricultural equipment	Total
Major product line					
Sale of products					
- India	1,49,087.14	21,365.16	15,933.78	19,475.29	2,05,861.37
- Outside India	1,541.36	3,320.31	794.48	1,591.27	7,247.42
	1,50,628.50	24,685.47	16,728.26	21,066.56	2,13,108.79
Sale of services					
- India	1,263.93	100.64	168.61	24.10	1,557.28
- Outside India	-	-	-	-	-
	1,263.93	100.64	168.61	24.10	1,557.28
Total revenue from contracts with customers	1,51,892.43	24,786.11	16,896.87	21,090.66	2,14,666.07
Hiring Charges	994.18	80.72	-	-	1,074.90
Other operating revenue	66.16	79.37	17.28	63.75	226.56
Revenue from operations (as reported in Note 22)	1,52,952.77	24,946.20	16,914.15	21,154.41	2,15,967.53

c) Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

Particulars	As at 31 March 2024	As at 31 March 2023
Receivables, which are included in 'trade receivables'	16,430.86	16,933.57
Contract liabilities related to sale of products		
- Advances received from customers*	14,050.22	10,608.22
- Deferred revenue**	1,877.40	1,326.19

*The contract liabilities primarily relate to the advance consideration received from customers for supply of products and rendering of services.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

** The Group allocates a portion of the consideration against sale of products to after sales maintenance services. The amount allocated to after sales maintenance services is deferred and is recognised as revenue when services are provided to customers.

The amount of ₹ 8,541.19 lakhs included in contract liabilities at 31 March 2023 has been recognised as revenue during the year 31st March 2024 (March 31, 2023: ₹ 2,565.11 lakhs).

d) Reconciliation of revenue recognised with contract price

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contracted price (including product and after sale service)	2,99,105.87	2,19,410.01
Revenue from other service	290.70	273.87
Discount	(3,643.07)	(2,612.90)
Sales return	(4,808.85)	(1,400.19)
Adjustments for contract liabilities		
- Deferred revenue - opening balance	1,326.19	1,052.70
- Deferred revenue - closing balance	(1,877.40)	(1,326.19)
- Refund liability - opening balance	731.23	-
- Refund liability - closing balance	(1,078.83)	(731.23)
Total revenue from contract with customers	2,90,045.84	2,14,666.07

42 Expenditure on Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Group to monitor the CSR related activities.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amount required to be spent by the Group during the year	310.20	209.18
Amount approved by the board to be spent during the year	310.20 to 350.00	209.18 to 260.00
Amount spent during the year		
(a) Construction/acquisition of any assets	-	-
(b) On purpose other than (a) above	329.76	254.00
Shortfall at the end of the year	-	-
Total of previous years shortfall	NA	NA
Nature of CSR activities*		
Details of related party transactions (Refer Note 34)	329.76	228.00
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

* CSR activities primarily includes amount given to ACE Emergency Response Service Trust, which the trust has been used for promoting sustainable health, skills, development and implementation of Swachh Bharat Abhiyan activities.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

43 Disclosure required under Section 186(4) of the Companies Act, 2013

The Group had given loan to employees during the year, however in line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10 March 2015, loans given to employees as per the policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

44 Relationship with Struck off companies

Name of the struck off Companies	Nature of Transactions	Transaction during the year ended March 31, 2024	Balance outstanding as at March 31, 2024	Relationship
MNS Logisitcs Private Limited	Payables	20.40	4.33	Vendor
Unickon Fincap Private Limited	Payables	0.09	-	Shareholder

Name of the struck off Companies	Nature of Transactions	Transaction during the year ended March 31, 2023	Balance outstanding as at March 31, 2023	Relationship
MNS Logisitcs Private Limited	Payables	9.69	1.74	Vendor
Rehal Industries Private Limited	Payables	2.27	1.96	Vendor
Sakha Services Private Limited	Payables	-	0.01	Vendor

45 Share- based payment arrangements

1. Share option plans (equity-settled)

A. Description of share-based payment arrangements

During the year ended March 31, 2024, the Group implemented Action Construction Equipment Limited Stock Option Scheme, 2021. The Action Construction Equipment Limited Stock Option Scheme was approved by the shareholders at the 27th Annual General Meeting held on September 03, 2021, under which the Board of Directors of the Group was authorised to create, grant, offer, issue and allot, in one or more tranches, such number of Employee Stock Options ("Options") to the eligible employees of the Group not exceeding in the aggregate 5% of the issued equity share capital of the Group as on March 31, 2021.

Pursuant to the Action Construction Equipment Limited Employees Stock Option Scheme – 2021 ("Scheme"), the Group has issued stock options to its employees on such terms as may be approved by the Board of directors or the Nomination and Remuneration Committee. During the current year, the Group has granted share options to its eligible employees, which are convertible into equivalent number of equity shares once exercised. The options were granted on the dates as mentioned in the table below.

S.No	Grant date	Exercise Price	Number of instruments granted	Vesting conditions	Contractual life of options
1	03-June-2023	415	79,674	Graded vesting i.e. 33.33 % annually over a period of three years starting from 03 June 2023 and ending on 03 June 2026.	Valid for a period of 3 months from the respective date of vesting.
Total share options			79,674		

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Measurement of fair values

The weighted average fair value of stock options as on grant date

Grant date fair valuation for respective vesting dates	Method of Valuation	Fair value as on the grant date (₹)
3 Jun 24	Black Scholes option pricing model	150.14
3 Jun 25	Black Scholes option pricing model	200.31
3 Jun 26	Black Scholes option pricing model	245.72

The inputs and assumptions used in the measurement of grant date fair value are as follows:

Vesting Date	Fair value as on grant date	Exercise Price	Expected	Expected Life	Expected	Risk free
	(Rs.)	(Rs.)	Volatility	(in years)	Dividend	Interest Rate
3 Jun 24	150.14	415	41.95%	1.25	0.121%	6.77%
3 Jun 25	200.31	415	48.09%	2.25	0.121%	6.74%
3 Jun 26	245.72	415	53.83%	3.25	0.121%	6.74%

B. Effect of employee stock option scheme on the Separate Statement of Profit and Loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employee stock option scheme expense (included in employee benefits expense)	73.52	-

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option schemes were as follows:

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Number of Options	Weighted average exercise price (Rs.)	Number of Options	Weighted average exercise price (Rs.)
Options outstanding as at the beginning of the year	-	-	-	-
Add: Options granted during the year	79,674	415	-	-
Less: Options forfeited and expired during the year.	-	-	-	-
Less: Options exercised during the year	-	-	-	-
Options outstanding as at the year end	79,674	415	-	-
Exercisable at the end of the year	-	-	-	-

46 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iv) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- (v) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (vi) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (viii) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (ix) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (x) The Group has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayments as at March 31, 2024 (as at March 31, 2023: Nil).
- (xi) The Group has entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. (refer note no. 44 - Relationship with Struck off companies).
- (xii) The Group has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks are in agreement with the books of accounts, except as below

		31 March 24			
Quarter (Q)	Particulars	Amount as per books of accounts	Amount as reported in the quarterly re-turn/ statement	Excess/(short-age)	Whether return/ statement subsequently rectified
Q1-FY 23-24	Trade payables (Net of advances)	40,708.42	40,421.85	286.57	NA
Q1-FY 23-24	Purchases (net of returns)	47,421.53	47,891.95	(470.42)	NA
Q2-FY 23-24	Trade Receivables	17,248.88	17,378.85	(129.97)	NA
Q3-FY 23-24	Sale of products and services	2,06,390.49	2,06,425.93	(35.44)	NA

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Quarter (Q)	Particulars	31 March 23			
		Amount as per books of accounts	Amount as reported in the quarterly return/statement	Excess/(shortage)	Whether return/statement subsequently rectified
Q1-FY 22-23	Inventory	36,238.34	36,238.36	(0.02)	NA
	Receivables	19,029.24	19,059.23	(29.99)	NA
	Trade payables	34,349.28	34,538.16	(188.88)	NA
Q2-FY 22-23	Inventory	41,211.00	41,305.04	(94.04)	NA
	Receivables	20,455.00	20,257.24	197.76	NA
Q3-FY 22-23	Inventory	38,663.36	38,599.70	63.66	NA

(xiii) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have Core Investment Company (CIC).

47 List of subsidiaries

Set out below is a list of subsidiaries of the Group

Name of Subsidiary	Principal place of business and place of incorporation	Proportion of ownership interests	
		March 31, 2024	March 31, 2023
Crane Kraft India Pvt. Ltd	India	99.99%	99.99%
SC Forma SA	Romania	89.52%	89.52%
Namo Metals (Partnership Firm)	India	90.00%	90.00%

Group has interest in ACE Employee Group Gratuity Scheme Trust, which is consolidated in standalone financial statements of the Company.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Additional information pursuant to paragraph 12.3 of Division II of Schedule III to the Companies Act, 2013- 'General Instructions for the preparation of consolidated financial statements' of Division II of Schedule III

March 31, 2024

Name of the Company	Net assets (total assets minus total liabilities)		Share in Profit or Loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % age of consolidated net assets	Amount	As % age of consolidated Profit or loss	Amount	As % of consolidated OCI	OCI	As % of consolidated TCI	TCI
Parent								
Action Construction Equipment Limited	98.27%	1,21,979.53	99.78%	32,764.14	157.24%	(37.80)	99.74%	32,726.34
Subsidiaries (Parent share)								
Crane Kraft India Pvt. Ltd	0.15%	182.55	0.12%	39.31	1.33%	(0.32)	0.12%	38.99
SC Forma SA	1.19%	1,475.53	0.06%	20.46	(58.57%)	14.08	0.11%	34.54
Namo Metals (Partnership Firm)	0.39%	489.20	0.04%	11.84	-	-	0.04%	11.84
Non-controlling interest in all subsidiaries	-	-	0.01%	3.71	-	-	0.01%	3.71
Total	100.00%	1,24,126.81	100%	32,839.46	100%	(24.04)	100%	32,815.42

March 31, 2023

Name of the Company	Net assets (total assets minus total liabilities)		Share in Profit or Loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % age of consolidated net assets	Amount	As % age of consolidated Profit or loss	Amount	As % of consolidated OCI	OCI	As % of consolidated TCI	TCI
Parent								
Action Construction Equipment Limited	97.77%	90,917.06	92.09%	16,119.89	177.99%	2.83	92.10%	16,122.72
Subsidiaries (Parent share)								
Crane Kraft India Pvt. Ltd	0.15%	143.56	-0.59%	(103.59)	-6.29%	(0.10)	-0.59%	(103.69)
SC Forma SA	1.54%	1433.88	7.45%	1304.08	-71.70%	(1.14)	7.44%	1,302.94
Namo Metals (Partnership Firm)	0.53%	492.05	0.07%	11.48	-	-	0.07%	11.48
Non-controlling interest in all subsidiaries	-	-	0.99%	172.64	-	-	0.99%	172.64
Total	100%	92,986.55	100%	17,504.50	100%	1.59	100%	17,506.09

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

48. In accordance with requirement of rule 3(1) of Companies (Accounts) Rules, 2014, the Company and its subsidiary company have used an accounting software for maintaining its books of account, however, the feature of recording audit trail (edit log) facility has not been enabled during the current year ended March 31, 2024.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/
Kunal Kapur
Partner
Membership No : 509209
Place: Faridabad
Date: May 21, 2024

Sd/
Vijay Agarwal
Chairman and Managing Director
DIN : 00057634
Place: Faridabad
Date: May 21, 2024

Sd/
Rajan Luthra
Chief Financial Officer
Place: Faridabad
Date: May 21, 2024

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

Sd/
Sorab Agarwal
Whole Time Director
DIN: 00057666
Place: Faridabad
Date: May 21, 2024

Sd/
Anil Kumar
Company Secretary
Membership No.: 37791
Place: Faridabad
Date: May 21, 2024

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	Crane Kraft India Private Limited	SC Forma SA, Romania*	Namo Metals
2.	The date since when subsidiary was acquired	December 17, 2021	February 01, 2007	April 01, 2010
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	January 01, 2023 to December 31, 2023	NA
4.	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	RON, ₹ 18.5034	NA
5.	Share capital	300.00	199.01	489.20
6.	Reserves & Surplus	(117.45)	1292.36	NIL
7.	Total Assets	644.79	1494.71	494.45
8.	Total Liabilities	462.24	3.34	5.25
9.	Investments	NIL	NIL	NIL
10.	Turnover	2961.54	NIL	24.00
11.	Profit before taxation	42.15	26.46	18.39
12.	Provision for taxation	2.84	5.34	5.24
13.	Profit after taxation	39.31	21.12	13.15
14.	Proposed Dividend	NIL	NIL	NIL
15.	% age of shareholding	100%	89.52%	90%

*Under Voluntary Liquidation

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

Sd/
Vijay Agarwal
Chairman and Managing Director
DIN : 00057634
Place: Faridabad
Date: May 21, 2024

Sd/
Sorab Agarwal
Whole - time Director
DIN: 00057666
Place: Faridabad
Date: May 21, 2024

Sd/
Anil Kumar
Company Secretary
Membership No.: 37791
Place: Faridabad
Date: May 21, 2024

Sd/
Rajan Luthra
Chief Financial Officer
Place: Faridabad
Date: May 21, 2024



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 Thirtieth (30th) Annual General Meeting (AGM) of the Members of Action Construction Equipment Limited ("Company") will be held on **Tuesday, August 27, 2024 at 12:00 Noon (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following businesses. The deemed venue of AGM shall be the registered office of the Company.

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- (a) The audited standalone financial statement of the Company for the financial year ended March 31, 2024 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, 2024 and report of Auditors' thereon

and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as an **Ordinary Resolution(s)**:

- (a) **"RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2024 and the report of Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."
- (b) **"RESOLVED FURTHER THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2024 and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. To declare a final dividend of ₹ 2.00 i.e. (100%) per equity share for the Financial Year ended March 31, 2024 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT a dividend at the rate of ₹ 2.00/- i.e. (100%) per equity share of face value of ₹ 2/- (Rupees Two) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024 and the same be paid out of the profits of the Company."

3. To appoint Mrs. Mona Agarwal (DIN: 00057653) who retires by rotation as Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Mona Agarwal (DIN: 00057653), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS:

4. To ratify the remuneration of the cost auditors for the financial year ending March 31, 2025 and in this regard, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration of ₹ 1,75,000 (Rupees One Lakh 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, 2025, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute and to do all such acts, deeds, things, and matters as may be deemed necessary, proper or expedient and for the matters connected herewith or incidental hereto."

5. Re-appointment of Mrs. Surbhi Garg (DIN: 01558782) as Whole Time Director, designated as Executive Director of the Company and in this regard, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule

V to the Companies Act, 2013, Articles of Association of the Company and subject to the approval of Central Government or any authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Mrs. Surbhi Garg (DIN: 01558782) as Whole Time Director, designated as Executive Director of the Company for a period of 5 years w.e.f. April 01, 2025 on terms and conditions including remuneration and perquisites, as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board") and/or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and/or remuneration in such manner as may be deemed fit by the Board and/or Nomination and Remuneration Committee and agreed by Mrs. Surbhi Garg."

"RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any financial year, the remuneration as set out be paid to Mrs. Surbhi Garg (DIN: 01558782) as minimum remuneration, subject to necessary approval(s), as may be required."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mrs. Surbhi Garg (DIN: 01558782), Whole Time Director, including the components of the remuneration payable to her subject to the overall limit of ₹ 3,50,00,000/- (Rupees Three Crore Fifty Lakhs Only) per annum (including perquisites and allowances)."

"RESOLVED FURTHER THAT the Whole Time Director is liable to retire by rotation and will carry out such duties and exercise such powers as may be entrusted to her by the Board of Directors subject to the supervision, superintendence and control of the Board."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard."

"RESOLVED FURTHER THAT Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Sorab Agarwal, Whole Time Director, Mr. Rajan Luthra, CFO and Mr. Anil Kumar, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required to be done to give effect to the above resolution(s) including filing of requisite forms and returns etc. with Registrar of Companies NCT of Delhi & Haryana and/or Ministry of Corporate Affairs (Government of India) and taking necessary approval from the government or other authorities etc., as may be required."

6. **Re-appointment of Mr. Avinash Parkash Gandhi (DIN: 00161107) as a Non-Executive Independent Director of the Company** and in this regard, if thought fit, to pass with or without modification(s), the following resolution as a **Special 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 and other applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Article of Association of the Company and subject to the approval of Central Government or any authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Mr. Avinash Parkash Gandhi (DIN: 00161107) who has attained the age of 85 years and 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 Act from a member proposing his candidature for the office of Director, as a Non-Executive Independent Director of the Company to hold office for a second term of five consecutive years w.e.f. October 01, 2024 to September 30, 2029 and whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to the provisions of section 197(5) read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable sections, provisions and rules of the Companies Act, 2013, the consent of the members be and is hereby accorded to pay sitting fees per meeting to Mr. Avinash Parkash Gandhi (DIN: 00161107) as paid to the other Independent Directors for attending the meeting of the Board and its Committee."

"RESOLVED FURTHER THAT Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Sorab Agarwal, Whole Time 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 filing of requisite forms and returns etc. and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

7. **Re-appointment of Dr. Divya Singal (DIN: 08722144) as a Non-Executive Independent Director (Independent Woman Director) of the Company** and in this regard, if thought fit, to pass with or without modification(s), the following resolution as a **Special 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 and other applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Article of Association of the Company and subject to the approval of Central Government or any authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Dr. Divya Singal (DIN: 08722144) who 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 Act from a member proposing her candidature for the office of Director, as a Non-Executive Independent Director of the Company to hold office for a second term of five consecutive years w.e.f. April 01, 2025 to March 31, 2030 and whose office shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of section 197(5) read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable sections, provisions and rules of the Companies Act, 2013, the consent of the members be and is hereby accorded to pay sitting fees per meeting to Dr. Divya Singal (DIN: 08722144) as paid to the other Independent Directors for attending the meeting of the Board and its Committee.”

“RESOLVED FURTHER THAT Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Sorab Agarwal, Whole Time 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 filing of requisite forms and returns etc. and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

8. Amendment in the Exercise Price or Pricing Formula specified under Action Construction Equipment Limited Employees Stock Option Scheme – 2021 and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re-enactment

thereof), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**“SEBI (SBEB & SE) Regulations”**), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI (LODR) Regulations”**), relevant provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines/ Circulars in that behalf and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), the consent of the members of the Company be and is hereby accorded for amendment in the Exercise Price or Pricing Formula specified under the Action Construction Equipment Limited Employees Stock Option Scheme – 2021 (**“Scheme”**).”

“RESOLVED FURTHER THAT the revised Exercise Price or Pricing Formula shall be as follows:

Exercise Price or Pricing Formula:

The exercise price of the Shares will be decided by the Nomination & Remuneration Committee and will be as follows:

In case the Shares acquired by the Trust is either from secondary acquisition or direct allotment then the exercise price will be decided on the basis of the average of last three months market price, i.e. latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Nomination and Remuneration Committee on which the grant is made.

For the above purpose Market price means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Nomination and Remuneration Committee on which the grant is made.

Explanation – As the Equity Shares of the Company are listed on more than one stock exchange, the closing price on the stock exchange having higher trading volume shall be considered as the market price.

“RESOLVED FURTHER THAT the Nomination & Remuneration Committee has a power to provide suitable discount upto a maximum of 50% on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.”

“RESOLVED FURTHER THAT it is hereby noted that the

amendment in the Scheme is not prejudicial to the interests of the Option Grantees/ Employees of the Company and is being carried out to amend the Exercise Price or Pricing Formula specified in the Scheme.”

“**RESOLVED FURTHER THAT** Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Sorab Agarwal, Whole Time Director, Mr. Rajan Luthra, CFO and Mr. Anil Kumar, Company Secretary of the Company of the Company be and is hereby severally authorized on behalf of the Company to make and carry out any modifications, changes, variations, alterations or revisions in the Scheme or to suspend, withdraw or revive the Scheme, in accordance with applicable laws prevailing from time to time,

as it may deem fit and to do all such acts, deeds and things as may be deemed appropriate in the best interest of the Company to give effect to this resolution”.

**By Order of the Board of Director
For Action Construction Equipment Limited**

Place: Faridabad

Date: May 21, 2024

Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, HR

CIN : L74899HR1995PLC053860

Email : cs@ace-cranes.com

Sd/-

Anil Kumar

Company Secretary

M. No. ACS: 37791

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) has vide its circular no. 14/2020 dated April 08, 2020, 20/2020 dated May 05, 2020, 2/2021 dated January 13, 2021, 19/2021 dated December 08, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 05, 2022, 10/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM” or “e-AGM”) through video conferencing (‘VC’) or other Audio Visual Means (‘OAVM’) without the physical presence of the Members of the Company at a common venue. In accordance with MCA Circulars, provisions of the Companies Act 2013 (“Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, May 05, 2022, December 28, 2022 and September 25, 2023, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with **National Securities Depository Limited (NSDL)** for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
3. As per the provisions under the MCA and SEBI Circulars, Members attending the 30th 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 Businesses at the Meeting, is **annexed** hereto and forms part of this notice. 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 the 30th AGM is being held through VC/OAVM, the **route map** is not annexed to this Notice.
6. 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 30th 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 30th AGM and hence the **Proxy Form and Attendance Slip are not annexed to this Notice.**
7. In compliance with the aforesaid MCA Circulars and SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023, Notice of the AGM along with the Annual Report 2023-24 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 will also be available on the Company’s website www.ace-cranes.com, 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, and on the website of NSDL at www.evoting.nsd.com.
8. The Institutional/Corporate members intending to attend the 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 AGM through VC/ OAVM and vote on their behalf by an email through its registered email address to cs@ace-cranes.com and cs@vasishtassociates.com.
9. 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.
10. The details of the Directors retiring by rotation and seeking appointment/ reappointment at the 30th AGM are provided in **Annexure-I** of this Notice. The Company has received the requisite consents/declarations for the appointment/re-appointment under the Companies Act, 2013 and the rules made thereunder.
11. In order to enable the Company to comply with MCA/ SEBI Circulars and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) and in respect of shares held in physical form by sending duly filled and signed form ISR-1 available on Company’s Website at <https://www.ace-cranes.com/public/front/pdf/Form-ISR-1.pdf> and to the Registrar and Share Transfer Agent of the Company – **Skyline Financial Services Private Limited**, D-153A , 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020, Phone: 011-26812682, 011-26812683, Email: admin@skylinerta.com.
12. For receiving all communication (including Annual Report) from the Company electronically:
 - (a) Members holding shares in physical mode and who have not registered/ updated their e-mail address with the Company are requested to register/ update

the same in accordance with procedure mentioned in point no. 11.

- (b) Members holding shares in dematerialized mode are requested to register/ update their e-mail address with the relevant Depository Participant.
13. The Register of Members and the Share Transfer books of the Company will remain closed from **Tuesday, August 20, 2024 to Tuesday August 27, 2024** (both days inclusive) for the purpose of Annual General Meeting and for determining the entitlement of the shareholders to the dividend for FY 2023-24. **Cut-off date for e-voting will be Tuesday, August 20, 2024.**
 14. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed **Tuesday, August 20, 2024** 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.
 15. 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.
 16. 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.
 17. (a) In compliance of SEBI Circular dated June 10, 2024, read with SEBI Master Circular for RTA dated May 07, 2024, the security holders holding securities in physical form are hereby advised to update/ register their PAN, Choice of Nomination, Contact Details (i.e. postal address with PIN and mobile no.), Bank Account Details and Specimen Signatures.

Further, any grievances/services request shall be entertained by RTA/Company only after furnishing PAN and KYC Details. Further, any payment including dividends, interest (if any) in respect of folios, where PAN or KYC details are not updated, shall be made only through electronic mode.
 - (b) Online Dispute Resolution (ODR) Portal is introduced by

SEBI vide its Master Circular SEBI/ HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated August 11, 2023, which is in addition to the existing SCORES 2.0 portal which can be utilized by the investors and the Company for dispute resolution.

Please note that the investors are advised to initiate dispute resolution through the ODR portal only if the Company does not resolve the issue itself or it is not resolved through SCORES 2.0 portal.

18. To enable compliance with TDS requirement on Dividend, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the Income Tax Act, 1961 with their Depository Participants or in case shares are held in physical form, with the RTA by submitting form ISR-1 as mentioned in point no. 11 above.
19. Due dates of transferring unclaimed and/ or unpaid dividend declared by the Company for the financial year 2016-17, and thereafter to Investor Education and Protection Fund Authority ("IEPF"):

S.N.	Financial Year	Last Date for claiming unpaid dividend
1	Final Dividend 2016-17	30.10.2024
2	Final Dividend 2017-18	31.10.2025
3	Final Dividend 2018-19	31.10.2026
4	Interim Dividend 2019-20	21.04.2027
5	Final Dividend 2020-21	10.10.2028
6	Final Dividend 2021-22	27.10.2029
7	Final Dividend 2022-23	02.10.2030

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim well in advance of the above due dates. Members are requested to check the details of unclaimed dividend amount, if any, on the Company's website www.ace-cranes.com under Investors Relation section.

Members may please note that the unclaimed dividend in respect of the financial year 2016-17 must be claimed by the concerned members on or before October 30, 2024, failing which it will be transferred to the Investor Education & Protection Fund Authority, in accordance with the relevant provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"). Members are requested to write to Company/ Skyline, for claiming unclaimed dividend.

20. Members wishing to claim dividend that remain unclaimed are requested to correspond with the Registrar and shares transfer agent (RTA) or the Company Secretary of the Company. Members are requested to note that as per

section 124 of the Companies Act, 2013 and applicable rules, dividends that are not claimed within seven years from the date of transfer to the Company's unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) and shares on which dividend remains unclaimed for seven consecutive years will also be transferred to the IEPF.

21. The Company has transferred the unpaid or unclaimed dividends upto FY 2015-16 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts on the website of the Company at www.ace-cranes.com in the Investors Relation section.

Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has already transferred all shares in respect of which dividend (declared up to FY 2015-16) has not been paid or claimed by the members for 7 (seven) consecutive years or more, to IEPF Authority.

22. Section 72 of the Act and Rule 19 of the Companies (Share Capital & Debenture) Rules, 2014 has extended the nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed Nomination Form SH-13 to the Company/ RTA. This form is also available on the Company's website www.ace-cranes.com.
23. Please send all correspondence including requests for transfer/transmission of shares, change of address & dividend etc. to Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020, Phone: 011-26812682, 011-26812683, Email: admin@skylinerta.com.
24. The Board in their meeting held on May 21, 2024 has recommended dividend of ₹ 2.00 i.e. (100%) per equity share for the financial year ended March 31, 2024. The payment of dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company and is proposed to be paid within 30 days from date of ensuing Annual General Meeting.
25. The dividend after deduction of tax at source, if declared at the AGM, would be paid/ dispatched to those persons or their mandates:
- (a) Whose names appear as beneficial owners as at the end of the business hours on **August 19, 2024** in the

list of beneficial owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic mode; and

- (b) Whose names appear as members in the Register of Members of the Company/ RTA after giving effect to valid share transmission/ transposition in physical form lodged with the Company on or before **August 19, 2024**.
26. Effective from April 01, 2020 dividend income is taxable in the hands of the shareholders, hence Company is required to deduct tax at source ("**TDS**") from dividend paid to the Shareholders at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). Communication on TDS on Dividend Distribution appended to this notice as **Annexure - II**.
27. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details of investors furnished by the Depositories/ available with the RTA for payment of dividend through National Electronic Clearing Services ("**NECS**") to the investors, wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from members holding shares in electronic mode for deletion/ change in such bank account details. Further, instruction if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participant about such change, with complete details of bank account. In case the shares are held in physical form, please send NECS form, so as to reach on or before the date of Book Closure fixed for payment of dividend to RTA. Dividend warrants/demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details.
28. 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).
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. 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. **August 27, 2024**. Members seeking to inspect such documents can send an email to cs@ace-cranes.com.

31. In term of section 152 of the Act, Mrs. Mona Agarwal retire by rotation at this Meeting and being eligible, offer herself for re-appointment. The Board of Directors recommends her re-appointment. Mrs. Mona Agarwal is interested in the resolution set out at item no. 3 of the notice. Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Sorab Agarwal, Executive Director, Mrs. Surbhi Garg, Executive Director being related to Mrs. Mona Agarwal may be deemed to be interested in the resolution set out at item No. 3 of the notice. The other relatives of Mrs. Mona Agarwal may be deemed to be interested in the resolution set out at item no. 3 of the notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/their relatives is concerned or interested, financially or otherwise, in the aforementioned resolution.

32. A certificate from the Secretarial Auditor of the Company certifying that the Company's Employee Stock Option Scheme are being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI (SBEB & SE) Regulations**"), as amended from time to time and in accordance with the resolutions passed at the general meeting(s) will be available electronically for inspection by the members during the AGM.

33. Voting through electronic means.
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 30th AGM by electronic means and the business may be transacted through e-voting Services ("**Remote e-Voting**").

The members who have cast their votes by Remote e-Voting prior to the AGM may also participate in the AGM through VC/ OAVM via link provided in their login ids but shall not be entitled to cast their vote again.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on **Friday, August 23, 2024 at 09:00 A.M. and ends on Monday, August 26, 2024 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. **Tuesday, August 20, 2024** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut- off date, i.e. **Tuesday, August 20, 2024**.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

(a) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of share-holders	Login Method
Individual Share-holders holding securities in demat mode with NSDL	1 Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under ' IDeAS ' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>2. If you are not registered for IDEAS e-Services, option to register is available at https:// eservices.nsd.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p>

	<p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual holders (holding securities in demat mode) Login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022-4886 7000
Individual Shareholders holding securities in demat mode with CDSL.	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

(b) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
(b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
(c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details of shareholders other than individual shareholders are given below:
 - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - (c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

(ii) If your email ID is not registered, please follow steps mentioned below in process for **those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - (a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - (b) Physical User Reset Password?”(If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?

- (a) After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- (b) Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Annual General Meeting. For joining virtual meeting, you need to click on “VC/ OAVM” link placed under “Join Meeting”.
- (c) Now you are ready for e-Voting as the Voting page opens.
- (d) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- (e) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (f) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (g) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- (a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@vasishtassociates.com with a copy marked to evoting@nsdl.co.in and cs@ace-cranes.com.
- (b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022-48867000 and 022-24997000 or send a request to evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- (a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@ace-cranes.com.
- (b) In case shares are held in demat mode, please provide DPID- CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@ace-cranes.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- (c) Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
- (d) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- (a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (b) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- (c) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (a) Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- (b) Members are encouraged to join the Meeting through Laptops for better experience.
- (c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (e) Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at cs@ace-cranes.com. The same will be replied by the company suitably.

34. 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.
35. 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. **Tuesday, August 20, 2024** may obtain the login ID and password by sending an email to cs@ace-cranes.com or admin@skylinerta.com or evoting@nsdl.co.in by mentioning their Folio No./DP ID and Client ID No.
36. 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.
37. The Scrutinizer shall, after the conclusion of e-voting at the AGM, unblock the votes cast through Remote e-Voting and e-voting at AGM shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing, who shall declare the result of the voting forthwith.
38. The results declared alongwith the Scrutinizer's Report shall be placed on Company's website www.ace-cranes.com and on the website of NSDL at <https://www.evoting.nsdl.com> after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
39. 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.
40. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / Folio Number, PAN, Mobile Number at cs@ace-cranes.com on or before **August 25, 2024**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
41. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020. Members may note that pursuant to the MCA and SEBI Circulars the Company has enabled a process for the limited purpose of receiving the Company's Annual Report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily send their email address at cs@ace-cranes.com.
42. 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.
43. 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.
44. 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.

**By Order of the Board of Director
For Action Construction Equipment Limited**

Place: Faridabad
Date: May 21, 2024
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, HR

**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

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the rules made thereunder, the Company is required to have the audit of its cost records conducted by a cost accountant in practice and the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

The Board on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s Vandana Bansal & Associates, Cost Accountants, (Firm registration No: 100203), to conduct the audit of the cost records of the Company in respect of the applicable products for the financial year ending March 31, 2025 at an annual remuneration of ₹ 1,75,000 (Rupees One Lakh 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 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 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

None of the Directors / Key Managerial Personnel of the Company/ their relatives is/are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 4 of the notice for approval by the members.

ITEM NO. 5

Pursuant to the provision of the Companies Act, 2013 read with rules made their under and listing Regulations, the members of the Company have re-appointed Mrs. Surbhi Garg as Whole Time Director of the Company at their AGM held on September 27, 2019 for a period of five years w.e.f. April 01, 2020 and current term of her appointment as Whole Time Director will expire on March 31, 2025.

Mrs. Surbhi Garg, aged 46 years, is a Promoter and Whole-Time Director of the Company. She is having over 15 years of industry experience in the field of administrative and Human Resource affairs. Under her guidance, the company's administrative affairs are being handled in a professional manner and she has helped the company to formulate effective policies. She has proved to be a guiding light throughout all these years of the Company's journey.

Pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the rules made thereunder and SEBI LODR Regulations, 2015 as amended, as recommended by

the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on May 21, 2024, re-appointed Mrs. Surbhi Garg (DIN: 01558782) as the Whole Time Director designated as Executive Director of the Company with effect from April 01, 2025, for further period of five years.

Considering her knowledge of various aspects relating to the Company's affairs and vast business experience, the services of Mrs. Surbhi Garg should be available to the Company for a further period of five (5) years with effect from April 01, 2025 for smooth and efficient running of the business.

It is proposed to seek the members' approval for the re-appointment and remuneration payable to Mrs. Surbhi Garg as Whole Time Director of the Company, in terms of the applicable provisions of the Act as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

Broad particulars of the terms of re-appointment and remuneration payable to Mrs. Surbhi Garg, as the Whole Time Director of the Company are as under:

1. **Designation:** Executive Director.
2. **Tenure:** 5 (Five) years from April 01, 2025 to March 31, 2030.
3. **Remuneration including allowance and perquisites as under:**

(a) Salary, Perquisites and Allowances per annum:

Salary per annum	In the scale of ₹ 120 lakhs to ₹ 300 lakhs.
Perquisites and Allowances	In the scale of ₹ 05 lakhs to ₹ 50 lakhs.

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or reenactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost

(b) Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging including for Mrs. Surbhi Garg's spouse and dependents during business trips, any medical assistance provided for her family members and provision of car(s) for use on Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(c) Other facilities and benefits as under:

- (i) She will be provided with a Car for effective discharge of her official duties. All expenses of car (including expenses of fuel, repair, and maintenance, insurance & salary of Driver) shall be borne by the Company.
- (ii) She will be entitled to re-imburement of entrance fees for membership of any club/society, which in her opinion is essential to promote the business of the company and in the interest of the Company.

4. General:

- (a) Executive Director will be in overall charge of the business, administration and other affairs of the Company, subject to the control and directions of the Board of Directors, and shall guide, control and supervise the employees of the Company, their functions, the business carried on by the Company and all administrative matters.
- (b) Executive Director shall have all the powers and authorities of the Board of Directors as provided in Articles of Association of the Company and in the Companies Act, however subject to the control and directions of the Board of Directors and except the powers which are required to be exercised by the Board in meeting.
- (c) Executive Director will have power to sign all contracts, deeds and documents proposed to be executed by the Company, to make sign, draw accept, endorse, negotiate, sell and transfer on behalf of the Company all cheques, bills of exchange, drafts, hundies, promissory notes, dock warrants, purchase/delivery orders and other negotiable instruments and securities and to represents the Company in dealings with others including Government and other authorities and also to sign all pleadings, applications and other papers required to be filed in any court proceedings by or against the Company.
- (d) Executive Director will have power to institute, defend, prosecute, conduct, compound, refer to arbitration and to abandon and to compromise legal or other proceedings, claims and disputes by or against the Company or in which the Company may be concerned or interested.
- (e) Executive Director will have power to appoint and dismiss all employees (including of whatever grade or position), as per the conduct rules of the Company and allot them work and exercise control over them.
- (f) Sitting fees: The Executive Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof.

- (g) Executive Director will perform her respective duties as such with regard to all work of the Company and she will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- (h) Executive Director shall adhere to the Company's Code of Conduct & Ethics for Directors and Management Personnel.
- (i) Executive Director shall comply with all the policies, rules and regulations of the Company from time to time in force and shall not disclose any business secret, business plans, policies to any person, firm, companies etc. She shall not solicit the customers of the Company for her personal gain or interest.
- (j) Executive Director will act diligently and to the best of her ability in the discharge of the duties and she will be responsible for the proper administration and functioning of the Company's business.

Save and except as provided in the foregoing paragraph, Mrs. Surbhi Garg satisfies all the conditions set out under Section 196 of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mrs. Surbhi Garg under Section 190 of the Act.

Details of Mrs. Surbhi Garg are provided in "Annexure-I" to this Notice pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mrs. Surbhi Garg is interested in the resolution set out at item no. 5 of the notice. Mr. Vijay Agarwal, Chairman & Managing Director, Mrs. Mona Agarwal, Executive Director, Mr. Sorab Agarwal, Executive Director being related to Mrs. Surbhi Garg may be deemed to be interested in the resolution set out at item no. 5 of the notice. The other relatives of Mrs. Surbhi Garg may be deemed to be interested in the resolution set out at item no. 5 of the notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/their relatives is concerned or interested, financially or otherwise, in the aforementioned resolution.

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mrs. Surbhi Garg.

The Board recommends the Special Resolution(s) set out at item no. 5 of the notice for approval by the Members.

ITEM NO. 6.

Pursuant to the provision of the Companies Act, 2013 read with rules made thereunder and listing Regulations, Members of the Company have appointed Mr. Avinash Parkash Gandhi as a Non-Executive Independent Director of the Company in their 25th Annual General Meeting (AGM) held on September 27, 2019 for first term of five consecutive years w.e.f. October 01, 2019 to September 30, 2024 and his current term will expire on September 30, 2024.

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 and shall be eligible for re-appointment on passing of a special resolution by the Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors at its meeting held on May 21, 2024 recommended for the approval of the members, for the re-appointment of Mr. Avinash Parkash Gandhi (DIN: 00161107) as a Non-Executive Independent Director of the Company for second term of five consecutive years from October 01, 2024 to September 30, 2029 and not 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.

As per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, no listed entity shall appoint a person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Since, Mr. Avinash Parkash Gandhi has attained the age of 85 years and his re-appointment as Independent Director, need to be approved by special resolutions by the shareholders.

Brief profile of Mr. Gandhi:

Mr. Avinash Parkash Gandhi aged 85 years holds a rich experience of more than 55 years of top leadership positions such as Special Advisor, President, CEO, Director and other senior managerial

position in several prestigious organizations. He was previously associated as President of Hyundai Motors India Limited and with Escorts Limited as the Chief Executive – R&D. He was also associated with Telco Holding in senior positions in the area of manufacturing operations.

Mr. Avinash Parkash Gandhi holds Bachelor's Degree in Mechanical Engineering from Birla Institute of Technology, Mesra, Ranchi and has completed Senior Management programme at Indian Institute of Management and Administration Staff College of India.

Presently Mr. Gandhi is on the Boards of many reputed Companies namely, Lumax Auto Technologies Limited, Lumax Industries Limited etc.

Mr. Gandhi 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. Avinash Parkash Gandhi 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 re-appointment as a Non-Executive Independent Director of the Company and is independent of the management.

Based on the disclosures received from Mr. Avinash Parkash Gandhi, 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.

The Board of Directors is of the opinion that Mr. Avinash Parkash Gandhi 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-I**.

Accordingly, the Board recommends passing of the Special Resolution in relation to appointment of Mr. Gandhi as an Independent Director for second term of five consecutive years with effect from October 01, 2024 to September 30, 2029 for the approval by the shareholders of the Company.

Copy of the draft letter for appointment of Mr. Gandhi as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on the working

day except Saturday upto date and including the date of AGM of the Company.

Save and except Mr. Avinash Parkash Gandhi, being 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 special resolution(s) set out at item no. 6 of the Notice.

The Board recommends the Special Resolution(s) as set out at item no. 6 of the Notice for approval of the members.

ITEM NO. 7

Pursuant to the provision of the Companies Act, 2013 read with rules made their under and listing Regulations, the members of the Company have appointed Dr. Divya Singal as a Non-Executive Independent Director (Independent Woman Director) of the Company in their 26th Annual General Meeting (AGM) held on September 24, 2020 for first term of five consecutive years w.e.f. April 01, 2020 to March 31, 2025 and her current term will expire on March 31, 2025.

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 and shall be eligible for re-appointment on passing of a special resolution by the Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors at its meeting held on May 21, 2024, recommended for the approval of the members, for the re-appointment of Dr. Divya Singal as a Non-Executive Independent Director (Independent Woman Director) for second term of five consecutive years from April 01, 2025 to March 31, 2030 and not 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.

Brief Profile of Dr. Divya Singal:

Dr. Divya Singal aged 63 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), National Coordinator

Breast Committee, FOGSI(Federation ob/Gyne Society of India), and Ex- 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-I**.

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 Special Resolution for the re-appointment of Dr. Divya Singal as a Non-Executive Independent Director (Independent Woman Director) of the Company to hold office for a second term of five consecutive years effective from April 01, 2025 to March 31, 2030 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 terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours (9:00 am to 5:00 pm) on the working day except Saturday upto date and including the date of AGM of the Company.

Save and except Dr. Divya Singal, being 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 Special Resolution set out at item no. 7 of the Notice.

The Board recommends the Special Resolution(s) as set out at item no. 7 of the Notice for approval of the members.

ITEM NO. 8

The Company had implemented Action Construction Equipment Limited Employees Stock Option Scheme – 2021 ("**Scheme**"),

with a view to attract and retain key talents by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Scheme was originally approved vide members' resolution dated September 03, 2021 in due compliance of the provisions of the Companies Act, 2013 and the Rules thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI (SBEB & SE) Regulations**").

The existing Scheme delineates the exercise price or price formula, which is currently structured as follows:

- In case the Shares acquired by the Trust is from secondary acquisition then the exercise price will be decided on the basis of the average purchase price of the Shares of the Trust or the market price.
- In case the Shares acquired by the Trust is from direct allotment then the exercise price will be based upon market price.

For the above purpose Market price means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Nomination and Remuneration Committee on which the grant is made.

Explanation – As the Equity Shares of the Company are listed on more than one recognised stock exchange, the closing price on the recognized stock exchange having higher trading volume shall be considered as the market price.

The Nomination & Remuneration Committee has a power to provide suitable discount upto a maximum of 35% on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.

Further, with the aim of enhancing clarity regarding the exercise price and increasing the permissible discount rate from the existing maximum of 35% to up to 50%, it has been decided to propose an amendment to this clause of the Scheme.

The revised Exercise Price or Pricing Formula shall be as follows:

Exercise Price or Pricing Formula:

The exercise price of the Shares will be decided by the Nomination & Remuneration Committee and will be as follows:

In case the Shares acquired by the Trust is either from secondary acquisition or direct allotment then the exercise price will be decided on the basis of the average of last three months market price i.e. latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Nomination and Remuneration Committee on which the grant is made.

For the above purpose Market price means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Nomination and Remuneration Committee on which the grant is made

Explanation – As the Equity Shares of the Company are listed on more than one stock exchange, the closing price on the stock exchange having higher trading volume shall be considered as the market price.

The Nomination & Remuneration Committee has a power to provide suitable discount upto a maximum of 50% on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.

Further, the Company amended the existing Scheme by causing variation in terms of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 12(5) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 7(1) and other applicable provisions, if any, of the SEBI (SBEB & SE) Regulations. The proposed amendments to the Scheme are not prejudicial to the interest of the Employees. The amended Scheme shall be applicable from the date of passing of special resolution by the shareholders in the ensuing AGM.

Based on the approval of the Nomination & Remuneration Committee (NRC) on May 21, 2024 and of the Board of Directors on May 21, 2024, approval of Members is sought by way of a Special Resolution for item no. 8 of the accompanying Notice to amend the exercise price or price formula in the said scheme and do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for giving effect to the amendment in the Scheme in this regard.

In terms of Regulation 6(1) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["**SEBI (SBEB & SE) Regulations**"] and Section 62 and other applicable provisions, if any, of the Companies Act, 2013, the issue of Equity Shares under an Employee Stock Options Scheme requires approval of the shareholders by way of a Special Resolution. The Special Resolution set out at Item No. 8 is to seek your approval for the said purpose.

A summary of the key variation in the Scheme which is proposed to be amended is given below for the perusal and consideration of the Members. Details of the key variation of the Scheme is provided below:

1. Key Variation in the Scheme:

S. No	Clause No.	Position under the Existing Scheme	Variation Proposed
1	13.1	<p>The exercise price of shares will be decided by the Committee and will either be:</p> <ul style="list-style-type: none"> In case the Shares acquired by the Trust is from secondary acquisition then the exercise price will be decided on the basis of the average purchase price of the Shares of the Trust or the market price. In case the Shares acquired by the Trust is from direct allotment then the exercise price will be based upon market price. 	<p>The exercise price of the Shares will be decided by the Committee and will be as follows:</p> <p>In case the Shares acquired by the Trust is either from secondary acquisition or direct allotment then the exercise price will be decided on the basis of the average of last three months market price i.e. latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Nomination and Remuneration Committee on which the grant is made.</p>
2.	13.2	<p>The Committee has a power to provide suitable discount upto a maximum of 35% on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.</p>	<p>The Committee has a power to provide suitable discount upto a maximum of 50% on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.</p>

Further, the main features and other details of the Scheme as per Regulation 6(2) of the SEBI (SBE & SE) Regulations, are as under.

1. Brief Description of the Scheme:

The Scheme shall be called as Action Construction Equipment Limited Employees Stock Option Scheme-2021. The Purpose of the Scheme includes the following:

- To motivate the Employees to contribute to the growth and profitability of the Company;
- To retain the key Employees and reduce the attrition rate of the Company;
- To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company;
- To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come; and
- To provide additional deferred rewards to Employees.

2. The total number of Stock Options to be granted under the

Scheme:

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 5% of the Paid Up Capital of the Company as on March 31, 2021, comprising into, 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Options which shall be convertible into equal number of Equity Shares.

If any Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further grant under the Scheme unless otherwise determined by the Committee of the Company (hereinafter referred to as the "Board of Directors" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee).

Further, the maximum number of Options that can be granted and the Equity Shares arise upon exercise of these Options shall stand adjusted in case of corporate action (as defined in the Scheme).

3. Identification of classes of Employees entitled to participate and the beneficiaries in the Scheme:

- an Employee as designated by the Company, who is exclusively working in India or outside India; or
- a Director of the Company, whether a Whole Time Director or not, but excluding an Independent Director and Non-Executive Director.

but does not include—

- an employee who is a promoter or a person belonging to the promoter group; or
- a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company.

4. Requirement of Vesting and period of Vesting:

Vesting period shall commence from the grant date subject to minimum of 1 (One) year from the grant date and a maximum of 4 (Four) years from the grant date, at the discretion of and in the manner prescribed by the Committee.

Vesting of Options can vary from Grantee (an Eligible Employee to whom Options have been granted under the Scheme) to Grantee as per the discretion of the Committee whose decision shall be final and binding.

The vesting would be subject to the continued employment of the Grantee and may further be linked with the eligibility criteria, as determined by the Committee and mentioned in the grant letter.

5. Maximum period within which the Options shall be vested:

Maximum period within which the Options shall be vested is 4 (Four) years from the grant date.

6. Exercise Price or Pricing Formula:

The exercise price of the shares will be decided by the Committee and shall be as follows:

In case the Shares acquired by the Trust is either from secondary acquisition or direct allotment then the exercise price will be decided on the basis of the average of last three months market price i.e. latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Committee i.e. Nomination and Remuneration Committee on which the grant is made.

For the above purpose Market price means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Nomination and Remuneration Committee on which the grant is made.

Explanation – As the Equity Shares of the Company are listed on more than one recognised stock exchange, the closing price on the recognized stock exchange having higher trading volume shall be considered as the market price.

The Committee has a power to provide suitable discount upto a maximum of 50% on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.

7. Exercise period and process of Exercise

After vesting, Options can be exercised within 2 (Two) year from the date of respective vesting, either wholly or in part, through cash mechanism after submitting the exercise application along with payment of the exercise price, applicable taxes and other charges, if any.

The mode and manner of the exercise shall be communicated to the grantees individually.

8. Appraisal process for determining the eligibility of the Employees for the Scheme:

The Committee may on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant / vesting of Options under the Scheme and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee / Grantee in the Company.
- Performance of Employee / Grantee: Employee's / Grantee's performance during the financial year in the Company on the basis of decided parameters.
- Performance of Company: Performance of the Company as per the standards set by the Board of Directors.
- Any other criteria as decided by the Nomination and Remuneration Committee in consultation with Board of Directors from time to time.

9. The Maximum number of Options to be granted per Employee and in aggregate:

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 5% of the Paid Up Capital of the Company as on March 31, 2021, comprising into, 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Options which shall be convertible into equal number of Equity Shares.

The maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

10. The Maximum quantum of benefits to be provided per Employee under the Scheme:

The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Stock Exchanges as on the date of Exercise of Options and the Exercise Price paid by the Employee.

11. Whether the Scheme is to be implemented and administered directly by the Company or through a Trust:

The Scheme shall be implemented through trust route wherein an irrevocable Trust by the name Action Construction Equipment Limited Employees Welfare Trust, set-up by the Company in compliance with SEBI (SBEB & SE) Regulations, shall acquire the Equity Shares either by way of secondary acquisition from the market and/or Direct allotment from the Company.

The Scheme shall be administered by the Nomination and Remuneration Committee which shall delegate some or all of its power to the Trust or any other Committee or Persons for proper administration of the Scheme.

12. Whether the Scheme involves new issue of shares by the company or secondary acquisition by the Trust or both:

The Scheme involves both secondary acquisitions of equity shares by the Trust / Direct allotment to the Trust by the Company.

13. The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

The amount of interest free loan to be provided for implementation of the Scheme by the Company to the Trust Shall not exceed 5% of the paid-up equity capital and free reserves as provided in Companies Act, 2013. The loan shall be repayable by the Trust in quarterly intervals subject to availability of the funds received pursuant to exercise of stock options under the Scheme and in accordance with the relevant provisions of the applicable laws & regulations. The

utilization of such loan shall be for the objects of the Trust as mentioned in the trust deed. The Trust shall repay the loan to the Company by utilising the proceeds realised from exercise of Options by the Grantees and the accruals of the Trust at the time of duration or termination of the Scheme.

14. The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Scheme:

The total number of Shares under secondary acquisition held by the Trust in pursuance to the Scheme or any other share based Employee benefit plan implemented in the past, shall at no time, exceed 5 (Five) percent of the Paid-up Equity Capital of the Company as at the end of the financial year immediately prior to the year in which the Shareholder approval is obtained for such secondary acquisition in due compliance with the provisions of the SEBI (SBEB & SE) Regulations.

Further, the secondary acquisition in a financial year by the Trust shall not exceed 2 (Two) percent of the Paid up Equity Capital as at the end of the previous financial year.

15. Disclosure and accounting policies:

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations or as may be prescribed by regulatory authorities from time to time.

16. The method which the Company shall use to value its Options:

The Company shall comply with the requirements of IND-AS 102 and shall use Fair value method.

17. Statement with regard to Disclosure in Director's Report:

As the company is adopting fair value method, presently

there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' report.

18. Period of lock-in:

The Shares transferred to the Grantees pursuant to exercise of Options will not be subject to any lock-in period and can be freely sold by the Grantee.

19. Terms & conditions for buyback, if any, of specified securities:

The Committee will determine the procedure for buyback of options granted under the Scheme, if to be undertaken at any time by the Company, and the applicable terms and conditions in accordance with the applicable laws.

A copy of the existing Scheme, would be available for inspection by the members, without any fee, at the registered office of the Company during normal business hours on any working days till the date of the Annual General Meeting.

None of the Directors, Manager and Key Managerial Personnel of the Company, and any relatives of such Director, Manager and Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the options may be granted under the Scheme.

The Board of Directors of the Company recommend the Special Resolution(s) as set out at item no. 8 for approval by the members.

ANNEXURE-I

Details of Directors retiring by rotation and seeking appointment/ reappointment as required under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings.

Name of Directors	Mrs. Mona Agarwal (Retire by Rotation)	Mrs. Surbhi Garg (Re-appointment)	Mr. Avinash Parkash Gandhi (Re-appointment)	Dr. Divya Singal (Re-appointment)
DIN	00057653	01558782	00161107	08722144
Date of Birth (Age)	18.11.1955 (68)	11.01.1978 (46)	01.10.1938 (85)	21.03.1961 (63)
Date of first appointment on Board.	January 13, 1995	November 12, 2011	October 10, 2019	April 01, 2020
Qualification	Undergraduate	Undergraduate	BE Mechanical	MBBS, DGO, FICOG, DIP, ENDOSCOPY (FRANCE)
Relationship with Directors/ KMP	Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Sorab Agarwal and Mrs. Surbhi Garg Whole-Time Directors of the Company are relatives under clause 77 of section 2 of Companies Act, 2013 read with rules thereof.	Mr. Vijay Agarwal, Chairman & Managing Director, Mrs. Mona Agarwal and Mr. Sorab Agarwal, Whole-Time Directors of the Company are relatives under clause 77 of section 2 of Companies Act, 2013 read with rules thereof.	None	None
Experience/Expertise in specific functional area	Associated with the Company since date of Incorporation i.e. January 13, 1995. She is a Promoter Director, designated as Whole Time Director of the Company. She is having over 30 years of industry experience in the field of administrative and Human Resource affairs to her credit. Under her guidance, the company's administrative affairs are being handled in a professional manner and company had formulated effective policies.	Associated since 2011 with the Company as a Whole-Time Director of the Company. She looks after the Administration & HR functions of the Company. Under her supervision, the Company's administrative affairs are being handled in a skilled manner. She has helped the company to formulate effective Policies.	Mr. Avinash Parkash Gandhi aged 85 years holds a rich experience of more than 55 years in top leadership positions such as Special Advisor, President, CEO, Director and other senior managerial position in several prestigious organizations. He was previously associated as President of Hyundai Motors India Limited and with Escorts Limited as the Chief Executive –R&D. Presently Mr. Gandhi is on the Boards of many reputed Companies namely, Lumax Industries Limited, Lumax Auto Technologies Limited.	Dr. Divya Singal aged 63 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 ex-president of PTA, Apee Jay school, Pitampura, New Delhi.
Terms and Conditions of appoint/re-appoint. including remuneration	Retiring by rotation (Refer Item No. 3)	Refer Item No. 5	Refer Item No. 6	Refer Item No. 7
Details of Remuneration last drawn (FY-2023-24).	₹ 250.39 Lakhs	₹ 98.58 Lakhs	₹ 2.60 Lakhs (sitting fees)	₹ 2.45 Lakhs (sitting fees)

Membership of the Committees of Board of Directors of Company.	<ul style="list-style-type: none"> • CSR Committee • Committee of Board (COB) 	None	<ul style="list-style-type: none"> • Audit Committee • Stakeholders Relationship Committee • Nomination and Remuneration Committee 	<ul style="list-style-type: none"> • CSR Committee • Risk Management Committee • Stakeholders Relationship Committee • Nomination and Remuneration Committee
Directorship in other Companies including listed Companies	<ul style="list-style-type: none"> • VMS Equipment Pvt. Ltd. • Asia Resorts Ltd. • Rotadrill India Pvt. Ltd. • Reachall India Pvt. Ltd. • Asia Consolidated Pvt. Ltd. 	<ul style="list-style-type: none"> • VMS Equipment Pvt. Ltd. • Asia Resorts Ltd. • Asia Greens Ltd. • Rotadrill India Pvt. Ltd. • Reachall India Pvt. Ltd. • Asia Consolidated Pvt. Ltd. (w.e.f. May 20, 2024) 	<ul style="list-style-type: none"> • Lumax Industries Ltd. (Listed) • Lumax Auto Technologies Ltd. (Listed) • Zook Electric Vehicles Pvt. Ltd. • Lumax Mannoh Allied Technologies Ltd. (Resigned w.e.f. 01.04.2024) • Uniproducts (India) Ltd. (Resigned w.e.f. 06.02.2023) • Minda Corporation Ltd. (Resigned w.e.f. 06.02.2023) • Schaeffler India Limited (Resigned w.e.f. 06.02.2023) 	None
No. of Board Meetings attended during the year.	Meeting held: 4 Meeting attended: 4	Meeting held: 4 Meeting attended: 3	Meeting held: 4 Meeting attended: 4	Meeting held : 4 Meeting attended : 4
No. of shares held in the Company.	3,06,57,579 no. of equity shares of ₹ 2 each	69,30,156 no. of equity shares of ₹ 2 each	None	20,500 no. of equity shares of ₹ 2 each
Committee Memberships of other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL	Audit Committee <ul style="list-style-type: none"> • Lumax Industries Ltd. • Lumax Auto Technologies Ltd. 	NIL
Skill and capabilities required and the manner to meet such requirements	-	-	Being an Independent Directors of the Company, ethical and high standards of conduct is the utmost importance which help the Board to achieve a comprehensive understanding of information as well as high standards of decision-making. Keeping in view the above requirement, Board is in the view that Mr. Avinash Parkash Gandhi and Dr. Divya Singal are the persons of integrity, possess relevant expertise and their Associations as Independent Directors would be beneficial and in the best interest of the Company.	

ANNEXURE II
COMMUNICATION ON TAX DEDUCTION AT SOURCE
(TDS) ON DIVIDEND DISTRIBUTION

Please take note of the below Tax Deduction at Source (TDS) provisions and information/document(s) requirements for each shareholder:

Section 1: For all Members – Details that should be completed and/ or updated, as applicable:- All Members are requested to ensure that the below details are completed and/ or updated, as applicable, in their respective Demat Account(s) maintained with the Depository Participant(s); or in case of shares held in physical form, with the Registrar & Transfer Agent (“RTA”) of the Company. Please note that these details as available on Book Closure Date in the Register of Members/ Register of Beneficial Ownership will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions.

- I. Valid Permanent Account Number (PAN).
- II. Residential status as per the Income Tax Act, 1961 i.e. Resident or Non- Resident for F.Y. 2024-25
- III. Category of the Member:
 - (a) Mutual Fund
 - (b) Insurance Company
 - (c) Alternate Investment Fund (AIF) Category I and II
 - (d) AIF Category III
 - (e) Government (Central/ State Government)
 - (f) Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII): Foreign Company
 - (g) FPI/ FII: Others (being Individual, Firm, Trust, AJP, etc.)
 - (h) Individual
 - (i) Hindu Undivided Family (HUF)
 - (j) Firm
 - (k) Limited Liability Partnership (LLP)
 - (l) Association of Persons (AOP), Body of individuals (BOI) or Artificial Juridical Person (AJP)
 - (m) Trust
 - (n) Domestic company
 - (o) Foreign company
- IV. Email Address.
- V. Address.

Section 2: TDS provisions and documents required, as applicable for relevant category of Members.

1. For Resident Members:
 - (a) **Mutual Funds:** No TDS is required to be deducted as per section 196(iv) of the Income Tax Act, 1961 (“the IT Act”) subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
 - (b) **Insurance Companies:** No TDS is required to be deducted as per section 194 of the IT Act subject to specified conditions. Self-attested copy of valid IRDA registration certificate needs to be submitted.
 - (c) **Category I and II Alternative Investment Fund:** No TDS is required to be deducted as per section 197A (1F) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
 - (d) **Recognised Provident Funds:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees’ Provident Funds Act, 1952 needs to be submitted.
 - (e) **Approved Superannuation Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.

- (f) **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self- attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.
- (g) **National Pension Scheme:** No TDS is required to be deducted as per Sec 197A (1E) of the IT Act.
- (h) **Government (Central/ State):** No TDS is required to be deducted as per Sec 196(i) of the IT Act.
- (i) **Business Trust:** No TDS is required to be deducted as per Sec 194 of the IT Act. Self-attested copy of valid SEBI registration certificate needs to be submitted.
- (j) **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.
- (k) **Other resident Members:**
- (i) TDS is required to be deducted at the rate of 10% u/s 194 of the IT Act.
 - (ii) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholder does not exceed ₹ 5,000.
 - (iii) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income). (Format of Form 15G and Form 15H are available on website of Income Tax i.e. <https://www.incometaxindia.gov.in/forms/incometax%20rules/10312000000007845.pdf> & <https://www.incometaxindia.gov.in/forms/income-tax%20rules/10312000000007846.pdf> respectively). if valid PAN of the shareholder is not available.
 - (iv) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.
 - (v) TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, 1961. If valid PAN of the shareholder is not available of the PAN has become inoperative.

Please note that Declaration under Form No. 15G of 15H Shall not be valid if it does not contain the PAN of the declarant. In such cases TDS shall be deducted at the rate of 20% u/s 206AA(2) of the IT Act.

2. For Non-resident Members:

- (a) FPI and FII: TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess). Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents:-
- i. Self-attested copy of PAN;
 - ii. Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;
 - iii. Form 10F filed electronically on income tax e-portal and
 - iv. Self-declaration on letter head of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per **Appendix 1** to this Communication)..

In case the dividend is payable to 'Specified Fund' (category-III alternate investment fund) referred to in [Clause (c) of Explanation to Section 10(4D)], TDS rate would be 10% (plus applicable surcharge and cess). The reduced rate of TDS would be subject to the availability of requisite documents demonstrating that the person is covered under the aforesaid category of 'Specified Fund'.

- (b) Any entity entitled to exemption from TDS: Valid self- attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS needs to be submitted.
- (c) Other non-resident Members:
- i. TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess).
 - ii. Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents:
 - a. Self attested copy of PAN;
 - b. Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;

- c. Form 10F filed electronically on income tax e-portal and
 - d. Self-declaration on letter head of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Appendix 1 to this Communication).
- iii. TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided

Details and/ or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach admin@skylinerta.com & cs@ace-cranes.com by August 17, 2024. Please note that no communication in this regard, shall be accepted post, August 17, 2024.

Section 3: Other general information for the Members:-

- i) For all self-attested documents, Members must mention on the document “**certified true copy of the original**”. For all documents being sent/ accepted by email, the Member undertakes to send the original document(s) on the request by the Company.
- ii) In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Book Closure Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person by August 17, 2024.
- iii) TDS deduction certificate will be sent to the members registered email address in due course.
- iv) Section 206AB has been introduced by the Finance Act, 2021, whereby TDS will be higher of the following:
 - (a) Twice the rate specified in the relevant provision of the Income-Tax Act; or
 - (b) Twice the rate or rates in force; or
 - (c) The rate of five percent;

In case a person has not filed his/her Return of Income for the last preceding financial years and the aggregate of tax deducted at source in his/her case is ₹ 50,000 or more in the preceding financial year.

However; section 206 AB will not apply to the following :-

- (i) a non-resident who does not have a permanent establishment in India; or
- (ii) a person who is not required to furnish the return of Income for the preceding financial year and the same has been notified by the Central Government in the Official Gazette in this behalf.

Application of TDS rate is subject to necessary due diligence and verification by the Company, of the shareholder details as available in register of Members on the Book Closure Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/ documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.

- (iv) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/ to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and cooperation in any appellate proceedings.

Note:

Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

APPENDIX - 1
FORMAT FOR DECLARATION FOR
CLAIMING BENEFITS UNDER DTAA

Action Construction Equipment Limited
Dudhola Link Road, Dudhola,
Distt. Palwal-121102
Email ID: cs@ace-cranes.com

Subject : Declaration for eligibility to claim benefit under Double Taxation Agreement between Government of India and Government of (mention country of tax residency) ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable.

With reference to above, I/We wish to declare as below:

1. I/ We,.....(Full name of the shareholder), having permanent account number (PAN) under the Indian Income tax Act, (mention PAN), and holding (mention number of shares held) number of shares of the Company under Demat Account number/ folio number as on the Book Closure Date as specified in the notice of 30th Annual General Meeting, am / are a tax resident of (country name) in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under section 6 of the Indian Income-tax Act, 1961 ("the IT Act"). A copy of the valid tax residency certificate for.....(period), which is valid as on the Book Closure Date, is attached herewith.
2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate including but not limited to statification of the "Principal Purpose Test" provided by such MLI.
3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
4. I/We do/ will not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/ payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
5. I/We do not have a business connection in India according to the provision of section 9(1)(i) of the act and the amounts paid/payable to us, in any case, are not attributable to business operations, if any carried out in India.
6. I/We hereby confirm we do/will not have a place of effective management in India and none of the key management and commercial dicisions for the conduct of the business in substance are/will be made in India.

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I/ We will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information/ documents that may be necessary and co- operate in any proceedings before any income tax/ appellate authority.

For.....Mention the name of the payee

Authorised Signatory:

Name of the person signing:

Designation of the person signing:

Contact No.:

Contact Address:

Email:

Date: Place:

Corporate Profile

BOARD OF DIRECTORS

- **Mr. Vijay Agarwal**
Chairman and Managing Director
- **Mrs. Mona Agarwal**
Whole - Time Director
- **Mr. Sorab Agarwal**
Whole - Time Director
- **Mrs. Surbhi Garg**
Whole - Time Director
- **Mr. Avinash Parkash Gandhi**
Independent Director
- **Dr. Divya Singal**
Independent Woman Director
- **Mr. Shrinivas Vashisht**
Independent Director
- **Dr. Jagan Nath Chamber**
Independent Director

Chief Financial Officer (CFO)

Mr. Rajan Luthra

Company Secretary & Compliance Officer

Mr. Anil Kumar

Statutory Auditors

M/s B S R & Co. LLP

Chartered Accountants

Registrar and Share Transfer Agent

Skyline Financial Services Private Limited
D-153/A, 1st Floor, Phase I, Okhla Industrial Area,
New Delhi-110020

Phone: +91-011-2681-2682-83 (Board)

Email: admin@skylinerta.com

Bankers

- ICICI Bank Ltd.
- Axis Bank Ltd.
- State Bank of India
- Indusind Bank
- Citibank N.A.
- HDFC Bank Ltd.

Stock Exchanges

- BSE Limited
- National Stock Exchange of India Limited

Registered & Corporate Office

Dudhola Link Road,
Village Dudhola, Palwal-121102,
Haryana, India

Marketing Office

4th Floor, Pinnacle Tower, Surajkund,
Faridabad-121009
Haryana

www.ace-cranes.com

PLANT LOCATIONS

- Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh, Distt. Faridabad, Haryana-121004
- Dudhola Link Road, Village Dudhola, Distt. Palwal, Haryana-121102
- 45th Mile Stone, Mathura Road, Prithla, Distt. Palwal, Haryana-121102

RESEARCH & DEVELOPMENT CENTERS

- Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh, Distt. Faridabad, Haryana-121004
- Dudhola Link Road, Village Dudhola, Distt. Palwal, Haryana-121102



Action Construction Equipment Limited

(CIN : L74899HR1995PLC053860)

Reg. & Corp. Office : Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana, India

Ph.: 01275-280111, Fax: 01275-280133

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