ACE

Action Construction Equipment Limited

25th Annual Report 2018-19

LIFTING INDIA'S GROWTH

Road Equipment

Agri Equipment

Material Handling Equipment

Cranes

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Chairman's Speech

Dear Shareholders,

It gives me great pleasure to share with you the performance of our Company for the financial year 2018-19. Our revenue and profit numbers have grown steadily, strengthening our position as India's No. 1 Crane Brand.

The global economy recorded a healthy growth in the first half of calendar year 2018. During the second half of the year, however, the global economy lost some momentum, mainly on account of increased trade frictions between US and China, and the tightening of financial conditions. This had a spiraling effect on economies around the world.

India was no exception to the rule and the economy exhibited mixed record in the just concluded fiscal. GDP growth slowed from 7.2% in FY18 to 6.8% in FY19. Sub-par rainfall in 2018, tight financial conditions faced by non-banking financial sector and moderation of external demand were the key challenges faced by the economy.

As I look back at the last two years, it is noteworthy to highlight our Company's performance improved despite various macro-economic challenges, commodity price fluctuations and disruption around the world. Your company has delivered strong financial performance, worked closely with end users and communities, and at the same time earned a fair return for our shareholders.

Despite the challenges in the second half of FY19, your Company put in an impressive performance clocking revenues of ₹ 1,342.50 Crore, up 22.20% y-o-y and Profit Before Tax (PBT) of ₹ 84.34 Crore up 13.04% y-o-y. Our EPS continues to increase year after year. We have a capital allocation philosophy of providing regular and stable payout to investors keeping two important considerations in mind, firstly building long term stakeholder value and secondly making required investments for future growth. Consistent with this philosophy, the Board has recommended dividend @ 25% in FY 2019 and announced a share buyback of ₹ 34.25 Crore in May 2019. Your Company has adequate liquidity and has a strong Balance Sheet. ACE enjoys AA- stable outlook, long term rating from ICRA as a result of our fiscal prudence and strong cash flows.

As the new Government takes office with a resounding mandate from the people of India, we are confident and optimistic that their proactive endeavors to create structural drivers of rapid growth will augur well for the economy. Structural reforms like the insolvency law, recapitalization of the banking sector, and non-performing asset management are likely to help the infrastructure sector to keep up the healthy pace of growth. ACE is well poised to benefit from the various structural policy reforms along with focused infrastructure spending by the Government.

We remain optimistic in our outlook for the construction equipment business and expect industry to grow in double digits in the long term. We have continued to reinforce our presence in all the product segments with greater customer engagements and technological innovations. Powered by our innovation spectrum and commitment to agile decision-making, we are geared to capitalize on the upcoming opportunities and are determined to innovate and grow.

It is our aspiration to be a leader in most of the business segments that we operate in and be acknowledged as a trusted provider of best-in-class products. Towards this, our relentless focus will be to speedily attain leadership in all the business segments while our diverse portfolio of businesses and competencies provide unique sources of competitive advantage. As we build scale, we remain deeply committed towards fiscal discipline and value creation. We have institutionalized best practices that have led to efficiency, safety, sustainability and stronger businesses.

I am excited with the speed and precision with which we are transforming ourselves to be future-focused while remaining steadfast to our time- tested values. We move into 2019, with the confidence that we have the right capabilities not just to seize, but pounce on every opportunity that comes our way.

Our Social Responsibility and Sustainability efforts continue to win us laurels, because we undertake these with pure beliefs and conviction like our commercial activities. The fact that our efforts are intrinsic to our commercial activity or strategy, and not something that we are forced to do by regulatory mandate is what makes us different from others.

I will look forward to your support and guidance, as always, to take ACE to greater heights.

With best wishes,
Sincerely,

Vijay Agarwal
Chairman and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

❖ INDUSTRY STRUCTURE AND DEVELOPMENTS

India's GDP in FY2019 is estimated to have grown by around 6.80%. While this is a laudable achievement in the global context, it falls marginally short of expectations due to an interplay of macro-economic and political factors. These include the uncertainties which invariably accompany our General Elections, volatility in crude prices and unpredictable currency fluctuations. The economy also had to grapple with a funding crunch for NBFCs precipitated by the IL&FS debt default, deceleration in the agriculture and mining sectors and widening of fiscal and current account deficits. On a positive note, the country has largely got back on track after the initial disruptive effects of twin reform measures, viz., Demonetization and GST. The longer-term benefits of both these measures are gradually being realized.

India continues to be one of the fastest growing major economies in the world. Initial half of FY 2018-19 grew at par with FY 2017-18 rates. India grew by 8 % in the first quarter and 7 % in the second before softening to 6.60 % in the third and 5.80 % in the fourth.

The Indian Construction Equipment market has been on a major upswing since 2015 with the sales of construction equipment growing by 24% and witnessing substantial growth on account of rapid infrastructural development activities and growing construction sector in the country.

The government's increased focus on infra and public sector has catapulted the industry as well as your company in a sweet spot in terms of volume growth. Barring real estate, most of the other segments like roads, mining, irrigation and ports have started doing well. As the positive impact of smart city projects and affordable housing concept begins to be visible at the ground level, construction equipment industry will witness its next leg of growth story.

Despite the focus on industrialization, agriculture remains a dominant sector of the Indian economy both in terms of contribution to gross domestic product (GDP) as well as a source of employment to millions across the country. Over 70% of the rural households depend on agriculture as their principal means of livelihood. The agricultural sector employs more than half of the nation's total workforce and contributes to 17-18% of the GDP.

The agriculture sector in India is expected to witness positive growth momentum due to a blend of adequate monsoon, greater incidence of mechanization, implementation of Minimum Support Price (MSP) for key crops, farm loan waivers, and subsidy support for tractor purchase in some states and easier availability of retail finance drive agriculture in India.

We are excited to cater to the growing national and international opportunities through our brand "ACE" and products which have been able to win the customer loyalty in all these years.

❖ OUTLOOK

The outlook for FY 2019-20 and beyond is linked to growth prospects in global economies which are projected to further moderate owing to winding down of fiscal stimulus in USA, geo-political uncertainties, trade tensions between major economies of the world, slowdown in China and weaker investor confidence world over.

The economic growth in India that we have been witnessing over the last couple of years has been primarily driven by increased public investment in infrastructure. While infrastructural development is a sovereign responsibility, public expenditure alone cannot drive growth in a sustainable manner in the absence of private investment.

To keep the growth momentum, the Government of India has embarked on a large initiative to accelerate infrastructure growth in the country. Spanning from roadways to airways, ports to airports, irrigation, dams, railways, power production capacity and smart cities are the thrust areas with more focus on development.

Indian Constructions and Equipment market has a robust potential for growth, having been supported by the government investments in improving infrastructure and housing demands. The industry is expected to continue to expand further driven by the government's efforts and large planned spends on housing, road, ports, water supply, and airport development.

Rapid pace of modernization and consistent government support underpin the long-term growth fundamentals of the farm sector.

As always, your company remains prepared to address these challenges and is sufficiently geared to capitalize on all relevant opportunities that will emerge in the near term and beyond. Though the rate of competitive intensity is expected to increase, your company remains confident of penetrating newer markets

and increases its market share owing to its world class product at a reasonable price and good customer relationship.

❖ OPPORTUNITIES

To improve the country's infrastructure which is crucial to a holistic economic recovery and to boost the economy, the Government will continue taking several steps and your company is optimistic about capturing the upcoming opportunities.

Some of the exciting opportunities that could be addressed include:

- The impressive pipeline of mega infrastructure projects – such as Bharatmala, Sagarmala, Chardham, Bullet trains, modernization of railways etc;
- Urban Infrastructure, which is the key focus of the Government, is likely to continue in future;
- Smart City Mission for developing smart cities across India;
- In the Agri segment, the Company is looking at significant product expansions and improving its market share including exploring new territories outside India. We have increased our presence in most of the states and are focusing on providing customers with a complete range of crop solutions;
- Export opportunities in the emerging economies look promising. Your company has set up a dedicated team to export our products to these countries as our products are cost competitive & therefore have a great demand in emerging markets of Asia & Africa;
- We believe that our proactive steps in providing innovative solutions to our customers and making strategic moves will keep us ahead of competition;
- Your company continues to focus on various strategies and initiatives to overcome the existing challenges. These include consolidation of new generation cranes in the targeted market segments. ACE continues to maintain its market leadership position and is well positioned to achieve growth in terms of volumes and market share through better service levels and by providing the best of technology at an affordable price;
- The Company is focused on bringing down cost & enhancing operational efficiencies to achieve profitable growth in the present competitive business environment. Our endeavor is to lower costs while maintaining superior quality;
- The Company will continue to focus on reducing the working capital levels by emphasis on speedy customer collections and reducing inventory levels.

❖ THREATS

- Any change in the government policy or its budgetary allocation or sluggish pace of policy rollout and stringent regulatory measures towards the infrastructure sector, as these are largely dependent on public spending, will have a major impact on the Company's business;
- Increasing trade tensions and a general air of protectionism globally are likely to lead to possible slowdown in global trade and can curb the economic momentum;
- The emergence of foreign construction equipment manufacturers, including Chinese companies have intensified competition among key domestic and foreign players in the country which is set to increase further in the coming years. Chinese players with their predatory pricing and interest free usances offerings, remains a consistent threat;
- Significant increase in raw material prices mainly steel prices, hardening of fuel prices and weak currency will translate into pressure on margins;
- There is no consistency in the demand owing to the fluctuations in the market thereby making capacity planning challenging for the equipment suppliers.

❖ RISKS AND CONCERN

The Company's ability to foresee and manage business risks is crucial in achieving favorable results. The Company operates in an environment which is affected by various risks, some of which are identifiable and controllable. Some others are unexpected and cannot be controlled. Under these conditions, proper identification and management of risks is very important in determining the ability of the organization to sustain value creation for its stakeholders.

The impact of the key risks, which are potentially significant are listed below has been identified through a formal process by the management. Your Company recognizes that every business has

its inherent risks and the Company has been taking proactive approach to identify and mitigate them on a continuous basis. Some of the risks that are potentially significant in nature and need constant monitoring are listed below:

- **Risks from suppliers :** The Company relies on its vendors for timely supply of specified raw materials and components. These vendors have not increased their capacities, in line with the increase in demand, which could result in the complete or partial failure of supplies or in supplies not being delivered on time.
- **Inflation and cost :** The Company faces the risk of inflationary nature and market-driven cost of steel, since it accounts for nearly 70 % of our raw material cost, power and other fuel. Changes in their prices can significantly impact the production costs.
- **Economic environment and market demand :** Economic slowdown and subdued infrastructural development might lead to low demand of our equipment / machines.
- **Risks from competition :** Aggressive focus on infrastructural development has created opportunities and also increased competition in the construction equipment business, which has seen significant interest of foreign players.
- **Ability to pass on increasing cost :** Ability to pass on increasing cost in a timely manner depends upon the demand supply situation and competitive activities and there has been a general reluctance as seen in the past, to make significant price hikes, as the industry is extremely price sensitive.
- **Cyclical nature of the Industry :** The Company's growth is linked to those of the crane industry, which is cyclical in nature. The demand for crane has a significant impact on the demand and prices of the products manufactured by the Company. A fall in the demand and/or prices would adversely impact the financial performance of the company.
- **Monsoons :** Monsoon is a major risk associated with the tractor industry as more than 50% of the agricultural lands are dependent on rainfall. On the other hand, construction equipment sales, to some extent, run the risk in case of above normal monsoon.

❖ INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has in place adequate internal control system and procedures commensurate with its size and nature of operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of your Company's operations, provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit.

The Company has a proper and adequate system of internal controls, commensurate with its size and business operations to ensure the following :

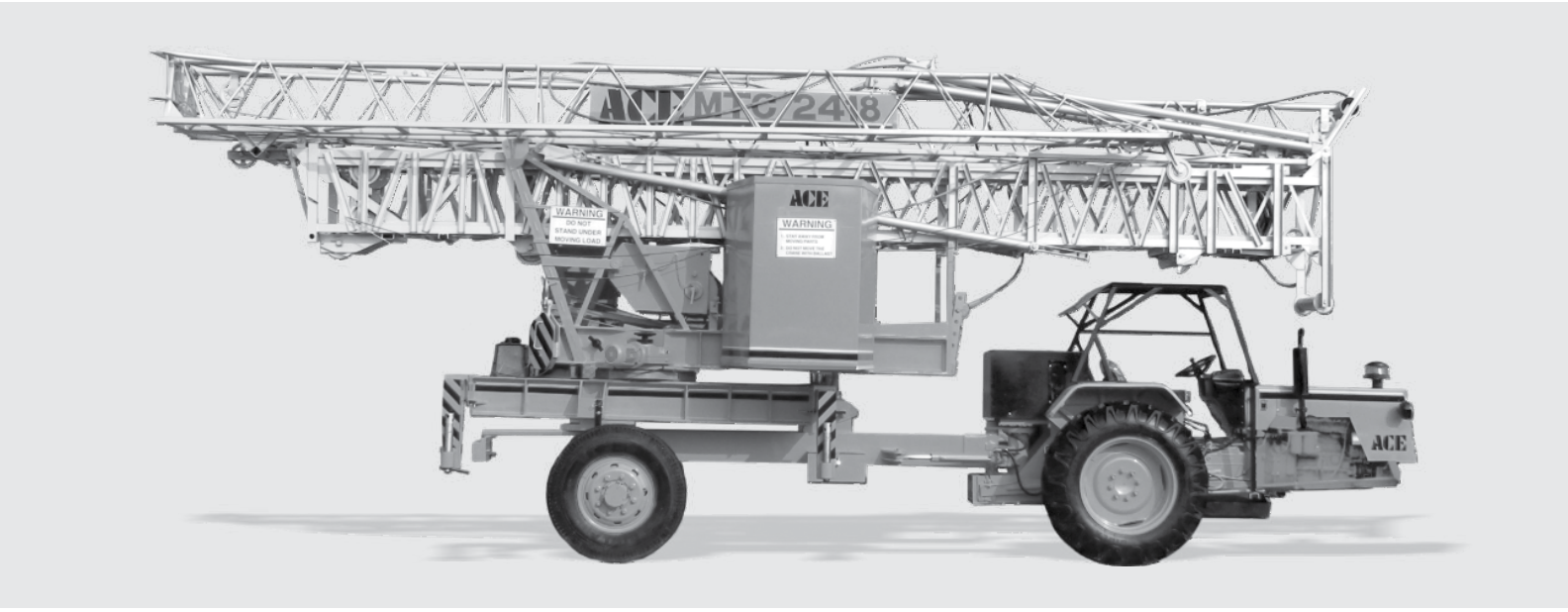
- Timely and accurate financial reporting in accordance with applicable accounting standards;
- Optimum utilization and safety of assets;
- Compliance with applicable laws, regulations, listing applications and management policies; and
- An effective management information system and reviews of other systems.

Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

❖ FINANCIAL PERFORMANCE REVIEW

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

- The Company scaled new heights by achieving total revenue from operation growth of 22.20% to ₹ 1,342.49 crores in the year ended March 31, 2019 as against ₹ 1,098.64 crores in the year ended March 31, 2018;
- The Earnings before interest, tax, depreciation and amortization (EBITA) went up by 7.54% to ₹ 107.62 crores in the year ended March 31, 2019 as against ₹ 100.07 crores in the year ended March 31, 2018;
- The Profit Before Tax (PBT) went up by 13.05% to ₹ 84.35 crores in the year ended March 31, 2019 as against ₹ 74.61 crores in the year ended March 31, 2018;



- The Profit After Tax (PAT) went up by 6.69% to ₹ 56.16 crores in the year ended March 31, 2019 as against ₹ 52.64 crores in the year ended March 31, 2018.

❖ SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

- The Cranes division revenues increased by 28.74% to ₹ 964.29 crores in the year ended March 31, 2019 as against ₹ 749.00 crores in the year ended March 31, 2018. EBIT increased by 7.93% to ₹ 89.24 crores in the year ended March 31, 2019 as against ₹ 82.68 crores in year ended March 31, 2018.
- Construction equipment division revenues increased by 11.53% to ₹ 80.19 crores in the year ended March 31, 2019 as against ₹ 71.90 crores in the year ended March 31, 2018. EBIT decreased by 42.36% to ₹ 2.00 crores in the year ended March 31, 2019 as against ₹ 3.47 crores in the year ended March 31, 2018.
- Material Handling revenues increased by 16.88% to ₹ 94.38 crores in the year ended March 31, 2019 as against ₹ 80.75 crores in the year ended March 31, 2018. EBIT increased by 18.19% to ₹ 11.50 crores in the year ended March 31, 2019 as against ₹ 9.73 crores in the year ended March 31, 2018.
- Agri Equipment revenues increased by 10.17% to ₹ 203.63 crores in the year ended March 31, 2019 as against ₹ 184.83 crores in the year ended March 31, 2018. EBIT increased by 44.68% to ₹ 6.80 crores in the year ended March 31, 2019 as against ₹ 4.70 crores in year ended March 31, 2018.

❖ MATERIAL DEVELOPMENTS IN HUMAN RELATIONS / INDUSTRIAL RELATIONS

ACE considers human resources to be its most valuable asset. The Company credits its growth and success to the dedication, loyalty and hard work of its skilled employees, at all levels. To continuously drive employee motivation, the Company offers a work environment that promotes creativity, teamwork, meritocracy, ambition and learning.

The company believes that its HR policies should be dynamic

and therefore takes adequate steps to review and realign them to ensure that they address changing workforce trends, best practices, and legislative requirements to help your organization achieve its evolving objectives. The company is focused on its people strategy to create a high performing work culture and fosters a culture that is performance oriented, promotes rewards for results and helps its people grow. Your company recognizes that the employees of the Company are the pillars of its success and growth. The focus is on development of employees at professional and personal levels using a pioneering, integrated approach to all its employees.

The number of permanent employees on the rolls of the Company as on March 31, 2019 are 1160.

Industrial relations were harmonious and cordial throughout the year.

❖ DETAILS OF SIGNIFICANT CHANGES (i.e. CHANGE OF 25% OR MORE) IN KEY FINANCIAL RATIOS

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

S.No.	Particulars	FY 2019	FY 2018	% Change
1.	Debtors Turnover	37	40	-8%
2.	Inventory Turnover	79	68	16%
3.	Interest Coverage Ratio	6.52	8.32	-22%
4.	Current Ratio	1.14	1.13	1%
5.	Debt Equity Ratio*	0.12	0.19	-37%
6.	Operating Profit Margin (%)	6.28%	6.87%	-9%
7.	Net Profit Margin (%)	4.18%	4.84%	-14%
8.	Return on Net worth (%)	13.30%	13.80%	-4%

❖ 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 includes economic environment and market leadership, inflation and steel prices.

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

The company is committed to adopt good corporate governance, which promotes the long-term interests of all stakeholders, creates self-accountability across its management and helps built trust in the Company. A robust internal financial control system forms the backbone of our risk management and governance. In line with our commitment to provide sustainable returns to our stakeholders, your company has formalized clearly defined systems to manage its risks within acceptable limits by using risk mitigating techniques and have framed policies for timely addressing key business challenges and leveraging of business opportunities.

❖ CAUTIONARY STATEMENT

Management Discussion and Analysis detailing the Company's objectives, outlook and expectations have "forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied depending upon global and Indian demand-supply conditions, changes in Government regulations, tax regimes and economic developments within India and overseas.

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,

The Directors are pleased to present the 25th Annual Report on the business and operation of the Company together with Audited Statement of Accounts for the financial year ended March 31, 2019.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2019 is summarized below:

(₹ in Crores)

PARTICULARS	FY 2018-19	FY 2017-18
Revenue from operations	**1,342.49**	**1,098.64**
Other Income	9.71	7.94
Total Income	**1,352.20**	**1,106.58**
Profit Before Depreciation, Finance costs, Exceptional Items and Tax	**107.62**	**100.07**
Less: Depreciation and amortization expenses	11.75	11.93
Less: Finance Costs	11.52	13.53
Profit before exceptional items and Tax	**84.34**	**74.61**
Less: Exceptional items	–	–
Profit Before Tax	**84.34**	**74.61**
Less: Tax expense	28.18	21.98
Profit After Tax	**56.16**	**52.63**
Other Comprehensive income for the year (net of tax)	(0.01)	0.03
Total Comprehensive income for the year	**56.15**	**52.66**

FINANCIAL PERFORMANCE OVERVIEW (STANDALONE BASIS)

The brief highlights of the Company's performance (standalone) during the financial year 2018-19:

- Total revenue from operations increased to ₹ 1,342.49 crores as against ₹ 1,098.64 crores in the previous year - a growth of 22.20%.
- Profit before Interest, Depreciation, Amortization, Exceptional Items & Tax for the current year is ₹ 107.62 crores against ₹ 100.07 crores in the previous year-a growth of 7.54%.
- Profit Before Tax (PBT) and Profit After Tax (PAT) for the current year are ₹ 84.34 crores and ₹ 56.16 crores respectively against ₹ 74.61 crores and ₹ 52.63 crores in the previous year - a growth of 13.04% and 6.70% respectively.
- Earnings per share is ₹ 4.79 for the year under review.

STATE OF COMPANY'S AFFAIRS

The Financial Year 2018-19 was a significant year in terms of growth and sustainability and the Company has been able to clock the highest ever turnover in the history of the Company during this financial year.

Due to steep increase in the steel prices and other operating costs operating margin declined. To mitigate the impact of the rise in raw material process, your Company has increased the prices of its products.

Your Company has taken steps to mitigate the effects of increasing cost and is working towards increasing the margins.

With a stable government at the Centre, we expect a renewed thrust on infrastructure development through the construction of roads, metro rail projects, airports renovation etc. This augurs well for your Company ACE, with its strategic expansion of it cranes capacity in FY 2018-19 and its diversified product portfolio and is positioned to participate in the growth story of a rising India.

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, 2019.

AMOUNTS TRANSFERRED TO RESERVES

During the year under review, your Company transferred a sum of ₹ 11.04 crores to the Capital Redemption Reserve (Previous Year ₹ 13.13 crores) out of retained earnings. The closing balance of the retained earnings of the Company for FY 2019, after all appropriation and adjustments was ₹ 204.94 crores.

DIVIDEND

The Board has recommended a final dividend of ₹ 0.50 i.e. (25%) per equity share for the financial year ended March 31, 2019. The payment of dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

For the financial year 2018-19, the preference shareholders have foregone their rights to receive dividend on 8% cumulative Non-Participating Redeemable Preference Shares of ₹ 10/- each amounting ₹1.20 crores. For details thereof, kindly refer note no. 37 of standalone financial statement.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2019 stood at ₹ 23.46 crores. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

BUY BACK OF EQUITY SHARES DURING FY 2019-20

Pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended ("the Act") and applicable rules thereunder, and the

provisions of the Buyback Regulations, Articles of Association of the Company, the Board of Directors of the Company at their meeting held on May 16, 2019, approved the buyback of the Company's fully paid-up equity shares of the face value of ₹ 2 (Two) each from its shareholders/beneficial owners, other than those who are promoters or the persons in control of the Company and promoter group, from the open market through stock exchange mechanism i.e. using the electronic trading facilities of the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), where the Equity Shares are listed for a total amount not exceeding ₹34.25 crores (Rupees Thirty Four Crores Twenty Five Lakhs only) (the "Maximum Buyback Size"), and at a price not exceeding ₹ 125/- (Rupees One Hundred Twenty Five only) per Equity Share ("Maximum Buyback Price").

Timetable for buyback shall be as under:

Activity	Date
Date of receipt of Board approval	May 16, 2019
Date of publication of the Public Announcement	May 20, 2019
Date of commencement of the Buyback	May 23, 2019
Last Date for the Buyback	Earliest of: (a) November 22, 2019 (that is 6 months from the date of the opening of the Buyback); or (b) when the Company completes the Buyback by deploying the amount equivalent to the Maximum Buyback Size; or (c) at such earlier date as may be determined by the Board or the Buyback Committee, after giving notice of such earlier closure, subject to the Company having deployed an amount equivalent to the Minimum Buyback Size (even if the Maximum Buyback Size has not been reached or the Maximum Buyback Shares have not been bought back), however, that all payment obligations relating to the Buyback shall be completed before the last date for the Buyback.

REDEMPTION OF PREFERENCE SHARES

During the year, the Company has redeemed 1,10,43,876 8% cumulative non-participating redeemable preference shares of ₹ 10 each ('Preference share') on January 24, 2019.

Further on April 29, 2019, the Company has redeemed all its remaining 60,43,876 preference shares. As on date of Board's Report, the Company has no preference shares capital.

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

Pursuant to the redemption of preference shares of the Company, the Issued, Subscribed and Paid-up capital of the Company has been reduced. As on date of Board's Report, the Issued, Subscribed and Paid-up capital of the Company is ₹ 23.46 crores.

LISTING OF SHARES

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). The listing fee for the year 2019-20 has already been paid to both the Stock Exchanges.

Company's 8% cumulative non-participating redeemable preference shares were not listed on any of the Stock Exchange(s).

CREDIT RATING

During the year, Company has entered into an agreement with ICRA Limited for rating on banking facilities; accordingly ICRA has assigned the following rating:

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

Further, the Company has surrendered the credit rating assigned by CRISIL which was valid up to March 31, 2019.

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 MERGER, SUBSIDIARY COMPANY/IES AND CONSOLIDATED FINANCIAL STATEMENTS

Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT') vide its order dated February 20, 2019 and Supreme Court of Mauritius vide its order dated September 03, 2018 have approved the Scheme of Amalgamation of Frested Limited, a Mauritian entity and wholly owned subsidiary of Action Construction Equipment Limited ('the Company or 'ACE') with the Company as per the provisions of Section 230-232 & 234 of the Companies Act, 2013 ("Scheme"), accordingly Frested Limited stand transferred/merged into and with ACE with effect from appointed date of scheme i.e. January 01, 2018. The entire issued, subscribed and paid up share capital of the Frested

Limited has been cancelled and no shares were issued to the shareholders of Frested Limited since it was a wholly owned subsidiary of the Company.

Further, by virtue of approval of this scheme, SC Forma SA, Botosani, Romania (subsidiary of Frested Limited with 89.50% shareholding) has become direct Subsidiary of the Company.

As on March 31, 2019, the company has only one subsidiary i.e. SC Forma SA, Botosani, Romania.

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

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

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

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

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

BOARD OF DIRECTORS

During the year on the recommendation of Board, the members of the Company in their 24th Annual General Meeting held on September 28, 2018 at 11:30 a.m. at Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001 have approved the re-appointments of following Directors for next five years w.e.f. October 01, 2018:

1. Mr. Vijay Agarwal, as Chairman & Managing Director;
2. Mrs. Mona Agarwal, as Whole-Time Director designated as Executive Director;
3. Mr. Sorab Agarwal, as Whole-Time Director designated as Executive Director.

As per regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), as amended vide SEBI (LODR) (Amendment) Regulations, 2018 effective from April 01, 2019, the members of the Company had approved through the postal ballot/e-voting, the continuation of Directorships of Mr. Girish Narain Mehra (IAS Retd.), Mr. Keshav Chandra Agrawal and Mr. Subhash Chander Verma as Independent Directors after April 01, 2019 till the expiry of their respective tenure i.e. upto September 24, 2020.

In accordance with the provisions of Companies Act, 2013 (hereinafter referred as "the Act") and Articles of Association of the Company, Mrs. Surbhi Garg (DIN: 01558782), Whole-Time Director will retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment.

The Board of Directors, in their meeting held on May 16, 2019, has recommended the re-appointment and remuneration of Mrs. Surbhi Garg (DIN: 01558782), as Whole-Time Director for a further period of 5 years w.e.f. April 01, 2020, subject to the approval of the shareholders in the ensuing Annual General Meeting (AGM). Her re-appointment is appropriate and will be in the best interest of the Company.

The brief resumes and other details relating to the Directors who are proposed to be appointed/ re-appointed, as required to be disclosed under the Companies Act, 2013/Listing Regulations will be given as **Annexure-A** to the Notice of the 25th AGM.

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").

During the year, none of the Directors of the Company have resigned from the post of Directorship of the Company.

KEY MANAGERIAL PERSONNELS (KMP)

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

- Mr. Vijay Agarwal, Chairman & Managing Director;
- Mrs. Mona Agarwal, Whole-Time Director;

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

NUMBER OF BOARD MEETINGS

During the financial year 2018-19, four (4) Board Meetings were held. For details thereof kindly refer to the Corporate Governance Report forming part of this Annual Report.

ANNUAL GENERAL MEETING

During the financial year 2018-19, 24th Annual General Meeting of the Company was held on September 28, 2018 at 11:30 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001.

MEETINGS OF EQUITY SHAREHOLDERS, SECURED CREDITORS AND UNSECURED CREDITORS FOR APPROVAL OF THE SCHEME OF AMALGAMATION.

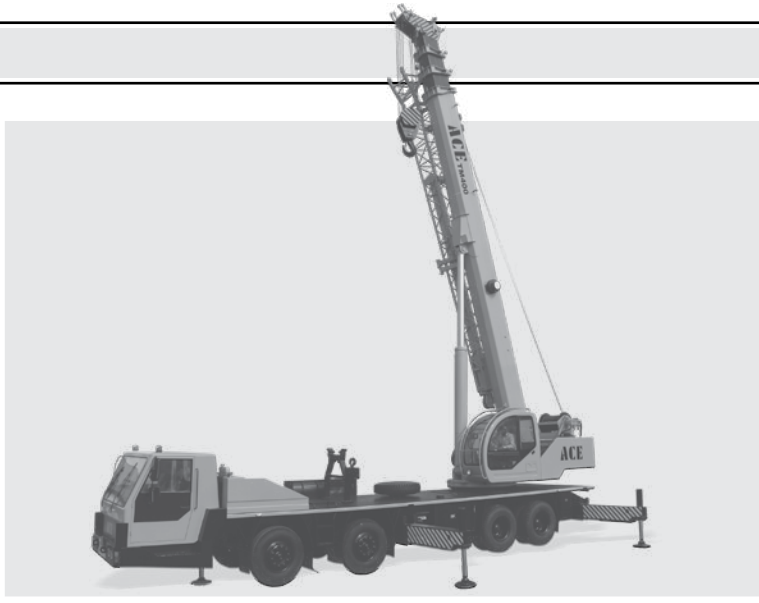
During the year, pursuant to the order dated May 04, 2018, passed by Hon'ble NCLT, Chandigarh Bench, the separate meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Company were held at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001 on Saturday, June 23, 2018 at 10:00 a.m., 11:00 a.m. and 12:00 p.m. IST respectively, for approval of the Scheme of Amalgamation between Frested Limited and Action Construction Equipment Limited and their respective Shareholders and Creditors ('Scheme').

POSTAL BALLOT

The Board of Directors of the Company have vide resolution passed on February 12, 2019, conducted the process of voting through Postal Ballot under the provisions of Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 as amended, on the Special Resolutions as set out below for obtaining the members approval:

1. To continue the appointment of Mr. Girish Narain Mehra (DIN: 00059311), Independent Director for the remaining period of his term i.e. till September 24, 2020.
2. To continue the appointment of Mr. Keshav Chandra Agrawal (DIN: 00098143), Independent Director for the remaining period of his term i.e. till September 24, 2020.
3. To continue the appointment of Mr. Subhash Chander Verma (DIN: 00098019), Independent Director for the remaining period of his term i.e. till September 24, 2020.

On the basis of the Scrutinizer's report, results of the Postal Ballot/e-voting were declared on Saturday, March 30, 2019 at 11:30 a.m. The Resolutions were approved by the requisite majority and deemed to have been passed on Saturday, March 30, 2019.



COMMITTEES OF THE BOARD

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

NOMINATION AND REMUNERATION POLICY

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) Have followed in the preparation of Annual Accounts for the financial year 2018-19, 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, 2019 and of the profit of the Company for the year ended on that date;

iii) Had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) Had prepared the annual accounts on a going concern basis;

v) Have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi) Have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of Companies Act, 2013 and Regulation 25 (3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Independent Directors at their separate meeting, without participation of the Non-Independent Directors and Management have considered and evaluated the Board's performance and performance of the Chairman and Non-Independent Directors. The Independent Directors in the said meeting have also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

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

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

STATUTORY AUDITORS

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

Statutory Auditors' Report

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

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s MZ & Associates, Company Secretaries, were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending March 31, 2019.

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 MZ & 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 Goyal & Associates, Cost Accountants (Firm registration No. 000787) has been appointed as the Cost Auditor of the Company for the year ending March 31, 2019.

Cost audit report for financial year 2018-19 will be filed with the Ministry of Corporate Affairs within stipulated time period.

INTERNAL AUDIT

On the recommendation of the Audit Committee, the Board of Directors of the Company has appointed M/s Ernst and Young LLP as Internal Auditors 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 or 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 thereunder.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

ACE is an early adopter of Corporate Social Responsibility (CSR) initiatives. The Company works primarily through its trust namely

ACE Emergency Response Services. The CSR Committee of the Board of Directors has been formed comprising of three directors with Chairman being Independent Director. CSR Committee has framed and formulated a CSR Policy indicating the activities to be undertaken by the Company, in accordance with schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued under the Act. The same has also been approved and reviewed from time to time by the Board. The CSR policy is available at the website of the Company at www.ace-cranes.com. The ACE was mandatorily required to spend ₹ 80.37 lakhs on CSR activities in financial year 2018-19 whereas the Company has spent ₹ 85.10 lakhs on CSR activities which are more than the mandatory requirement. The Annual Report on CSR Activities, as stipulated under the Act forms an integral part of this Report and is appended as **Annexure-IV.**

CORPORATE GOVERNANCE

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

DISCLOSURE ON AUDIT COMMITTEE

The Audit Committee as on March 31, 2019 comprises of the following Directors: Mr. Subhash Chander Verma (Chairman), Mr. Vijay Agarwal, Mr. Girish Narain Mehra (IAS Retd.) and Dr. Amar Singhal 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 implemented a comprehensive and fully integrated 'Enterprise Risk Management' framework in order to anticipate, identify, measure, manage, mitigate, monitor and report the principal risks and uncertainties that can impact its ability to achieve its strategic business objectives.

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

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

INTERNAL FINANCIAL CONTROLS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of effected Director(s) and Employee(s). In

exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on Company's website at www.ace-cranes.com. During the year, no case of genuine concerns received under this policy.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

The Company has laid down sexual harassment policy pursuant to provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. The objective of this policy is to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith. The Company has zero tolerance on sexual harassment at workplace. During the financial year 2018-19, no complaint was received under this policy. This Policy is made available at the website of the Company at www.ace-cranes.com.

RESEARCH AND DEVELOPMENT

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

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

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

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

PARTICULARS OF REMUNERATION OF DIRECTORS/KMP/ EMPLOYEES

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

PUBLIC DEPOSITS

During the year, your Company did not accept any public deposits under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2019.

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 2018- 19 are provided in the notes to standalone financial statements.

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

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

EXTRACT OF THE ANNUAL RETURN

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

INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

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

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

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

AWARDS AND RECOGNITIONS

Your Company continues to deliver unmatched performance amongst its peers and has been conferred with awards every year. The Company was awarded with many awards and recognition. The significate award includes:

- Dream Companies to Work for - Construction Sector;
- Appreciation Certificate for Commendable Work in Employee Engagement Strategy - HR Association of India;
- Best Resourcing Strategy Award - HR Association of India;
- North India Best Employer Brand Award 13th Employer Branding Awards 2018;
- India's Top Challengers Award - 16th Construction World Global Awards-2018;
- Best Seller in Mobile Cranes Category Award - 6th Equipment India-2018.

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 have not received any remuneration or commission from any of its subsidiary/ies.
2. Buy back of securities: No.
3. Bonus shares: Not Issued.
4. Business Responsibility Report: Not applicable.
5. Dividend Distribution Policy: Not applicable.

ACKNOWLEDGEMENT

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

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

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

Place: New Delhi
Date: May 16, 2019

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 presented with amounts (₹ in Lakhs)

S. No.	Details	Particulars
1.	Name of the subsidiary	SC Forma SA, Romania
2.	The date since when subsidiary was acquired	01.02.2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.01.2018 to 31.12.2018
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	RON, ₹ 16.31
5.	Share capital	175.46
6.	Reserves & surplus (Inclusive of Revaluation Reserve)	27.12
7.	Total Assets	381.75
8.	Total Liabilities	179.17
9.	Investments	NIL
10.	Turnover	4.17
11.	Profit before taxation	(13.52)
12.	Provision for taxation	NIL
13.	Profit after taxation	(13.52)
14.	Proposed Dividend	NIL
15.	% age of shareholding	89.50%

Notes :

- There are no subsidiaries which are yet to commence operations.
- During the year Frested Limited, Wholly-Owned Subsidiary of the Company has amalgamated into and with the Company.
- By virtue of scheme of Amalgamation, SC Forma, SA, Romania (subsidiary of Frested Limited with 89.50% shareholding) has become direct Subsidiary of the Company.

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

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Place : New Delhi
Date : May 16, 2019

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Annexure-II of Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[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
Dudhola Link Road, Dudhola
Palwal, Haryana 121102

We 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 referred to as the Company). Secretarial Audit has been conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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:

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 to ascertain the compliance of various provisions of:
  - i) The Companies Act, 2013 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006 regarding the Companies Act and dealing with client;
    - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
  - vi) The Employees State Insurance Act, 1948;
  - vii) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
  - viii) Employers Liability Act, 1938;

ix) Environment Protection Act, 1986 and other environmental laws;

x) Air (Prevention and Control of pollution) Act, 1981;

xi) Factories Act, 1948;

xii) Industrial Dispute Act, 1947;

xiii) Payment of Wages Act, 1936 and other applicable labour laws.

We have also examined compliance with the applicable clauses of the following:

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

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

We further report that

- The Board of Directors of the Company is 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.
- Dissenting member's view were not required to be captured and recorded as part of the minutes as there were no such instance.
- There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT') vide its order dated February 20, 2019 has approved the Scheme of Amalgamation of Frested Limited, a wholly owned subsidiary of Action Construction Equipment Limited ('the Company) with the Company as per the provisions of Section 230-232 & 234 of the Companies Act, 2013 ('Scheme') and during the year part of the 8% cumulative non-participating redeemable preference shares of ₹ 10 each amounting ₹ 11,04,38,760/- were redeemed.

Further, we report that there were no instances of:-

(i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.

(ii) Buy-back of securities.

(iii) Reconstruction, etc.

(iv) Foreign technical collaborations

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

For MZ & Associates
Company Secretaries

Place: New Delhi
Date: 30th April, 2019

Sd/-
CS Mohd Zafar
Partner
Membership No: FCS 9184
CP: 13875

ANNEXURE A

To
The Members,
Action Construction Equipment Limited

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We 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. Our 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 MZ & Associates
Company Secretaries

Place: New Delhi
Date: 30th April, 2019

Sd/-
CS Mohd Zafar
Partner
Membership No: FCS 9184
CP: 13875

Annexure-III of Board's Report

SECRETARIAL COMPLIANCE REPORT

(Pursuant to SEBI circular no CIR/CFD/CMD1/27/2019 dated February 08, 2019) FOR THE FINANCIAL YEAR ENDED 31.03.2019

To,
Action Construction Equipment Limited

We MZ & Associates, firm of Company Secretaries have examined:

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

For the year ended 31st March, 2019 ("Review Period") in respect of compliance with the provisions of:

a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

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

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

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

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

b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken	Observations
	----------None----------			

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year end	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	----------NA----------			

For MZ & Associates
Company Secretaries

Place: New Delhi
Date: 30th April, 2019

Sd/-
CS Mohd Zafar
Partner
Membership No: FCS 9184
CP: 13875

Annexure-IV of Board's Report

Annual Report on the Corporate Social Responsibility (CSR) activities for the financial year 2018-19

(₹ in Lakhs)

1	A brief outline of the company's CSR Policy including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and the projects or programs.	(a) The CSR Policy of the Company has been uploaded on the website of the Company and can be accessed at www.ace-cranes.com. (b) For the projects or programs under taken by the Company, please refer to CSR section in this Annual Report.
2	Composition of the CSR Committee	1. Dr. Amar Singhal, Chairman 2. Mr. Keshav Chandra Agrawal, Member 3. Mrs. Mona Agarwal, Member
3	Average net profit of the company for the last three financial years as per Section 198 of the Companies Act, 2013.	₹ 4018.34 Lakhs
4	Prescribed CSR expenditure (2% of the amount mentioned in item 3 above)	₹ 80.37 Lakhs
5	Details of the CSR to be spent during the financial year	
	-Total amount to be spent for the financial year	₹ 80.37 Lakhs
	-Amount unspent, if any	Nil
	-Manner in which the amount spent during the financial year	Details given below

Details of amount Spent on the CSR activities during the Financial Year 2018-19

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR project/ activity identified**	**Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)**	**Project/ Program (1) Local area/ Other, (2) State and district where projects/ programs were undertaken**	**Amount outlay (Budget) Project/ Program Wise**	**Amount spent on the projects/ Programs Sub Heads: (1) Direct Expenditure, (2) Overheads**	**Cumulative expenditure upto the reporting period i.e. FY 2018-19**	**Amount spent directly or through implementing agency**
1	Health outreach Programme II- "Static, Mobile medical units and camps for primary and preventive healthcare incl. diagnostics"	Clause (I) promoting health care including preventive health care	District Palwal and Faridabad in the state of Haryana	₹ 100.00 Lakhs	₹ 85.10 Lakhs	₹ 85.10 Lakhs	Implementing agency -ACE Emergency Response Service Trust

Responsibility Statement by the CSR Committee

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

Place : New Delhi
Date : May 16, 2019

Sd/-
Vijay Agarwal
Chairman & Managing Director

Sd/-
Dr. Amar Singhal
Chairman CSR Committee

Annexure-V of Board's Report

Form No. AOC-2

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

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

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

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

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

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

Note:

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

For & on behalf of
Action Construction Equipment Limited

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

Date : May 16, 2019
Place: New Delhi

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 (2018-19)**	**Ratio to the MRE**	
1.	The Ratio of the remuneration of each Director to the median remuneration of the employees (MRE) of the company for the Financial Year.	Mr. Vijay Agarwal	306.09	89.50	
		Mrs. Mona Agarwal	150.78	43.96	
		Mr. Sorab Agarwal	58.73	17.12	
		Mrs. Surbhi Garg	52.22	15.22	
		Mr. Girish Narain Mehra (IAS Retd.)*	1.65	0.48	
		Mr. Subhash Chander Verma*	1.80	0.52	
		Dr. Amar Singhal*	1.95	0.56	
		Mr. Keshav Chandra Agrawal*	0.75	0.21	
2.	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the Financial Year.	**Name of Directors**	**Remuneration (FY 2018-19)**	**Remuneration (FY 2017-18)**	**% Change**
		Mr. Vijay Agarwal	306.09	285.86	7.08
		Mrs. Mona Agarwal	150.78	142.00	6.18
		Mr. Sorab Agarwal	58.73	46.97	25.04
		Mrs. Surbhi Garg	52.22	47.60	9.71
		Mr. Girish Narain Mehra (IAS Retd.)*	1.65	1.20	37.50
		Mr. Subhash Chander Verma*	1.80	1.65	9.09
		Dr. Amar Singhal*	1.95	1.65	18.18
		Mr. Keshav Chandra Agrawal*	0.75	0.60	25.00
		Name of Key Managerial Personnel (KMP)			
		Mr. Rajan Luthra	61.39	55.96	9.70
		Mr. Anil Kumar	5.72	3.84 #	N.A.
		* Independent Directors (received only sitting fees for Board and Committee meetings). # for the period from July, 2017 to March, 2018.			

3.	The percentage increase in the median remuneration of employees in the Financial year.	5.60 %
4.	The Number of permanent employees on the rolls of the Company as on March 31, 2019.	1160
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 7.50 % whereas average percentile increase in the managerial remuneration in the last financial year is 8.78 %.
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	The Remuneration paid during the year ended March 31, 2019 was as per the Remuneration Policy of the Company.

2. Information as per Rule 5(2) & 5(3) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015.

Particulars of employees pursuant to the Rule 5(2) & 5(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 lakhs or more per annum or rupees eight lakhs and fifty thousand per month or more if employed for the part of the year as on March 31, 2019 are given as under:

Particulars	**Details**	
Name	**Mr. Vijay Agarwal**	**Mrs. Mona Agarwal**
Designation	Chairman & Managing Director	Whole-Time Director
Remuneration received (₹ in Lakh)	306.09	150.78
Nature of employment	Contractual	Contractual
Educational Qualification	BE Mechanical and MBA	Under Graduate
Experience (in years)	48	25
Date of commencement of Employment in ACE	January 13, 1995	January 13, 1995
Age (in Years)	70	63
Previous Employment	Bhartiya Cuttler Hammer Limited, Escorts Limited	–
% of equity shares	35.31	22.02

Annexure-VII of Board's Report

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

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

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

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

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

The Company has installed and commissioned PV Solar Power plant of 1165 KWP capacity across various roofs and parking space.

(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:

The Company has already issued additional orders for installation of PV Solar Power plant of 675 KWP capacity.

(d) Capital investment on energy conservation equipment's:

Efforts have been made by Company to reduce or optimize the energy requirements at all the plants. Company encourages capital investment in energy saving equipment, plants or machinery. No significant investments were incurred during the year.

B. TECHNOLOGY ABSORPTION

(a) The efforts made towards technology absorption:

Technology and innovation continue to be one of the key focus areas to drive growth of the Company. The Company is putting continuous efforts in acquisition, development, assimilation and utilization of technological knowledge of its products portfolio. This has enabled the Company to keep abreast with the latest developments in product technology.

(b) Research and Development (R&D)

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

(i) Specific areas in which R&D was carried out by the company during the year ended 2018-19:

S. No.	Title & Scope of Completed & on-going R&D Project
1	Compact Man basket attachment for Pick & Carry Cranes
2	Compensation Fork attachment on Pick & carry crane with 42' boom length
3	Orange peel grab attachment on pick & carry crane
4	Man Basket with jib with 51' height on pick & carry crane
5	Development of 16XW with 72' boom length
6	BS IV Engine implementation (10 models)

7	Aesthetic improvement in pick & carry crane
8	New tractor model DI-305NG (25HP)
9	New tractor model ACE DI-7575 2wd
10	Tractor model ACE 7500 4WD (MPT Tractor)
11	Design improvement in 4wd Front axle
12	Self-propelled truck mounted crane 40/45 Tons Capacity
13	Development of Forklift 40D
14	Crawler 75 Ton free fall
15	Development of Motor Grader 15 Tons
16	Modification in Diesel operated simpson Forklift 20/30D
17	Development of Straight Boom Truck mounted crane SB-163 (16T-m)
18	Design & development of straight boom Lorry Loader Crane SB-813
19	Design and development of 20 ton full slew mobile crane (20XW)
20	Concept Design of Recovery attachment for 6X6 - HMV
21	Design & development of 50 hp skid loader
22	Design & development of backhoe attachment for skid loader

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

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

(iii) Future plan of action

S. No.	Title & Scope of ongoing & Future R&D Project
1	City Cabin Redesign
2	Development of 20XW with 72' boom length
3	F250 4 wheel drive 25 ton pick & carry new gen crane
4	Man Basket with jib with 58' height on pick & carry crane
5	60 hp, 75 hp tractor with BSIV engine
6	Development of ROPS for 25-50 hp tractor
7	Constant mesh transmission for 50 /60 hp tractor models
8	Improvement in 4wd drop box with ACE transmission
9	4WD Tractor Model 75/90 hp with AC/ Non AC cabin
10	Development of 60 hp/ 75 hp/ 90 hp/ 110 hp engine with common rail (CRDI) Bharat stage Trem V/EURO V
11	Development of 60hp/ 75hp/ 90 hp/ 110 hp 4WD Tractor model with common rail (CRDI) Bharat Stage V/EURO V for Export
12	Upgradation of engine 25 hp/ 32 hp/ 40 hp/ 45 hp and 50 hp for next emission level -Bharat stage Trem IV
13	Development of 110 hp Tractor model
14	Development of Forklift 30E, 100D
15	Development of Crawler Crane 150 Tons Capacity
16	Self-propelled truck mounted crane 55 Tons Capacity
17	AF50D with Mechanical Transmission
18	Truck crane with lattice boom 45 Tons (Crawler on Truck)

19	Wheel Loader ALN 300
20	Dozzer/ Ripper Attachment for motor grader
21	Mid Scarifier Attachment for Motor Grader
22	Canopy design for Motor Grader
23	BS IV Engine (above 50 hp) implementation in Forklift models
24	Development of Crawler Crane 25 Tons Capacity
25	Development of Crawler Crane 90 Tons and 120 Tons Capacity
26	Self-propelled truck mounted crane 80 Tons Capacity
27	Self-propelled truck mounted crane 25 Tons Capacity
28	Development of TC 6544 / TC5540 T with FSH60 m
29	Development of TC 7060 (Travelling Type)-FSH62 m
30	Motor grader 10/ 12 Ton
31	Barrel handler attachments (4 Drum - Mechanical type)
32	Furnace stocker Ram & rotating type attachment
33	Modification in BBC & BC attachments
34	Load Stablizer 900~1600 for Forklift
35	Development of Forklift 60D, 80D, 120D
36	Mast Configuration of Forklift 60D, 80D, 120D
37	Design and development of RT 40 Crane
38	Design and development of brick stack handler for AB/ SB Cranes
39	Design and development of log/ pole grab attachment / auger for AB/ SB Cranes
40	Design Improvements in performance and aesthetics of Backhoe loader loader
41	Design Improvements in Mini-compactor

(iv) Expenditure on Research & Development

Sr. No	Particulars	Amount (₹ in Lakhs)
1.	Capital Expenditure	82.79
2.	Revenue expenditure (Incl. Salary to R&D Staff and other related expenditures)	1,234.29
	Total	**1,317.08**

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

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

(i) Technology imported with year of import

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

(ii) Absorption of Imported technologies

The Company has successfully absorbed the imported technology for all the above products except for crawler cranes, which is under absorption.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

S. No.	Particulars	Amount (₹ in Lakhs)
1	Foreign Exchange earned	3,563.64
2	Foreign Exchange outgo	10,904.36

Annexure-VIII of Board's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year Ended on March 31, 2019

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

I		**REGISTRATION & OTHER DETAILS:**		
	i)	CIN	L74899HR1995PLC053860	
	ii)	Registration Date	January 13, 1995	
	iii)	Name of the Company	Action Construction Equipment Limited	
	iv)	Category/Sub-category of the Company	Limited By Shares/Public Indian Non Government Company	
	v)	Address of the Registered office & contact details	Dudhola Link Road, Dudhola, Palwal, Haryana - 121102, Phone: +911275-280111 (50 Lines), Fax:+91-1275-280133, E-mail : cs@ace-cranes.com	
	vi)	Whether listed company	Yes	
	vii)	Name , Address & Contact details of the Registrar & Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Serilingampally, Hyderabad-500008 Phone: +91 040 6716 2222 (Board), Fax:+91 2300 1153 Email: kishore.bv@karvy.com, einward.ris@karvy.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 fifteen (15) Shareholders (other than Directors, Promoters and Holders of GDRs and ADR)		As per Attachment F
	v)	Shareholding of Directors and Key Managerial Personnel		As per Attachment G
V		**INDEBTEDNESS**		
		Indebtedness of the Company including interest outstanding/accrued but not due for payment		As per Attachment H
VI		**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**		
	A	Remuneration to Managing Director, Whole-Time Directors and/or Manager		As per Attachment I
	B	Remuneration to other Directors		As per Attachment J
	C	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD		As per Attachment K
VII		**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**		As per Attachment L

ATTACHMENT-A

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company on the basis of Gross Turnover
1	Cranes	291-Manufacture of general purpose machinery	71.83
2	Material Handling	291-Manufacture of general purpose machinery	7.03
3	Construction Equipment	291-Manufacture of general purpose machinery	5.97
4	Agri Equipment	292-Manufacture of special purpose machinery	15.17

ATTACHMENT-B

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

Note:

Pursuant to the scheme of amalgamation, Frested Limited, Wholly-Owned Subsidiary of the Company has amalgamated into and with the Company and SC Forma, SA, Romania (subsidiary of Frested Limited with 89.50% shareholding) has become direct Subsidiary of the Company.

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 (01-04-2018)				NO. OF SHARES HELD AT THE END OF THE YEAR (31-03-2019)				% 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	80845120	0	80845120	68.91	81871944	0	81871944	69.78	0.88
(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)	**80845120**	**0**	**80845120**	**68.91**	**81871944**	**0**	**81871944**	**69.78**	**0.88**
(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)	**80845120**	**0**	**80845120**	**68.91**	**81871944**	**0**	**81871944**	**69.78**	**0.88**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	1719201	0	1719201	1.47	3308843	0	3308843	2.82	1.35
(b)	Financial Institutions /Banks	86726	0	86726	0.07	98424	0	98424	0.08	0.01
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	4294898	0	4294898	3.66	2515766	0	2515766	2.14	-1.52
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1)	**6100825**	**0**	**6100825**	**5.20**	**5923033**	**0**	**5923033**	**5.05**	**-0.15**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	3501767	0	3501767	2.98	2681436	0	2681436	2.29	-0.70
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹ 1 lakh	16222001	59302	16281303	13.88	16539068	34367	16573435	14.13	0.25
(ii)	Individuals holding nominal share capital in excess of ₹ 1 lakh	8772767	0	8772767	7.48	8314862	0	8314862	7.09	-0.39
(c)	Others									
	Clearing Members	407858	0	407858	0.35	384927	0	384927	0.33	-0.02
	IEPF	7897	0	7897	0.01	15923	0	15923	0.01	0.01
	Non Residents Indians	1103579	0	1103579	0.94	1290122	0	1290122	1.10	0.16
	NRI Non-Repatriation	240884	0	240884	0.21	265308	0	265308	0.23	0.02
	Socities	0	0	0	0.00	0	10	10	0.00	0.00
	Trusts	61000	0	61000	0.05	2000	0	2000	0.00	-0.05
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2)	**30317753**	**59302**	**30377055**	**25.89**	**29493646**	**34377**	**29528023**	**25.17**	**-0.72**
	Total B=B(1)+B(2)	**36418578**	**59302**	**36477880**	**31.09**	**35416679**	**34377**	**35451056**	**30.22**	**-0.88**
	Total (A+B)	**117263698**	**59302**	**117323000**	**100.00**	**117288623**	**34377**	**117323000**	**100.00**	**0.00**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C)	**117263698**	**59302**	**117323000**	**100.00**	**117288623**	**34377**	**117323000**	**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 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			% 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	41401907	35.29	0	41428731	35.31	0	0.02
2	Mrs. Mona Agarwal	25314407	21.58	0	25839407	22.02	0	0.44
3	Mr. Sorab Agarwal	7148650	6.09	0	7623650	6.50	0	0.41
4	Mrs. Surbhi Garg	6930156	5.91	0	6930156	5.91	0	0.00
5	Mrs. Anuradha Garg	50000	0.04	0	50000	0.04	0	0.00

ATTACHMENT-E

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

(iii) Change in Promoters' Shareholding

S. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Share holding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning of the year (01-04-2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Vijay Agarwal	41401907	35.29	01.04.2018	0		41401907	35.29
				07.06.2018	25000	Purchase	41426907	35.31
				08.06.2018	1824	Purchase	41428731	35.31
				31.03.2019	**0**		**41428731**	**35.31**
2	Mrs. Mona Agarwal	25314407	21.58	01.04.2018	0		25314407	21.58
				07.06.2018	25000	Purchase	25339407	21.60
				30.01.2019	500000	Purchase	25839407	22.02
				31.03.2019	**0**		**25839407**	**22.02**
3	Mr. Sorab Agarwal	7148650	6.09	01.04.2018	0		7148650	6.09
				30.01.2019	475000	Purchase	7623650	6.50
				31.03.2019	**0**		**7623650**	**6.50**
4	Mrs. Surbhi Garg	6930156	5.91	01.04.2018	0		6930156	5.91
				31.03.2019	**0**		**6930156**	**5.91**
5	Mrs. Anuradha Garg	50000	0.04	01.04.2018	0		50000	0.04
				31.03.2019	**0**		**50000**	**0.04**

ATTACHMENT-F

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

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

S. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Share holding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning of the year (01-04-2018)	% of total shares of the company				No. of shares	% of total shares of the company
1	Chander Bhatia	1500000	1.28	01.04.2018	0		1500000	1.28
				31.03.2019	**0**		**1500000**	**1.28**
2	IIFL Re Organize India Equity Fund	0	0.00	01.04.2018	0		0	0.00
				13.07.2018	157079	Purchase	157079	0.13
				27.07.2018	192921	Purchase	350000	0.30
				07.09.2018	357229	Purchase	707229	0.60
				14.09.2018	317771	Purchase	1025000	0.87
				21.09.2018	296438	Purchase	1321438	1.13
				28.09.2018	28562	Purchase	1350000	1.15
				31.03.2019	**0**		**1350000**	**1.15**
3	Ajay Shiv Narayan Upadhyaya	1100000	0.94	01.04.2018	0		1100000	0.94
				04.05.2018	30000	Purchase	1130000	0.96
				18.05.2018	(130000)	Sale	1000000	0.85
				22.06.2018	130000	Purchase	1130000	0.96
				06.07.2018	17700	Purchase	1147700	0.98
				06.07.2018	(65000)	Sale	1082700	0.92
				13.07.2018	2500	Purchase	1085200	0.92
				20.07.2018	25000	Purchase	1110200	0.95
				20.07.2018	(10200)	Sale	1100000	0.94
				27.07.2018	15000	Purchase	1115000	0.95
				03.08.2018	65000	Purchase	1180000	1.01
				03.08.2018	(1050000)	Sale	130000	0.11
				10.08.2018	(130000)	Sale	0	0.00
				18.01.2019	1308358	Purchase	1308358	1.12
				25.01.2019	25000	Purchase	1333358	1.14
				01.02.2019	20000	Purchase	1353358	1.15
				08.02.2019	8012	Purchase	1361370	1.16
				22.02.2019	(44606)	Sale	1316764	1.12
				01.03.2019	(15049)	Sale	1301715	1.11
				22.03.2019	(11253)	Sale	1290462	1.10
				31.03.2019	**0**		**1290462**	**1.10**

4	Edelweiss Trusteeship Co Ltd Ac- Edelweiss Mf Ac-	990601	0.84	01.04.2018	0		990601	0.84
				08.06.2018	(185318)	Sale	805283	0.69
				22.06.2018	(107913)	Sale	697370	0.59
				06.07.2018	(231868)	Sale	465502	0.40
				03.08.2018	35580	Purchase	501082	0.43
				10.08.2018	80699	Purchase	581781	0.50
				15.02.2019	(117572)	Sale	464209	0.40
				01.03.2019	107741	Purchase	571950	0.49
				08.03.2019	193864	Purchase	765814	0.65
				15.03.2019	212153	Purchase	977967	0.83
				22.03.2019	124502	Purchase	1102469	0.94
				31.03.2019	**0**		**1102469**	**0.94**
5	Dileep Madgavkar	1100000	0.94	01.04.2018	0		1100000	0.94
				31.03.2019	**0**		**1100000**	**0.94**
6	Rajesh Seth	766900	0.65	01.04.2018	0		766900	0.65
				15.06.2018	1600	Purchase	768500	0.66
				06.07.2018	500	Purchase	769000	0.66
				12.10.2018	5000	Purchase	774000	0.66
				31.03.2019	**0**		**774000**	**0.66**
7	Gmo Emerging Domestic Opportunities Fund, A Series	1550416	1.32	01.04.2018	0		1550416	1.32
				29.06.2018	(99209)	Sale	1451207	1.24
				20.07.2018	(115472)	Sale	1335735	1.14
				01.02.2019	(585346)	Sale	750389	0.64
				31.03.2019	**0**		**750389**	**0.64**
8	India Opportunities Growth Fund Ltd - Pinewood Str	1079184	0.92	01.04.2018	0		1079184	0.92
				18.05.2018	(492655)	Sale	586529	0.50
				31.03.2019	**0**		**586529**	**0.50**
9	Canara Robeco Mutual Fund A/C Canara Robeco Equity	0	0	01.04.2018	0	0	0	0.00
				08.03.2019	32263	Purchase	32263	0.03
				15.03.2019	393189	Purchase	425452	0.36
				22.03.2019	60565	Purchase	486017	0.41
				29.03.2019	73357	Purchase	559374	0.48
				31.03.2019	**0**		**559374**	**0.48**
10	Jasmine India Fund	260000	0.22	01.04.2018	0		260000	0.22
				22.06.2018	9200	Purchase	269200	0.23
				29.06.2018	75	Purchase	269275	0.23

				27.07.2018	2000	Purchase	271275	0.23
				03.08.2018	13900	Purchase	285175	0.24
				10.08.2018	19240	Purchase	304415	0.26
				17.08.2018	5200	Purchase	309615	0.26
				31.08.2018	1983	Purchase	311598	0.27
				07.09.2018	1150	Purchase	312748	0.27
				19.10.2018	2000	Purchase	314748	0.27
				26.10.2018	21947	Purchase	336695	0.29
				02.11.2018	11446	Purchase	348141	0.30
				09.11.2018	3000	Purchase	351141	0.30
				16.11.2018	11730	Purchase	362871	0.31
				23.11.2018	6000	Purchase	368871	0.31
				30.11.2018	21238	Purchase	390109	0.33
				07.12.2018	24147	Purchase	414256	0.35
				14.12.2018	11557	Purchase	425813	0.36
				21.12.2018	553	Purchase	426366	0.36
				31.03.2019	**0**		**426366**	**0.36**
11	Rita Duggal	415250	0.35	01.04.2018	0		415250	0.35
				29.06.2018	1800	Purchase	417050	0.36
				12.10.2018	3000	Purchase	420050	0.36
				31.03.2019	**0**		**420050**	**0.36**
12	Infina Finance Private Ltd	0	0	01.04.2018	0	0	0	0.00
				13.07.2018	55399	Purchase	55399	0.05
				20.07.2018	82820	Purchase	138219	0.12
				03.08.2018	219781	Purchase	358000	0.31
				05.10.2018	15000	Purchase	373000	0.32
				14.12.2018	12100	Purchase	385100	0.33
				28.12.2018	(48000)	Sale	337100	0.29
				04.01.2019	(12000)	Sale	325100	0.28
				01.03.2019	88000	Purchase	413100	0.35
				31.03.2019	**0**		**413100**	**0.35**
13	Nitin Tandon	393000	0.33	01.04.2018	0		393000	0.33
				31.03.2019	**0**		**393000**	**0.33**
14	NRI Vantage Equity Fund	0	0	01.04.2018	0		0	0
				27.07.2018	160000	Purchase	160000	0.14
				12.10.2018	10000	Purchase	170000	0.14
				07.12.2018	16000	Purchase	186000	0.16
				14.12.2018	10000	Purchase	196000	0.17
				21.12.2018	23500	Purchase	219500	0.19
				28.12.2018	37500	Purchase	257000	0.22
				31.12.2018	10000	Purchase	267000	0.23
				04.01.2019	18000	Purchase	285000	0.24
				11.01.2019	12000	Purchase	297000	0.25
				31.03.2019	**0**		**297000**	**0.25**

15	Dinkar Dutt	310819	0.26	01.04.2018	0		310819	0.26
				27.04.2018	506	Purchase	311325	0.27
				11.05.2018	1979	Purchase	313304	0.27
				01.06.2018	(1957)	Sale	311347	0.27
				08.06.2018	(733)	Sale	310614	0.26
				15.06.2018	(1614)	Sale	309000	0.26
				22.06.2018	(4000)	Sale	305000	0.26
				06.07.2018	(14000)	Sale	291000	0.25
				08.02.2019	(1850)	Sale	289150	0.25
				15.03.2019	(4000)	Sale	285150	0.24
				31.03.2019	**0**		**285150**	**0.24**

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 (01-04-18 to 31-03-19)	
		No. of shares at the beginning of the year (01-04-2018)	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Vijay Agarwal	41401907	35.29	01.04.2018	0		41401907	35.29
				07.06.2018	25000	Purchase	41426907	35.31
				08.06.2018	1824	Purchase	41428731	35.31
				31.03.2019	**0**		**41428731**	**35.31**
2	Mrs. Mona Agarwal	25314407	21.58	01.04.2018	0		25314407	21.58
				07.06.2018	25000	Purchase	25339407	21.60
				30.01.2019	500000	Purchase	25839407	22.02
				31.03.2019	**0**		**25839407**	**22.02**
3	Mr. Sorab Agarwal	7148650	6.09	01.04.2018	0		7148650	6.09
				30.01.2019	475000	Purchase	7623650	6.50
				31.03.2019	**0**		**7623650**	**6.50**
4	Mrs. Surbhi Garg	6930156	5.91	01.04.2018	0		6930156	5.91
				31.03.2019	**0**		**6930156**	**5.91**
5	Mr. Subhas Chander Verma	15000	0.01	01.04.2018	0		15000	0.01
				31.03.2019	**0**		**15000**	**0.01**
6	Mr. Rajan Luthra	91	0	01.04.2018	0		91	0.00
				31.03.2019	**0**		**91**	**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, 2018)				
i) Principal Amount	6,121.11	1,708.78	–	**7,829.89**
ii) Interest due but not paid	–	–	–	**–**
iii) Interest accrued but not due	–	287.50	–	**287.50**
Total (i+ii+iii)	**6,121.11**	**1,996.28**	**–**	**8,117.39**
Change in Indebtedness during the financial year				
Additions	3.04	–	–	**3.04**
Reduction	1,404.29	1,391.89	–	**2,796.18**
Exchange Difference	–	–	–	**–**
Net Change	**(1,401.25)**	**(1,391.89)**	**–**	**(2,793.14)**
Indebtedness at the end of the financial year (March 31, 2019)				
i) Principal Amount	4,719.86	604.39	–	**5,324.25**
ii) Interest due but not paid	–	–	–	**–**
iii) Interest accrued but not due	30.86	–	–	**30.86**
Total (i+ii+iii)	**4,750.72**	**604.39**	**–**	**5,355.11**

Note:-

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

ATTACHMENT-I

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Managing Director, Whole-Time director and/or Manager:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total
		Mr. Vijay Agarwal	Mrs. Mona Agarwal	Mr. Sorab Agarwal	Mrs. Surbhi Garg	
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	288.00	141.60	54.60	48.00	**532.20**
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	18.09	9.18	4.13	4.22	**35.62**
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	–	–	–	–	–
2	Stock option	–	–	–	–	–
3	Sweat Equity	–	–	–	–	–
4	Commission as % of profit	–	–	–	–	–
5	Others, please specify	–	–	–	–	–
Total		**306.09**	**150.78**	**58.73**	**52.22**	**567.82**
Ceiling as per the Act		**₹ 899.13 Lakhs (being 10 % of the net profits of the Company calculated as per Section 197 & 198 of the Companies Act, 2013).**				

Note:-

The Company has received approval from Central government for payment of remuneration to Mr. Vijay Agarwal, Chairman and Managing Director of the Company vide approval letter No SRN C82288127/2016 –CL –VII dated September 1, 2016 for an Amount of ₹ 154.00 lakh for 6 months (01.04.2018 to 30.09.2018) and Mrs. Mona Agarwal, Whole-Time Director of the Company vide approval letter No SRN C82400086/2016 –CL –VII dated September 01, 2016 for an Amount of ₹ 75.00 lakh for 6 months (01.04.2018 to 30.09.2018).

Further, During the year, the members of the Company in their 24th Annual General Meeting held on September 28, 2018 have approved the re-appointment of Mr. Vijay Agarwal, Chairman & Managing Director, Mrs. Mona Agarwal, Whole-Time Director and Mr. Sorab Agarwal, Whole-Time Director for next five years w.e.f. October 01, 2018.

ATTACHMENT-J

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(B) Remuneration to other directors:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Non-Executive Directors				Total
		Mr. Girish Narain Mehra (IAS Retd.)	Dr. Amar Singhal	Mr. Subhash Chander Verma	Mr. Keshav Chandra Agrawal	
1	**Independent Directors**					
	(a) Fee for attending board / committee meetings	1.65	1.95	1.80	0.75	**6.15**
	(b) Commission	–	–	–	–	–
	(c) Others, please specify	–	–	–	–	–
	Total (1)	**1.65**	**1.95**	**1.80**	**0.75**	**6.15**
2	**Other Non-Executive Directors**					
	(a) Fee for attending board/ committee meetings	–	–	–	–	–
	(b) Commission	–	–	–	–	–
	(c) Others, please specify.	–	–	–	–	–
	Total (2)	**–**	**–**	**–**	**–**	**–**
Total (1+2)		**1.65**	**1.95**	**1.80**	**0.75**	**6.15**
Overall Ceiling as per the Act.		**₹ 89.91 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) Rremuneration 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**				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NA	61.39	5.72	**67.11**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.		0.40	–	**0.40**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.		–	–	**–**
2	Stock Option		–	–	**–**
3	Sweat Equity		–	–	**–**
4	Commission as % of profit		–	–	**–**
5	Others, please specify		–	–	**–**
Total			**61.79**	**5.72**	**67.51**

ATTACHMENT-L

VII- PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

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

Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At ACE, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices across our operations. Our Code of Business Principles inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning. To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

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

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

BOARD OF DIRECTORS

Composition and category of Board of Directors

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

The composition of the Board is in conformity with the Companies Act, 2013 and Listing Regulations enjoining specified combination of Executive and Non-Executive Directors with Women Directors.

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

As on the date of this Report, the Board comprised of 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 8 (eight) listed Companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding their directorship and Committee positions (including chairmanship) in other Companies as on March 31, 2019 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 2018-19, four (4) Board Meetings were held i.e. on May 21, 2018, August 04, 2018, October 29, 2018 and February 12, 2019.

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, 2019 are given herein below:

Name of Directors	Position in the Company	Attendance at Board Meeting out of four(4)	Attendance at AGM (28.09.2018)	Directorship in other listed Companies & categories	Directorship in other Indian public Companies	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	–	–	–	1
Mrs. Mona Agarwal (DIN:00057653)	Whole-Time Director	4	Yes	–	–	–	–
Mr. Sorab Agarwal (DIN:00057666)	Whole-Time Director	4	Yes	–	–	–	1
Mrs. Surbhi Garg (DIN:01558782)	Whole-Time Director	4	No	–	–	–	–
Mr. Girish Narain Mehra (IAS Retd.) (DIN:00059311)	Independent Non-executive	4	Yes	1. Amrit Corp. Ltd., Non Ind. 2. Bharat Seats Ltd., Ind. 3. Subros Ltd., Ind.	4	5	2
Mr. Subhash Chander Verma (DIN:00098019)	Independent Non-executive	4	Yes	–	–	1	1
Dr. Amar Singhal (DIN:00035903)	Independent Non-executive	4	No	–	–	1	1
Mr. Keshav Chandra Agrawal (DIN:00098143)	Independent Non-executive	3	Yes	–	–	–	–

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, 2019 is given below:

S. No.	Name of the Directors	No. of shares held
1	Mr. Subhash Chander Verma	15,000

Note: The Company has not issued any convertible instruments.

Independent Directors:

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

The sample terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at www.ace-cranes.com.

Separate meeting of the Independent Directors:

Independent Directors of the Company met separately on February 12, 2019 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	Designation	Category	No. of Meeting held during the year	No. of Meeting Attended
1.	Mr. Girish Narain Mehra	Member	Independent	1	1
2.	Mr. Subhash Chander Verma	Member	Independent	1	1
3.	Dr. Amar Singhal	Member	Independent	1	1
4.	Mr. Keshav Chandra Agrawal	Member	Independent	1	1

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

(a) Performance of Non-Independent Directors and the Board of Directors as a whole;

(b) Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors;

(c) Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarization programs for Independent Directors:

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

Key Board qualifications, expertise and attributes:

The Company's core business(es) includes manufacturing of four types of heavy equipment – (i) mobile cranes / tower cranes

(ii) material handling, (iii) construction equipment and (iv) agri equipment etc.

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

(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;

(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.

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 2018-19.

The Nomination and Remuneration Committee has also carried out evaluation of every Director`s performance.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated.

Information supplied to the Board:

The Board has complete access to all information with the Company. All Board Meetings are governed by a structured agenda which is backed by comprehensive background information.

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

REMUNERATION OF DIRECTORS

(a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

Apart from sitting fees that are paid to the Non- Executive and Independent Directors for attending Board/Committee meetings, no other fees/commission were paid during the year. During the period under review, there was no pecuniary relationship or business transaction by the Company with any Non-Executive Directors.

Following is the detail of sitting fees paid to the Non-Executive Directors:

S. No.	Name of the Directors	Amount Paid (₹ in Lakhs)
1.	Mr. Girish Narain Mehra	1.65
2.	Mr. Subhash Chander Verma	1.80
3.	Dr. Amar Singhal	1.95
4.	Mr. Keshav Chandra Agrawal	0.75

Note: As per regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), as amended vide SEBI (LODR) (Amendment) Regulations, 2018 effective from April 01, 2019, the members of the Company have approved (by the postal ballot/e-voting) the continuation of Directorships of Mr. Girish Narain Mehra (IAS Retd.), Mr. Keshav Chandra Agrawal and Mr. Subhash Chander Verma as Independent Directors of the Company after April 01, 2019 till the expiry of their respective tenure i.e. upto September 24, 2020.

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

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company at www.ace-cranes.com.

The Non-Executive Directors, except for promoter directors, are entitled to sitting fees for attending Meetings of the Board and its Committees.

(c) Disclosure with respect to remuneration:

(i) Element of remuneration package of individual Directors of the Company during the year 2018-19.

(₹ in lakhs)

S. No.	Names of the Directors	Salary & Allowances	Other benefits and perquisites	Stock options, Pension etc.	Total
1	Mr. Vijay Agarwal Chairman & Managing Director	288.00	18.09	–	**306.09**
2	Mrs. Mona Agarwal Whole-Time Director	141.60	9.18	–	**150.78**
3	Mr. Sorab Agarwal, Whole-Time Director	54.60	4.13	–	**58.73**
4	Mrs. Surbhi Garg Whole-Time Director	48.00	4.22	–	**52.22**
	Total	**532.20**	**35.62**	**–**	**567.82**

Note:

The Company has received approval from Central government for payment of remuneration to Mr. Vijay Agarwal, Chairman and Managing Director of the Company vide approval letter No SRN C82288127/2016 –CL –VII dated September 1, 2016 for an Amount of ₹ 154.00 lakh for 6 months (01.04.2018 to 30.09.2018) and Mrs. Mona Agarwal, Whole-Time Director of the Company vide approval letter No SRN C82400086/2016 –CL –VII dated September 01, 2016 for an Amount of ₹ 75.00 lakh for 6 months (01.04.2018 to 30.09.2018).

Further, During the year, the members of the Company in their 24th Annual General Meeting held on September 28, 2018 have approved the re-appointment of Mr. Vijay Agarwal as Chairman & Managing Director, Mrs. Mona Agarwal as Whole-Time Director and Mr. Sorab Agarwal as Whole Time Director for next five years w.e.f October 01, 2018.

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

Directors are not entitled to any performance linked incentives.

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

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

COMMITTEES OF BOARD

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Board periodically reviews the composition and terms of reference of its Committees in order to comply with any amendments/modifications to the provisions relating to composition of Committees under the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Company has currently following 4 (Four) mandatory Board level Committees, namely:

(A) Audit Committee (AC);

(B) Nomination and Remuneration Committee (NRC);

(C) Stakeholders' Relationship Committee (SRC);

(D) Corporate Social Responsibility Committee (CSR).

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

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

(A) AUDIT COMMITTEE

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

During the year, four meetings were held on May 21, 2018, August 04, 2018, October 29, 2018 and February 12, 2019.

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

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

(h) The investments made by unlisted subsidiary companies.

5. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

6. To mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;

(c) Management letters/ letters of internal control weaknesses issued by the statutory auditors;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor;

(f) Statement of deviations:

(i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);

(ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus /notice in terms of regulation 32(7).

7. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;

8. Evaluation of internal financial controls and risk management systems;

9. Reviewing and monitoring of the auditor's independence and performance and effectiveness of audit process;

10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

11. Discussion with internal auditors any significant findings and follow up thereon;

12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

15. To direct the Company to establish a vigil mechanism for directors and employees to report genuine concerns to the Audit Committee and to ensure that the vigil mechanism provides adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;

16. To review the functioning of the Whistle Blower/ Vigil mechanism;

17. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate;

18. Scrutiny of inter-corporate loans and investments;

19. Approval or any subsequent modification of transactions of the Company with related parties;

20. Valuation of undertakings or assets of the company, wherever it is necessary;

21. To investigate into any matter or activity within its terms of reference or referred to it by the Board;

22. To call for the comments of the Auditors about internal control systems, the scope of audit, including the observations of the Auditors and also discuss any related issues with the internal and Statutory Auditors and the Management of the Company.

The Company has Internal Auditor who submits its report to the Audit Committee.

The Chairman of the Audit Committee was present in the last Annual General Meeting held on September 28, 2018.

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

(B) NOMINATION AND REMUNERATION COMMITTEE

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

Terms of reference of the Committee inter alia include determination of the Company's policy on specific remuneration packages for Directors, Key Managerial Personnel and Senior Management. Senior Management means the officers /personnel of the Company who are members of its core management team excluding Board of Directors and normally this comprises all members of the management one level below the Managing Director/Whole-Time Directors and includes Company Secretary and Chief Financial Officer.

During the year, two meeting were held i.e. on May 21, 2018 and February 12, 2019.

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

S. No.	Name of the Directors	Designation	Category	Total No. of meeting held during the year	No. of Meeting Attended
1.	Dr. Amar Singhal	Chairman	Independent	2	2
2.	Mr. Girish Narain Mehra	Member	Independent	2	2
3.	Mr. Subhash Chander Verma	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/ratification of 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 amendment to Employees Stock Option Scheme of the Company or to recommend any such new Scheme for approval of members of the Company;

12. To exercise all the powers as mentioned in the Employees Stock Option Scheme of the Company;

13. To invite any executive or outsider, at its discretion at the meetings of the Committee;

14. To devise a policy on Board diversity;

15. Whether to extend or continue the term of appointment of the independent directors;

16. Recommend to the Board, all remuneration in whatever form, payable to senior management;

17. To exercise such other powers as may be delegated to it by the Board from time to time.

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

Performance evaluation criteria for independent directors:

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

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the year, one meeting was held on May 21, 2018.

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

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

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

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

2. Review of measures taken for effective exercise of voting rights by shareholders;

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

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

Investor Grievance Redressal:

Details of complaints received and resolved by the Company during the financial year 2018-19 are given below:

S. No.	Nature of Investor Grievance	Total
1.	Complaints pending at the beginning of the year as on April 1, 2018	NIL
2.	Complaints received during the year	
•	Non receipt of dividend	2
•	Non receipt of shares sent for transfer	3
•	Non receipt of Annual Report including Investor Grievance received through Statutory Authority	7
•	Non confirmation of dematerialization/re-materialization of shares	NIL
•	Miscellaneous	NIL
3.	Complaints disposed-off during the year	12
4.	Complaints pending at the end of the year as on March 31, 2019	NIL

Compliance Officer:

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

(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

During the year, one meeting was held on May 21, 2018.

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

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

The Committee is entrusted with the following powers:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as amended;
2. To recommend the amount of expenditure to be incurred on the activities referred in clause (1) above;
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time;
4. Such other activities as the Board of Directors may determine from time to time.

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

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

GENERAL BODY MEETINGS

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

For the Year	2015-16	2016-17	2017-18
AGM	**22nd**	**23rd**	**24th**
Date & Time	23.09.2016 11:00 a.m.	29.09.2017 11:30 a.m.	28.09.2018 11:30 a.m.
Venue	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001.	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001.	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001.

(b) Special Resolutions passed in the previous three Annual General Meetings:

Year	Special Resolution passed
2015-2016	(a) Re-appointment of Mrs. Surbhi Garg (DIN: 01558782) Executive Director for the period of three years w.e.f. April 1, 2017 and fixation of her remuneration.
2016-2017	None
2017-2018	(a) Re-appointment of Mr. Vijay Agarwal (DIN: 00057634) as Chairman & Managing Director of the Company; (b) Re-appointment of Mrs. Mona Agarwal (DIN: 00057653) as Whole-Time Director, Designated as Executive Director of the Company; (c) Re-appointment of Mr. Sorab Agarwal (DIN: 00057666) as Whole-Time Director, Designated as Executive Director of the company.

(c) Special Resolution (s) passed last year (2018-19) through Postal Ballot, detail of voting pattern and the procedure thereof:

During the year, members of the Company have approved the resolutions, stated in the below table by requisite majority, by means of postal Ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated February 12, 2019 along with postal ballot form was sent in electronic form to the members whose e-mail addresses were registered with the Company/respective Depository Participants. In case of physical shareholding, copies of Postal Ballot Notice along with Postal Ballot Form were sent in physical by permitted mode along with self-addressed postage pre-paid Business Reply Envelope.

The Company had published a notice in the newspaper on February 26, 2019 viz 'Financial Express' (English) and 'Naya India' (Hindi) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard-2. The voting period commenced from Wednesday, February 27, 2019 at 9.00 a.m. IST and ended on Thursday, March 28, 2019 at 5.00 p.m. IST. The voting rights of members were reckoned on the paid-up value of shares registered in the name of members/beneficial owner as on Friday, February 15, 2019 (Cut-off-date).

The Board had appointed M/s MZ & Associates, Practicing Company Secretaries, as the Scrutinizer ("Scrutinizer") for conducting the postal ballot process and electronic voting (e-voting) in a fair and transparent manner and had engaged the services of Karvy Fintech Private Limited as the agency for the purpose of providing e-voting facility.

Resolution passed through postal ballot	Votes in favour of the Resolution (%)	Votes against the Resolution (%)
1. To continue the appointment of Mr. Girish Narain Mehra (DIN:00059311), Independent Director for the remaining period of his term i.e. till September 24, 2020.	99.9996	0.0004
2. To continue the appointment of Mr. Keshav Chandra Agrawal (DIN:00098143), Independent Director for the remaining period of his term i.e. till September 24, 2020.	99.9996	0.0004
3. To continue the appointment of Mr. Subhash Chander Verma (DIN:00098019), Independent Director for the remaining period of his term i.e. till September 24, 2020.	99.9996	0.0004

(d) Person who conducted the postal ballot exercise:

M/s MZ & Associates, Company Secretaries, who was appointed as Scrutinizer, conducted the postal ballot exercise.

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

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

MEANS OF COMMUNICATION

(a) Quarterly Results:

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

(b) Newspaper:

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

(c) Website:

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

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

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

(e) Designated Email ID:

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

(f) SCORES (SEBI Complaints Redressal System):

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

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

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

GENERAL SHAREHOLDER INFORMATION

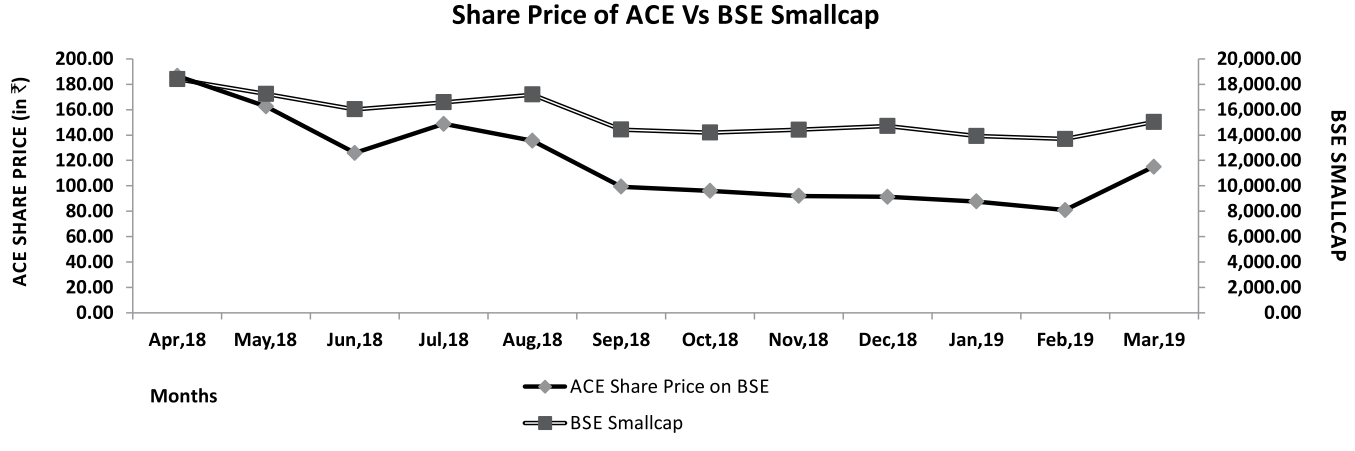
1.	**Corporate Identification Number (CIN)**	**L74899HR1995PLC053860**
2.	**Registered Office**	Action Construction Equipment Limited, Dudhola Link, Road, Dudhola, Distt. Palwal-Haryana-121102.
3.	**Forthcoming Annual General Meeting**	
	Day & Date	Friday, September 27, 2019
	Time	11:30 a.m.
	Venue	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana -121001
4.	**Dates of book closure**	Friday, September 20, 2019 to Friday, September 27, 2019 (both days inclusive), for the purpose of Annual General Meeting and payment of dividend.
5.	**Financial Calendar**	
	Financial Year	1st April to 31st March
	Tentative schedule for declaration of financial results during the financial year 2019-20	
	Quarter ending June 30, 2019	2nd Week of August, 2019
	Quarter ending September 30, 2019	2nd Week of November, 2019
	Quarter ending December 31, 2019	2nd Week of February, 2020
	Quarter and FY ended March 31, 2020	3rd Week of May, 2020
	Annual General Meeting for the year ending March 31, 2020	Last Week of September, 2020

6.	**Dividend payment date**	
	Dividend details	Payment date
	Final Dividend for FY 2018-19 of ₹ 0.50 (25%) per equity shares recommended by the Board of Directors at its meeting held on May 16, 2019.	The dividend, if approved by the shareholder shall be paid within 30 days from the date of declaration.
7.	**Listing details**	
	Name of Stock Exchange(s) & Stock Code(s)	**Address**
	BSE Limited (BSE) – 532762	BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
	National Stock Exchange of India Limited (NSE) – ACE	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
8.	ISIN for Depositories	INE731H01025
9.	Listing Fees for the financial year 2019-20 has been paid to both, BSE Limited and National Stock Exchange of India Limited. Annual custodian charges of Depository have also been paid to NSDL and CDSL for the same period.	

10. Market Price Data: High, Low during each month in last Financial Year:

MONTH(S) 2018-19	NSE		BSE	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2018	204.25	168.50	204.00	168.50
May, 2018	189.80	160.10	189.50	158.00
June, 2018	165.20	118.40	165.30	119.00
July, 2018	147.95	119.30	148.75	119.00
August, 2018	159.50	131.00	159.75	130.95
September, 2018	144.00	99.45	143.50	99.30
October, 2018	106.30	78.40	106.20	78.70
November, 2018	106.35	86.00	106.45	86.35
December, 2018	100.30	84.75	100.35	82.00
January, 2019	103.75	82.00	102.60	82.25
February, 2019	88.50	71.25	88.35	71.40
March, 2019	121.80	81.10	121.55	81.35

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



12. Suspension from trading:

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

13. Registrar and Share Transfer Agent:

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

14. Share Transfer System:

Karvy Fintech Private Limited is the Company's Registrar and Share Transfer Agent (RTA). All the documents received from shareholders are scrutinized by the Company's RTA. The shares lodged for transfer, etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

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

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

15. Ownership Pattern as on March 31, 2019:

Category	No. of shareholders	No. of shares held	% of total shareholding
Promoters			
Indian Promoters	5	8,18,71,944	69.78
Non Promoters			
Institutional Investors			
Mutual Fund	8	16,61,843	1.42
Foreign Portfolio Investors	13	25,15,766	2.14
Banks/Financial Institutions	2	98,424	0.08
Non-Institutional Investor			
Bodies Corporate	442	22,50,347	1.92
Indian Public*	33,534	2,73,69,246	23.33
Non Resident Indians	488	12,90,122	1.10
NRI Non-Repatriation	187	2,65,308	0.23
Total	**34,679**	**11,73,23,000**	**100.00**

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

Note : As per the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128, dated December 19, 2017, the consolidated no. of shareholder on the basis of PAN are 32,292.

16. Shareholding Pattern by Size as on March 31, 2019 on the basis of Shares held:

S. No.	Category	No. of Shareholders	% to total Shareholders	No of shares	% of total Shares
1	upto 1-5000	33,261	95.90	87,13,712	7.43
2	5001 -10000	731	2.11	27,16,281	2.32
3	10001-20000	331	0.95	24,62,945	2.10
4	20001 -30000	110	0.32	13,57,696	1.16
5	30001 -40000	51	0.15	9,21,126	0.79
6	40001 - 50000	34	0.10	7,75,741	0.66
7	50001 -100000	77	0.22	27,24,931	2.32
8	100001 & ABOVE	84	0.25	9,76,50,568	83.22
Total		**34,679**	**100.00**	**11,73,23,000**	**100.00**

17. Dematerialization of Shares and Liquidity:

As on March 31, 2019, 99.97% of the shareholding is held in dematerialized form as per details mentioned below:

Trading in Equity Shares of the Company is permitted only in dematerialized form.

S. No.	Mode of holding	No. of Holders	Shares	% To Total Issued Equity
1	PHYSICAL	1,336	34,377	0.03
2	NSDL	18,934	9,59,92,418	81.82
3	CDSL	14,409	2,12,96,205	18.15
Total		**34,679**	**11,73,23,000**	**100.00**

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

There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments as on March 31, 2019.

19. Commodity price risk or foreign exchange risk and hedging activities:

Company is not having much exposure to commodity price or foreign exchange and there is a natural hedging partly available in terms of exports made by the Company.

In respect of price risk of raw materials used for manufacturing purpose the same is taken care of as per industry requirement.

20. Locations:

The following are the locations of the Company:

Plants Locations:

(a) Jajru Road, 25th Mile Stone, Delhi Mathura Road Ballabgarh-121004 Distt. Faridabad (Haryana);

(b) Dudhola Link Road, Dudhola, Distt. Palwal- 121102, Haryana;

(c) 45th Mile Stone, Delhi Mathura Road, Prithla, Faridabad, Haryana.

Research & Development (R&D) Centers:

(a) Jajru Road, 25th Mile Stone, Delhi Mathura Road Ballabgarh-121004 Distt. Faridabad (Haryana);

(b) Dudhola Link Road, Dudhola, Distt. Palwal- 121102, Haryana.

Marketing Office:

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

21. Address for Correspondence:

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

Investor Correspondence:

a) For Shares held in Physical form

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

b) For Shares held in Demat form
Investors concerned Depository Participants and/or Karvy Fintech Private Limited.

For all matters relating to investor relations may also contact at:
Company Secretary & Compliance Officer
Action Construction Equipment Limited
Dudhola Link Road, Dudhola
Dist. Palwal – 121102, Haryana
Phone: + 91-1275-280103
Fax No.:+ 91-1275-280133
Email Id: cs@ace-cranes.com

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

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended March 31, 2019. During the year, Company has entered into an agreement with ICRA Limited for rating on banking facilities; accordingly ICRA has assigned the following rating:

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

Further, the Company has surrendered the credit rating assigned by CRISIL, which was valid up to March 31, 2019.

OTHER DISCLOSURES

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

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

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

(b) Statutory Compliance, Penalties and Strictures:

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

(c) Whistle Blower Policy/ Vigil Mechanism:

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

(i) Encourage and enable directors, employees, agents, consultants, vendors and business partners to raise issues or concerns, which are either unacceptable or patently against the stated objectives, law or ethics, within the Company;

(ii) Ensure that directors, employees, agents, consultants, vendors and business partners can raise issues or concerns without fear of victimization, subsequent discrimination or disadvantage thereof;

(iii) Reassure the whistle blower(s) that they will be protected from possible reprisals or victimization if they have made disclosure/s in good faith;

(iv) Ensure that where any wrong doing by the Company or any of its directors, employees, agents, consultants, vendors or business partners is identified and reported to the Company under this policy. It will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine the means of ensuring how such wrong doing can be prevented in future and will take corrective action accordingly.

The policy also provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

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

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

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

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

As on March 31, 2019, the Company has one foreign subsidiary. The Company has no unlisted material Subsidiary Company as defined in regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(f) Web link where policy on dealing with related party transactions is disclosed:

The policy on dealing with related party transactions is available on the website of the Company at www.ace-cranes.com in the investor relations section.

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

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

(h) Certificate from Practicing Company Secretary:

Certificate as required under Part C of Schedule V of Listing Regulations, received from M/s MZ & Associates, Company Secretaries, 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 authority was placed before the Board of Directors at their meeting held on May 16, 2019.

(i) Recommendations of Committees of the Board:

There were no instances during the financial year 2018-19, wherein the Board had not accepted recommendations made by any committee of the Board.

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

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

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2018-19 are as under:

(a) Number of complaints filed during the financial year: NIL

(b) Number of complaints disposed of during the financial year: NA

(c) Number of complaints pending as on end of the financial year: NIL

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

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

The details of unclaimed dividends and shares transferred to IEPF during FY 2018-19 are as following:

Financial year	Unclaimed dividend transferred (Amount in ₹)	Number of shares transferred
2010-2011	2,00,537.00	6,167
Total	**2,00,537.00**	**6,167**

During the financial year 2019-20, the Company would be transferring unclaimed final dividend amount for the financial year ended March 31, 2012 on or before November 30, 2019 to IEPF.

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

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

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

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

1. Shareholders are advised to verify their details like address, bank mandate, PAN, status of outstanding dividend(s), etc. from M/s Karvy Fintech Private Limited, Company's Registrar and Transfer Agent, before filing an application with IEPF;
2. Download the Form IEPF-5 from the website of IEPF (http://www.iepf.gov.in) for filing the claim for the refund of dividend/ shares. Read the instructions provided on the website/instruction kit along with the e-form carefully before filling the form;
3. After filling the form, submit the duly filled form by following the instructions given in the upload link on the website of IEPF. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form;
4. Take a print out of the duly filled Form No. IEPF-5 and the acknowledgement issued after uploading the form;

5. Submit an indemnity bond in original, copy of the acknowledgement and self-attested copy of e-form along with other documents as mentioned in the Form No. IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund of dividend from IEPF Authority" / "Claim for shares from IEPF" as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process;

6. Claim forms completed in all respects will be verified by the Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

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

Email ID: cs@ace-cranes.com, Telephone No.: 01275 - 280103
Address: Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana, India.

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

S. No.	Financial Year	Last Date for claiming unpaid dividend
1.	Final Dividend 2011-12	31.10.2019
2.	Final Dividend 2012-13	24.09.2020
3.	Final Dividend 2013-14	30.08.2021
4.	Final Dividend 2014-15	25.10.2022
5.	Interim Dividend 2015-16	15.04.2023
6.	Final Dividend 2016-17	30.10.2024
7.	Final Dividend 2017-18	31.10.2025

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2013, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company as on September 28, 2018 (previous AGM date) on the Company's website (www.ace-cranes.com) and on the website of the Ministry of Corporate Affairs.

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

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

(o) Secretarial Compliance Report:

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

(p) Code of Conduct to Regulate, Monitor and Report trading by Designated Persons:

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations). SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from April 01, 2019. In accordance with the said amendments to the SEBI Insider Trading Regulations, it was, inter alia, required to amend/formulate the following:

(i) Code of Conduct to Regulate, Monitor and Report trading by Designated Persons;
(ii) Formulate a Policy for determination of 'legitimate purposes' as a part of 'Code of Fair Disclosure and Conduct';
(iii) Policy for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI);
(iv) Whistle Blower Policy to enable reporting in case of leak of UPSI.

The Board of Director at their meeting held on February 12, 2019 has approved the formulation/amendments to the aforesaid.

The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations w.r.t. action taken against such defaulters.

All afforesaid Code/Policies have been uploaded on website of the Company at www.ace-cranes.com.

(q) 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 them is not applicable.

(r) Compliance /non-compliance:

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

(s) Disclosure of the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

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

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

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

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

(v) **Reporting of Internal Auditor:** The Company has appointed M/s Ernst and Young LLP as Internal Auditor of the company for financial year 2018-19 for conducting the internal audit and they have direct access to the Audit Committee.

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

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

(u) Declaration signed by the CEO/MD stating that the members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct of Board of Directors and senior management:

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company. The Code is available on the website of the Company at www.ace-cranes.com.

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 signed by Chairman and Managing Director regarding all Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended March 31, 2019 is annexed with it and forms an integral part of the Annual Report.

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

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

(w) Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance:

The Certificate from the Practicing Company Secretaries regarding compliance of conditions of corporate governance is annexed with it and forms an integral part of the Annual Report.

(x) Demat Suspense Account/ Unclaimed Suspense Account:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

For Action Construction Equipment Limited

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

Place: New Delhi
Date: May 16, 2019

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2019, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

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

For Action Construction Equipment Limited

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

Place: New Delhi
Date: May 16, 2019

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, 2019 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

	Sd/-	**Sd/-**
	Vijay Agarwal	**Rajan Luthra**
Place: New Delhi	**Chairman & Managing Director,**	**Chief Financial Officer**
Date: May 16, 2019	**DIN: 00057634**	

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Action Construction Equipment Limited
Dudhola Link Road, Dudhola,
Distt. Palwal-121102, Haryana, India

We have examined the compliance of conditions of Corporate Governance by Action Construction Equipment Limited, for the year ended on March 31, 2019, 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. Our 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 our opinion and to the best of our information and according to the explanations given to us, we 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 MZ & Associates
Company Secretaries

Sd/-
CS Mohd Zafar
Partner
Membership No: FCS 9184
CP: 13875

Place: Faridabad
Date: 16.05.2019

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 which comprise the Balance Sheet as at 31st March, 2019 and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key Audit Matters	**How our audit addressed the key audit matters**
Adoption of IND AS 115-Revnue from Contracts with Customers as described in note 1.3(a) of the financial statements .	
The company has adopted the IND AS 115-Revenue from contracts with customers mandatory for reporting periods beginning on or after 1st April 2018. Application of IND AS 115 including selection of transition method involves significant judgement in determining when control of goods or services underlying the performance obligation is transferred to the customer and transition method to be applied. As the revenue recognition due to the significance of the balance to the financial statements as a whole we regard this as a key audit matter.	As a part of our audit procedures, our procedures included the following:- We have read the accounting policy for revenue recognition and assessed the compliance of the policy in terms of the principal enunciated under IND AS 115. We obtained and understood the revenue recognition process including determining the point of transfer of control and completion of performance obligation. We performed the test of details on a sample basis and examined the underlying customer contracts. We examined the disclosure made by management in compliance with the requirements with IND AS 115. **Conclusion** Our procedures did not find any material exceptions.

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

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

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

In connection with our audit of the standalone financial statements our responsibility is to read the other information and in doing so consider whether the other information as materiality inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the Implementation guide on reporting standards matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 Ind AS financial statements for the financial year ended March 31, 2019 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

- During the year, the preference shareholders have forgone their right to receive the dividend on 8% Cumulative Non- Participating Redeemable Preference Shares of Rs 10/-each amounting to Rs 1,20,48,415/- refer to note 37.
- The unaudited financial statements and other unaudited financial information of the merged company (M/s Frested Limited) included in the aforesaid standalone Ind AS financial statements has been provided by the management and relied upon by us for the purpose of the company standalone Ind As financial statements (refer to note 36).

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;
   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure-B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting;
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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.
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

CA Ravi Gulati
Partner
Membership No.090672

Place : New Delhi
Date : 16th May 2019

Annexure-A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind As Standalone Financial statements for the year ended March 31, 2019, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified on regular basis. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

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

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

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

(iii) The Company has not granted any loans, secured or unsecured, to the companies, firms, limited liability partnerships or other parties covered under register maintained under section 189 of the Companies Act,2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of granting of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits from the public.

(vi) The Company has maintained books of accounts pursuant to the rules made by the central government for the maintenance of cost records under section 148 of the Companies Act, 2013 and in our the opinion the prescribed accounts and records have been properly maintained.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods & service tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods & service tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the company on account of disputes:

Name of statute	Name of the disputed dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute are pending
Income Tax Act, 1961	Income Tax	471.60	2015-16 & 2016-17	CIT (Appeal)
Income Tax Act, 1961	Income Tax	6.58	2009-10 & 2010-11	ITAT Delhi
The Central Excise Act, 1944	Excise duty	607.44	2006-2007 to 2010-2011	CESTAT
The Central Excise Act, 1944	Excise duty	829.60	2008-2009 to 2013-14	CESTAT
The Central Excise Act, 1944/Service Tax under finance Act, 1994	Excise duty	1.44	2012-13	Assistant Commissioner
The Central Excise Act, 1944	Excise duty	2.38	2009-2010	Commissioner (Appeal)
The Service Tax under finance Act, 1994	Service tax	8.11	2010-11	Add. Commissioner
The Haryana Vat Act, 2003	Sale Tax	17.30	2004-05 to 2005-06	Jt. Commissioner Faridabad
The west Bengal Act, 2003	Sale tax	13.00	2011-12	High Court
The west Bengal Act, 2003	Sale tax	1260.70	2006-07 to 2012-13	Add-Commissioner Review Board (West Bengal)

(viii) The Company has not defaulted in repayment of loans or borrowings from any financial institutions, banks, government or debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration and has got requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Companies Act,2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India act 1934.

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

CA Ravi Gulati
Partner
Membership No. 090672

Place : New Delhi
Date : 16th May 2019

Annexure-B To The Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Action Construction Equipment Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our knowledge and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Ravi Gulati
Partner
Membership No. 090672

Place : New Delhi
Date : 16th May 2019

Standalone Balance Sheet as at March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	32,132.28	31,597.58
Capital work in progress	2	713.58	403.68
Investment properties	3	1,251.33	1,275.00
Intangible assets	4	56.68	91.65
Financial assets			
i. Investments	5	2,386.02	1,837.01
ii. Loans	6	-	1,651.42
iii. Other financial assets	7	451.54	356.64
Other non-current assets	8	6,854.11	6,598.27
Non-current tax assets (Net)		16.11	507.96
Total non-current assets		**43,861.65**	**44,319.21**
Current assets			
Inventories	9	21,246.09	14,385.80
Financial assets			
i. Investments	5	2,665.85	3,119.90
ii. Trade receivables	10	14,398.44	16,981.18
iii. Cash and cash equivalents	11	843.73	667.40
iv. Bank balances other than (iii) above	12	297.48	411.65
v. Other current financial assets	7	233.65	290.27
Other current assets	8	4,739.83	3,645.82
Current tax Assets (Net)		159.15	–
Total current assets		**44,584.22**	**39,502.02**
Total Assets		**88,445.87**	**83,821.23**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,346.46	2,346.46
Other equity	14	41,372.42	38,210.43
Total Equity		**43,718.88**	**40,556.89**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	3,725.17	6,367.41
Provisions	16	260.26	1,151.30
Deferred tax liabilities (Net)	17	1,559.10	874.24
Total non-current liabilities		**5,544.53**	**8,392.95**
Current Liabilities			
Financial liabilities			
i. Borrowings	15	664.86	57.43
ii. Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		1,071.43	4,416.29
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		26,988.82	19,174.01
iii. Other financial liabilities	19	8,030.35	8,220.48
Other current liabilities	20	2,273.99	2,393.13
Provisions	16	153.01	222.14
Current tax liabilities (Net)		-	387.91
Total current liabilities		**39,182.46**	**34,871.39**
Total Equity and Liabilities		**88,445.87**	**83,821.23**

The accompanying Notes (1 to 41) are an integral part of Financial Statements

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 16, 2019

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	21	134,248.51	109,864.26
Other income	22	970.67	794.28
Total income		**135,219.18**	**110,658.54**
Expenses			
Cost of materials consumed	23	101,160.67	76,656.62
Purchase of stock-in-trade		1,509.37	387.84
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(4,700.65)	(265.37)
Excise duty		–	1,215.43
Employee benefits expenses	25	7,503.46	6,760.39
Finance costs	26	1,152.09	1,352.66
Depreciation and amortisation expenses	27	1,175.18	1,193.35
Other expenses	28	18,984.56	15,896.20
Total expenses		**126,784.68**	**103,197.12**
Profit before exceptional items and tax		**8,434.50**	**7,461.42**
Exceptional items		–	–
Profit before tax		**8,434.50**	**7,461.42**
Tax expense	29		
Current tax		2,643.20	2,066.13
Deferred tax		175.12	131.79
Profit after tax		**5,616.18**	**5,263.50**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment defined benefit obligation		(2.18)	5.06
Income tax relating to these items		0.74	(1.75)
Other Comprehensive income for the year (net of tax)		**(1.44)**	**3.31**
Total comprehensive income for the year		**5,614.74**	**5,266.81**
Earnings per equity share (Face Value of ₹ 2/- each)	35		
Basic (₹)		4.79	4.49
Diluted (₹)		4.79	4.49

The accompanying Notes (1 to 41) are an integral part of Financial Statements

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 16, 2019

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Standalone Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

Balance as at April 1, 2017	2,346.46
Increase/(Decrease) during the year	–
Balance as at March 31, 2018	2,346.46
Increase/(Decrease) during the year	–
Balance as at March 31, 2019	**2,346.46**

B) Other equity

Particulars	General Reserve	Capital Redemption Reserve	Capital Reserve	Securities Premium	Retained earnings	Total
Balance as at April 1, 2017	9,825.00	–	571.96	8,532.73	14,438.88	33,368.57
Profit for the year	–	–	–	–	5,263.50	5,263.50
Other comprehensive income	–	–	–	–	3.31	3.31
Dividend	–	–	–	–	(351.96)	(351.96)
Tax on Dividend	–	–	–	–	(71.65)	(71.65)
Others	–	–	–	–	(1.34)	(1.34)
Transferred from retained earnings	100.00	1,313.16	–	–	(1,413.16)	-
Balance as at March 31, 2018	**9,925.00**	**1,313.16**	**571.96**	**8,532.73**	**17,867.58**	**38,210.43**
Profit for the year	–	–	–	–	5,616.18	5,616.18
Other comprehensive income	–	–	–	–	(1.44)	(1.44)
Dividend	–	–	–	–	(586.62)	(586.62)
Tax on Dividend	–	–	–	–	(120.58)	(120.58)
Adjusted on account of merger (refer note no. 36)	–	–	(571.96)	–	(1,173.59)	(1,745.55)
Transferred from retained earnings	–	1,104.39	–	–	(1,104.39)	-
Balance as at March 31, 2019	**9,925.00**	**2,417.55**	**–**	**8,532.73**	**20,497.14**	**41,372.42**

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 16, 2019

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Standalone Statement of Cash Flow for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	**8,434.50**	**7,461.42**
Adjustments for		
Depreciation and amortisation expense	1,175.18	1,193.35
Gain on disposal of property, plant and equipment	(42.40)	(57.60)
Loss on disposal of property, plant and equipment	31.35	59.83
Unrealised foreign exchange fluctuation	10.36	(34.08)
Interest income	(261.68)	(147.88)
Interest income from financial assets at amortised cost	–	(246.61)
Gain on Investments carried at fair value through profit or loss (net)	(246.92)	(133.84)
Rental income classified as investing cash flows	(103.01)	(111.05)
Finance costs	1,152.09	1,352.66
Other Non-cash items	–	(1.34)
Bad Debts Written off	345.75	271.51
Provision for doubtful receivable	7.59	9.49
Provision for doubtful loan & Advances	–	350.00
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	2,232.77	(6,629.56)
(Increase)/Decrease in inventories	(6,860.29)	(3,069.17)
(Increase)/Decrease in other financial assets	81.05	(94.15)
(Increase)/Decrease in other current assets	(1,110.63)	(1,473.27)
Increase/(Decrease) in trade payables	4,472.84	8,854.33
Increase/(Decrease) in provisions	(87.34)	123.74
Increase/(Decrease)in other financial liabilities	280.70	2,227.39
Increase/(Decrease) in other current liabilities	(119.14)	484.32
Cash generated from operations	**9,392.77**	**10,389.49**
Income taxes paid	(2,187.93)	(1,465.36)
Net cash inflow from operating activities	**7,204.84**	**8,924.13**
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,363.47)	(1,916.70)
Purchase of Intangible assets	(6.24)	(2.30)
Capital advances and Capital work in progress	(565.74)	(2,685.47)
Loans to subsidiaries	–	(3.48)
Purchase of Investments	(1,064.10)	(1,583.54)
Proceeds from disposal of property, plant and equipment	729.52	1,479.44
Fixed deposit having maturity more than 3 months	(5.16)	783.84
Interest income	261.68	147.88
Gain on Investments carried at fair value through profit or loss (net)	246.92	133.84
Rental income classified as investing cash flows	103.01	111.05
Net cash outflow from investing activities	**(2,663.58)**	**(3,535.44)**

Standalone Statement of Cash Flow for the year ended March 31, 2019 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from financing activities		
Net proceeds from non-current borrowings	(1,404.29)	201.26
Net proceeds from current borrowings	3.04	(2,422.70)
Redemption of Preference Shares	(1,104.39)	(1,313.16)
Interest paid	(1,152.09)	(1,352.66)
Dividend and Tax thereon	(707.20)	(423.61)
Net cash outflow from financing activities	**(4,364.93)**	**(5,310.87)**
Net increase in cash and cash equivalents	176.33	77.82
Cash and cash equivalents at the beginning of the year	667.40	589.58
Cash and cash equivalents at end of the year	**843.73**	**667.40**

Notes:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".

(b) Cash and Cash Equivalents comprises of:

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in current accounts	537.67	80.62
Cash on hand	49.49	46.69
Bank/ Term deposits with original maturity less than 3 months	256.57	540.09
	843.73	**667.40**

(c) Amendment to Ind AS-7

The amendments to Ind AS-7 Cash flow statments requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities, both cash flows and non-cash changes arising from financing activities, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from April 1, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendments.

Particulars	As at March 31, 2018	Cash Flow	Current/ Non-current classification	As at March 31, 2019
Borrowing Non-current	6,367.41	(1,103.63)	(1,538.61)	3,725.17
Other Financial Liabilities	1,405.05	(1,405.05)	934.22	934.22
Borrowing current	57.43	3.04	604.39	664.86

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

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 16, 2019

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

COMPANY OVERVIEW

Action Construction Equipment Limited (the Company) is a public limited company and domiciled in India, which was incorporated on January 13, 1995, and having its registered office at Dudhola link Road, Village Dudhola, Palwal - 121102, Haryana, India and is listed on BSE Limitd (BSE) and National Stock Exchange of India Limited (NSE). The company is engaged in the business of manufacturing and marketing of Hydraulic Mobile Cranes, Mobile Tower Cranes, Crawler Cranes, Truck mounted Cranes, Material Handling equipment like Forklifts, Road construction equipment like Backhoe loaders, Compactors, Motor graders and agriculture equipment like Tractors, Harvesters, Rotavators etc. The company has manufacturing facilities at Haryana.

The Company concluded its Initial Public Offer (IPO) in September 2006 and its Equity Shares got listed at BSE Limited and National Stock Exchange of India Limited on September 26, 2006. The IPO comprised of 46,00,000 Equity Shares of face value of ₹ 10 each allotted at a premium of ₹ 120 per share and on March 24, 2008, the Company has sub-divided its Shares from face value of ₹ 10 each to ₹ 2 each.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 16, 2019.

1. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting except for the following –

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans - plan assets measured at fair value.

1.2. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

a) the asset/liability is expected to be realized/settled in the Company's normal operating cycle;

b) the asset is intended for sale or consumption;

c) the asset/liability is held primarily for the purpose of trading;

d) the asset/liability is expected to be realized/settled within twelve months after the reporting period;

e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

f) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained Its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets and inventories for processing and their realization in cash and cash equivalents.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

1.3 Summary of significant accounting policies

a) Revenue recognition

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

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

Recognising revenue from major business activities

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

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

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

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

Rental Income

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

Interest Income

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

Dividend Income

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

b) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Borrowing costs

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

d) Property, plant and equipment

Recognition and initial measurement

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

Subsequent measurement (depreciation and useful lives)

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

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

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

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

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

De-recognition

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

e) Investment properties

Recognition and initial measurement

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

Subsequent measurement (depreciation and useful lives)

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

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

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

De-recognition

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

f) Intangible assets

Recognition and initial measurement

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

Computer Software and Technical Knowhow

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

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

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

g) Leases

As a lessee

Finance leases: Leases of property, plant and equipment where the company, as lessee, has substantially all the risk and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Operating lease: Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

h) Financial instruments

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

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

(i) at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i e a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

(ii) in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

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

h.1) Financial assets

Classification and subsequent measurement

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

(i) Financial assets at amortised cost

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

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

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

(ii) Investments in equity instruments of subsidiaries and associates

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

(iii) Financial assets at fair value

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

De-recognition of financial assets

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

h.2) Financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

i) Impairment of financial assets

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

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

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

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

Trade receivables

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

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

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

j) Impairment of non-financial assets

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

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

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

k) Fair value measurement

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

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Refer Note 31 for fair value hierarchy.

l) Inventories

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

m) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

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

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

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

n) Investment in subsidiaries, joint ventures and associates

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

o) Government grants

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

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

p) Cash and cash equivalents

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

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

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

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

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

Post-employment obligations

The group operates the following post-employment scheme:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund.

Gratuity obligations

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

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

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

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

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

r) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

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

s) Earnings per share

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

t) Amounts rounding off

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

1.4. Key accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a) Income taxes

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

b) Property, plant and equipment

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

c) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 30, 'Employee benefits'.

d) Fair value measurement of financial instruments

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

1.5 Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2019 on March 30, 2019:

- notifying Ind AS 116, 'Leases' and
- amending Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits'.

The same are applicable for financial statements pertaining to annual periods beginning on or after April 1, 2019. The Company expects that there will be no material impact on the financial statements resulting from the implementation of these standards.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (a) Property, plant and equipment

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2018 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2017	Additions for the Year	Deletions / Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Deletions	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Land	16,004.58	–	120.00	**15,884.58**	–	–	–	–	16,004.58	**15,884.58**
Factory Building	5,897.22	87.00	393.28	**5,590.94**	2,310.66	150.17	308.10	**2,152.73**	3,586.56	**3,438.21**
Office Building	4,715.74	618.78	210.00	**5,124.52**	392.58	79.10	3.79	**467.89**	4,323.16	**4,656.63**
Plant and Machinery	12,063.21	847.57	1,755.77	**11,155.01**	4,856.37	621.63	514.12	**4,963.88**	7,206.84	**6,191.13**
Furnitures & Fixtures	843.29	64.40	0.74	**906.95**	498.09	59.17	0.52	**556.74**	345.20	**350.21**
Office Equipment	315.88	36.15	0.04	**351.99**	192.21	26.96	-	**219.17**	123.67	**132.82**
Motor Vehicles	1,392.91	227.84	61.75	**1,559.00**	637.71	138.24	32.90	**743.05**	755.20	**815.95**
Computer	382.67	31.65	6.40	**407.92**	322.36	26.45	2.96	**345.85**	60.31	**62.07**
Electric Equipment & Fittings	252.25	3.29	6.16	**249.38**	170.04	17.25	3.89	**183.40**	82.21	**65.98**
Total	**41,867.75**	**1,916.68**	**2,554.14**	**41,230.29**	**9,380.02**	**1,118.97**	**866.28**	**9,632.71**	**32,487.73**	**31,597.58**

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2019 are as follows:

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (b) Capital Work-in-progress

Particulars	As at April 1, 2017	Additions	Capitalisation	As at March 31, 2018	Additions	Capitalisation	As at March 31, 2019
Capital work-in-progress	595.20	603.48	795.00	**403.68**	1,245.32	935.42	**713.58**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Factory Building	1,216.49	1,111.26
Office Building	356.63	363.04
Plant and Machinery	5,977.44	6,191.13
Motor Vehicles	326.31	463.09
	7,876.87	**8,128.52**

(ii) Capital commitments - Refer Note No. 34.

3. Investment properties

Particulars	As at April 1, 2017	Additions/ Charge for the Year	Disposal	As at March 31, 2018	Additions/ Charge for the Year	Disposal	As at March 31, 2019
Gross carrying value	1,562.45	210.00	–	**1,772.45**	–	–	**1,772.45**
Accumulated depreciation	469.99	27.46	–	**497.45**	23.67	–	**521.12**
Net carrying value	**1,092.46**			**1,275.00**			**1,251.33**

(i) Investment properties Pledged as security (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Net carrying value of Investment properties	328.89	334.90

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income	103.01	111.05
Direct operating expenses that generated rental income	10.90	12.96
Direct operating expenses that did not generate rental income	–	–
Profit from leasing of investment properties before depreciation	**92.11**	**98.09**
Depreciation	23.67	23.67
Profit from investment properties	**68.44**	**74.42**

(iii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. All the lease are cancellable at the option of lessee, hence there is no lease disclosure as required by Ind AS 17 "Leases".

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

(iv) Fair value of Investment properties

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of Investment properties	2,024.79	1,300.00

Estimation of fair value

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

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

4. Intangible assets

The changes in the carrying value of Intangible assets for the year ended March 31, 2018 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2017	Additions for the year	Deletions / Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Deletions	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Computer Software	610.12	2.30	–	612.42	559.67	18.08	–	577.75	50.45	34.67
Technical Know how	220.34	–	–	220.34	130.73	32.63	–	163.36	89.61	56.98
Total	**830.46**	**2.30**	**–**	**832.76**	**690.40**	**50.71**	**–**	**741.11**	**140.06**	**91.65**

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

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

5. Investments

(i) Investments - Non Current

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Investments in subsidiary and associates - Unquoted investment (Measured at cost)		
Frested Limited (1,000 shares of Euro 1/- each)	–	1,116.90
SC Forma SA	147.76	–
ACE Employees Group Gratuity Scheme Trust	0.25	0.25
Namo Metals (Partnership firm)*	394.98	314.03

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

Particulars	As at March 31, 2019	As at March 31, 2018
(b) Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
2000000 Units (P.Y- 2000000 Units) LD525G-SBI Debts Fund Series-C-7-(1190 Days)- Direct Growth	217.67	203.31
2000000 Units (P.Y- 2000000 Units) LD528G-SBI Debts Fund Series-C-9-(1150 Days)- Direct Growth	217.29	202.52
4239905.706Units (P.Y- Nil Units) Reliance Fixed Horizon Fund - XXXVIII - Series 02 - Direct Growth Plan (TQAGG)	451.21	–
1000000 Units (P.Y- Nil Units) Relaince Fixed Horizion Fund XXXIX-Series 2 - Direct Growth Plan (FGAGG)	107.42	–
2000000 Units (P.Y- Nil Units) Axis Fixed Term Plan - Series 97 (1116 Days) Growth (WIGPG)	208.98	–
1023198.525 Units (P.Y- Nil Units) LD543G SBI Debts Fund Series C-20 (1100 Days) Direct Growth	109.39	–
5000000 Units (P.Y- Nil Units) LD544G SBI Debts Fund Series - C-21 (1100 Days) - Direct Growth	531.07	–
	2,386.02	**1,837.01**
Aggregate amount of quoted investment & market value thereof	1,843.03	405.83
Aggregate amount of unquoted investments	542.99	1,431.18
Aggregate amount of impairment in the value of investments	–	–

*Company has 90% share in Profit & Loss of the partnership firm M/s Namo Metals and balance 10% share of Profit & Loss is held by Mrs. Mona Agarwal. Namo Metals have capital of ₹ 392.13 lakhs as at March 31, 2019 (₹ 311.55 lakhs as at March 31, 2018)

(ii) Investments - Current

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
Nil units (P.Y- 3000000 units) Reliance Fixed Horizon Fund XXIX Series 3- Growth Plan	–	377.02
3293283.279 Units (P.Y- 3293283.279 Units)Reliance Credit Risk Fund - Growth Plan Growth Option (SDGPG)	848.95	797.23
Nil Units (P.Y- 3022243.714 units) Reliance Corporate Bond Fund - Growth Plan	–	423.51
Nil Units (P.Y- 1128942.125 units) ICICI Prudential Regular Saving Fund - Growth	–	209.58
Nil Units (P.Y- 1444846.593 units) HDFC Corporate Debt Opportunities Fund - Regular Plan- Growth	–	208.21
Nil units (P.Y- 326280.242 units) LD069G-SBI Magnum Medium Duration Fund - Direct Growth	–	102.48

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments (Contd.)

Particulars	As at March 31, 2019	As at March 31, 2018
18840.140 Units (P.Y- 36767.162 Units) LD72SG-SBI Liquid Fund- Direct Growth	551.75	1,001.87
26189.77 units (P.Y- Nil units) Reliance Ultra Short Duration Fund-Direct Growth Plan (CPAGG)	800.41	–
1026396.078 units (P.Y- Nil units) L465G SBI Dynamic Asset Allocation Fund - Regular Plan - Growth	137.42	–
531449.22 Units (P.Y- Nil Units) ICICI Prudential Balanced Advantage Fund - Growth	187.81	–
484081.92 units (P.Y- Nil units) Invesco India Dynamic Equity Fund - Growth	139.51	–
	2,665.85	**3,119.90**
Aggregate amount of quoted investment & market value thereof	2,665.85	3,119.90
Aggregate amount of unquoted investments	–	–
Aggregate amount of impairment in the value of investments	–	–

6. Loans - Non Current

Particulars	As at March 31, 2019	As at March 31, 2018
Loans to Subsidiaries (Unsecured)- Frested Limited (refer note no. 36)	–	1,651.42
	–	**1,651.42**

7. Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Non-current financial assets		
(Unsecured, Considered good)		
Security deposits	91.40	107.66
Employee Advances	15.66	23.81
Term deposits with Banks#	344.48	225.17
	451.54	**356.64**
(ii) Current financial assets		
(Unsecured, Considered good)		
Security deposits	180.87	207.71
Employee Advances	52.38	82.18
Interest receivable on fixed deposits	0.40	0.38
	233.65	**290.27**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

8. Other assets

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Other non-current assets		
Capital advances	6,854.11	6,598.27
	6,854.11	**6,598.27**
(ii) Other current assets		
Advances to Suppliers	2,455.63	2,626.55
Balance with Government Authorities		
Sales Tax Receivable	91.44	91.82
Balance with Excise/ GST Authorities	1,782.16	687.29
Duty Drawback Receivable	81.64	2.17
Balance with Custom Authorities	103.48	99.70
Prepaid expenses	194.55	118.29
Others	30.93	20.00
	4,739.83	**3,645.82**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Material and Components		
Raw Material and Components	12,912.97	10,461.10
Goods-in-transit	834.68	1,126.91
	13,747.65	**11,588.01**
Work-in-Progress	2,793.44	722.51
Finished Goods	4,705.00	2,075.28
	21,246.09	**14,385.80**

Note : Working capital facilities are secured by first pari passu charge on entire inventories, for detail refer Note No. 15

10. Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered good	14,398.44	16,981.18
Doubtful	72.56	64.97
	14,471.00	**17,046.15**
Allowances for doubtful receivables	(72.56)	(64.97)
	14,398.44	**16,981.18**

Notes:

i) Receivables due from related party (refer note no. 33) 39.29 1,340.15

ii) Working capital facilities are secured by first pari passu charge on entire book debts, for detail refer Note No. 15

11. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in current accounts	537.67	80.62
Cash on hand	49.49	46.69
Bank/ Term deposits with original maturity less than 3 months#	256.57	540.09
	843.73	**667.40**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

12. Other Bank Balances

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits with maturity for more than 3 months but less than 12 months#	291.99	404.58
Unclaimed dividend Accounts	5.49	7.07
	297.48	**411.65**

#Fixed deposits with banks, includes the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Deposit pledged with the State Bank of India	213.42	202.25
Deposit pledged against the bank guarantee	378.44	125.57

13. Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
a) Authorised Capital:				
Equity shares of ₹ 2/- each	125,000,000	2,500.00	125,000,000	2,500.00
8% Cumulative Non-Participating Redeemable Preference Shares of ₹ 10/- each	30,250,000	3,025.00	30,250,000	3,025.00
Issued, Subscribed and fully paid up:				
Equity shares of ₹ 2/- each	117,323,000	2,346.46	117,323,000	2346.46
b) Reconciliation of number of equity shares Outstanding				
At the beginning of the year	117,323,000	2,346.46	117,323,000	2,346.46
Changes during the year	–	–	–	–
At the end of the year	**117,323,000**	**2,346.46**	**117,323,000**	**2,346.46**

c) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceeding March 31, 2019

No of Shares				
March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
–	–	–	18,383,000	–

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

d) Rights, preferences and restrictions attached to equity shares

The equity shares of the company, having par value of ₹ 2/- per share rank pari passu in all respects including voting rights and entitlement to dividend.

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%age	No. of Shares	%age
Mr. Vijay Agarwal / Mrs. Mona Agarwal	41,428,731	35.31%	41,401,907	35.29%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	25,839,407	22.02%	25,314,407	21.58%
Mr. Sorab Agarwal	7,623,650	6.50%	7,148,650	6.09%
Mrs. Surbhi Garg	6,930,156	5.91%	6,930,156	5.91%

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

14. Other Equity

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
General Reserve	(a)	9,925.00	9,925.00
Capital Redemption Reserve	(b)	2,417.55	1,313.16
Capital Reserve	(c)	-	571.96
Securities Premium Reserve	(d)	8,532.73	8,532.73
Retained Earnings	(e)	20,497.14	17,867.58
		41,372.42	**38,210.43**

Particulars	As at March 31, 2019	As at March 31, 2018
a) General reserve		
Balance at the beginning of the year	9,925.00	9,825.00
Transferred from retained earnings	–	100.00
Balance at the end of the year	**9,925.00**	**9,925.00**
b) Capital Redemption Reserve		
Balance at the beginning of the year	1,313.16	–
Transferred from retained earnings	1,104.39	1,313.16
Balance at the end of the year	**2,417.55**	**1,313.16**
c) Capital reserve		
Balance at the beginning of the year	571.96	571.96
Adjusted on account of Merger (refer note no. 36)	(571.96)	–
Balance at the end of the year	**–**	**571.96**
d) Securities Premium Reserve		
Balance at the beginning and at the end of the year	**8,532.73**	**8,532.73**
e) Retained earnings		
At the beginning of the year	17,863.43	14,438.04
Net profit for the year	5,616.18	5,263.50
Transferred to Capital Redemption Reserve	(1,104.39)	(1,313.16)
Transferred to General Reserves	–	(100.00)
Payment of equity dividend and tax thereon	(707.20)	(423.61)
Adjusted on account of Merger (refer note no. 36)	(1,173.59)	–
Other	–	(1.34)
	20,494.43	**17,863.43**
Other comprehensive income (net of tax)		
Re-measurements of defined employee benefit plans		
At the beginning of the year	4.15	0.84
Changes during the year	(1.44)	3.31
	2.71	**4.15**
Balance at the end of the year	**20,497.14**	**17,867.58**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Other Equity (Contd.)

Nature and purpose of other reserves

a) General reserve

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

b) Capital redemption reserve

This reserve is created on redemption of preference shares, out of current year profits.

c) Capital reserve

This is created out of the profit on amalgamation of entities and it is not available for the distribution to the shareholders.

d) Securities premium reserve

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

15. Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Non-current Borrowings		
Secured		
Term Loans from Banks in ₹	4,580.27	5,927.69
Term Loans from NBFC	79.12	135.99
Unsecured		
8% Cumulative Non-Participating Redeemable Preference Shares	–	1,708.78
	4,659.39	**7,772.46**
Current maturity of long term loans	(934.22)	(1,405.05)
	3,725.17	**6,367.41**
(ii) Current Borrowings		
Secured		
Cash Credit	60.47	57.43
Unsecured		
8% Cumulative Non-Participating Redeemable Preference Shares	604.39	–
	664.86	**57.43**

Notes:-

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

b) Detail of Preference shareholder's

Particulars	As at March 31, 2019	As at March 31, 2018
Mr. Vijay Agarwal	-	500.00
Mr. Sorab Agarwal	-	604.39
Mrs. Surbhi Garg	604.39	604.39
	604.39	**1,708.78**

The preference shares have been considered as short term borrowings.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Borrowing (contd.)

c) Detail of Borrowings

Sl. No.	Nature of Loans	Repayment terms	Security offered	Rate of Interest	As at March 31,2019	As at March 31,2018
1.	Rupee Loan from ICICI Bank Ltd.	Repayable in 120 equated monthly installments, including interest	Exclusive charge on the assets financed out of this loan.	8.70%	2,786.68	2,998.82
2.	Rupee Loan from Kotak Mahindra Bank Ltd.	Repayable in 60 equated monthly installments, including interest	Exclusive charge by way of equitable mortgage over property situated at industrial unit at Plant IV Prithla Dhatir Road, Village Dudholla, Palwal and Subservient charge on all existing and future current assets of the company.	9.00%	1,618.65	2,076.22
3.	Commercial Equipment Loan from ICICI Bank Ltd., HDFC Bank Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Commercial equipment financed out of these loan.	8.50%	116.93	738.88
4.	Vehicle loan from HDFC Bank Ltd., ICICI Bank, Kotak Mahindra Prime Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Vehicle financed out of these loan.	8.50%	130.14	227.10
5.	Vehicle loan from Daimler Financial Services India Pvt.Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Vehicle financed out of this loan.	9.80%	6.99	22.66
6.	8% Cumulative Non-Participating Redeemable Preference Shares	Repayable at the option of company's management, within 20 years from the date of issue	Nil	8.00%	604.39	1,708.78
7.	Working capital facilities from various banks	Repayable on demand	Secured by way of hypothecation of the Company's entire inventory and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivable, both present & future and Plant & Machinery on pari passu basis and First charge by the way of equitable mortagage of two of the properties situated at Mumbai on pari passu basis/exclusive basis.	9.75%	60.47	57.43

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

16. Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Non-Current Provisions		
Provision for Leave entitlement	183.63	170.67
Provision for Gratuity	76.63	105.63
Provision for Doubtful Loan and Advances (refer note no. 36)	–	875.00
	260.26	**1,151.30**
(ii) Current Provisions		
Provision for warranty	119.90	193.63
Provision for Leave entitlement	33.11	28.51
	153.01	**222.14**

Provision for warranty

The company gives warranties on certain products and undertake to repair or replace them, if they fails to perform satisfactorily during the free warranty period. Such provisions represents the amount of the expected cost of meeting the obligations of such rectification/ replacement. The timing of the outflow is expected to be within the period of one to two years. The provision is based on estimates made from historical warranty data associated with similar products and services. The company expect to incur the related expenditures over the next year.

Movement in Provisions

Particulars	Provision for Leave Entitlements	Provision for Warranty
Provision at April 1, 2017	**189.13**	**116.33**
Additional provisions recognised	184.14	193.63
Amount utilised during the year	(174.09)	(116.33)
Provision at March 31, 2018	**199.18**	**193.63**
Additional provisions recognised	216.74	119.90
Amount utilised during the year	(199.18)	(193.63)
Provision at March 31, 2019	**216.74**	**119.90**

17. Deferred tax liabilities (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
Depreciation on Property, Plant and Equipment, Investment property and intangible assets	1,685.51	1,519.12
	1,685.51	**1,519.12**
Deferred tax Assets		
Provision for employee benefits	101.06	103.30
Provision for doubtful debts	25.35	31.10
MAT credit entitlement	–	510.48
	126.41	**644.88**
Deferred tax liabilities (Net)	**1,559.10**	**874.24**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred tax liabilities (Net) (contd.)

Movement in deferred tax liabilities (Net)

Particulars	Property, Plant and Equipment, Investment property and intangible assets	Provision for employees benefit	Provision for doubtful debts	MAT credit entitlement
As at April 1, 2017	**1,304.11**	**(52.92)**	**–**	**(836.32)**
Charged/(Credited):				
-to profit and loss	215.01	(52.13)	(31.10)	325.84
-to other comprehensive income	–	1.75	–	–
As at March 31, 2018	**1,519.12**	**(103.30)**	**(31.10)**	**(510.48)**
Charged/(Credited):				
-to profit and loss	166.39	2.98	5.75	510.48
-to other comprehensive income	–	(0.74)	–	–
As at March 31, 2019	**1,685.51**	**(101.06)**	**(25.35)**	**–**

18. Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Dues to Micro and Small Enterprises*	1,071.43	4,416.29
Dues to enterprises other than Micro and Small Enterprises	26,988.82	19,174.01
	28,060.25	**23,590.30**

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same.

19. Other current financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of long term debts	934.22	1,405.05
Unclaimed Dividends	5.49	7.07
Security deposits	739.72	601.97
Interest accrued but not due on Preference Shares	-	287.50
Employee benefits	632.11	522.96
Others Payables	5,718.81	5,395.93
	8,030.35	**8,220.48**

20. Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers	1,677.80	1,867.64
Statutory Liabilities	265.52	303.54
Deferred revenue	330.67	221.95
	2,273.99	**2,393.13**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

21. Revenue from operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Products (including excise duty)	132,509.91	107,530.84
Sale of Services	145.31	177.91
Hiring Charges	1,317.37	2,019.24
Export Incentives	121.97	53.09
Other operating revenue	153.95	83.18
	134,248.51	**109,864.26**

Consequent to the introduction of Goods and Service Tax (GST) with effect from July 1, 2017, Central Excise,Value Added Tax (VAT) Service Tax etc. have been subsumed into GST. GST, VAT, Service Tax etc. are not included in revenue from operations. However, central excise was included in revenue from operations till June 30, 2017. Accordingly , the figures for the year ended March 31, 2019 are not strictly relatable to previous Year.

22. Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income	261.68	147.88
Rental income	103.01	111.05
Profit on Sale of property, plant and equipment	42.40	57.60
Interest income from financial assets at amortised cost	–	246.61
Gain on Investments carried at fair value through profit or loss (net)	246.92	133.84
Gain on foreign currency transactions (Net)	136.49	22.85
Miscellaneous income	180.17	74.45
	970.67	**794.28**

23. Cost of materials consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock of Raw material	11,588.01	8,784.21
Add: Purchases (net of returns)	104,829.68	79,848.26
Less: Closing stock of Raw material	(13,747.65)	(11,588.01)
Less: Purchase of Stock-in-trade	(1,509.37)	(387.84)
	101,160.67	**76,656.62**

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock		
Work-in progress	722.51	531.61
Finished goods	2,075.28	2,000.81
	2,797.79	**2,532.42**
Closing Stock		
Work-in progress	2,793.44	722.51
Finished goods	4,705.00	2,075.28
	7,498.44	**2,797.79**
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	**(4,700.65)**	**(265.37)**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

25. Employee benefits expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	6,795.69	6,006.33
Contribution to provident and other funds	317.99	296.54
Staff welfare expenses	389.78	457.52
	7,503.46	**6,760.39**

26. Finance costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on Working Capital facilities	1,014.50	581.04
Interest on Term Loans	52.11	352.98
Interest on Other Loans	85.48	131.14
Interest on Preference Shares	–	287.50
	1,152.09	**1,352.66**

27. Depreciation and amortisation expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	1,110.30	1,118.97
Amortisation of intangible assets	41.21	50.71
Depreciation of Investment Property	23.67	23.67
	1,175.18	**1,193.35**

28. Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Manufacturing Expenses	5,131.74	3,997.57
Repairs & Maintenance - Building	177.17	129.51
Repairs & Maintenance - Plant & Machinery	535.19	417.68
Power & Fuel	660.41	552.20
Freight & Forwarding Charges	3,975.95	2,953.75
Selling Expenses	1,440.55	1,429.98
Commission on Sales	2,029.52	1,803.33
Rent	151.44	166.50
Rates & Taxes	52.47	72.36
Insurance	97.10	111.50
Travel & conveyance	1,620.65	1,341.23
Communication Expenses	318.60	249.76
Auditors remuneration*	16.21	12.08
Vehicle Expenses	164.53	151.09
Bad Debts Written off	345.75	271.51
Provision for doubtful receivable	7.59	9.49
Provision for doubtful loan & Advances	–	350.00
Corporate Social Responsibility (CSR) expense* *	85.10	40.00
Miscellaneous Expenses	2,174.59	1,836.66
	18,984.56	**15,896.20**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Other expenses (Contd.)

***Auditor's Remuneration (excluding taxes) Includes**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Audit Fees	14.00	9.59
Tax audit fees	1.25	1.00
Certification	0.26	0.49
Cost audit fees	0.70	1.00
	16.21	**12.08**

****CSR Expenditure**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent by the company during the year	80.37	35.60
Amount spent during the year for promoting health care	85.10	40.00

29. Income tax expense

(a) Income tax expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current tax on profit for the year	2,068.28	1,730.47
MAT Credit entitlement	510.48	325.83
Adjustment of current tax of prior periods	64.44	9.83
	2,643.20	**2,066.13**
Deferred tax		
Decrease/(increase) in deferred tax assets	8.73	(83.22)
(Decrease)/increase in deferred tax liabilities	166.39	215.01
	175.12	**131.79**
	2,818.32	**2,197.92**

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before income tax expense	**8,434.50**	**7,461.42**
Statutory Income Tax rate	34.944%	34.608%
Income tax expense at the statutory tax rate	2,947.35	2,582.25
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Income exempt from tax	(57.47)	(76.90)
Tax on expense not eligible for deduction	80.24	275.51
Weighted deduction on Research and development expenditure	(257.06)	(183.25)
Adjustments for current tax of prior periods	64.44	9.83
Tax effects of earier years	-	(379.97)
Diferrential tax rate on long term capital gain	(17.70)	-
Other items	58.52	(29.55)
Income tax expense	**2,818.32**	**2,197.92**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Income tax expenses (contd.)

(c) Capital Tax losses

Particulars	As at March 31, 2019	As at March 31, 2018
Unused tax losses for which no deferred tax asset has been recognised	–	91.45
Potential tax benefit	–	31.65

The company has not recognised deferred tax assets of an unused losses under the head of capital gains as the company is not likely to generate taxable income under the same head in forseeable future.

30. Employee Benefits

(A) Gratuity

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

	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	**Amount recognized in the balance sheet is as under:**		
	Present value of defined benefit obligation	543.82	468.99
	Fair value of plan assets with LIC	467.19	363.36
	Net defined benefit obligation	**76.63**	**105.63**
(ii)	**Amount recognized in the statement of profit and loss is as under:**		
	Past Service cost	–	4.41
	Current Service cost	82.94	74.34
	Net interest cost	3.60	3.84
	Amount recognized in the statement of profit and loss	**86.54**	**82.59**
(iii)	**Movement in the present value of defined benefit obligation recognized in the balance sheet is as under:**		
	Present value of defined benefit obligation as at the start of the year	468.99	387.90
	Current service cost	82.94	74.34
	Past service cost	-	4.41
	Interest cost	34.28	28.19
	Actuarial loss/(gain) recognized during the year	5.23	(2.14)
	Benefits paid	(47.62)	(23.71)
	Present value of defined benefit obligation as at the end of the year	**543.82**	**468.99**
(iv)	**Movement in the plan assets recognized in the balance sheet is as under:**		
	Fair Value of plan assets at beginning of year	363.36	313.59
	Expected return on plan assets	30.68	24.36
	Employer's contribution	117.72	46.21
	Benefit paid	(47.62)	(23.71)
	Actuarial gain/(loss) on plan assets	3.05	2.91
	Fair Value of plan assets at the end of the year	**467.19**	**363.36**
	Actual return on plan assets	33.73	27.28
(v)	**Breakup of actuarial (gain)/loss:**		
	Actual (gain)/loss on arising from change in financial assumption	(3.02)	(21.58)
	Actual (gain)/loss on arising from experience adjustment	5.20	16.52
	Total actuarial (gain)/loss	**2.18**	**(5.06)**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (contd.)

(vi) Actuarial assumptions

Particulars	As at March 31, 2019	As at March 31, 2018
Attrition Rate	20.00% P.a.	20.00% P.a.
Imputed rate of Interest (D)	7.70% P.a.	7.70% P.a.
Imputed rate of Interest (IC)	7.70% P.a.	7.50% P.a.
Salary escalation	10.00% P.a.	10.00% P.a.
Return on paln asset	7.70% P.a.	7.50% P.a.
Remaining working life	22.47 Years	22.38 Years

Gratuity payable to the employees on death or resignation or on retirement or at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table on March 31, 2019 (Indian Assured Lives Mortality (2006-08) Ultimate table on March 31, 2018)

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of obligation at the end of the year	543.82	468.99
Impact of the change in discount rate		
Impact due to increase of 1.00%	(18.56)	(16.11)
Impact due to decrease of 1.00%	20.13	17.48
Impact of the change in salary increase rate		
Impact due to increase of 1.00%	18.37	16.19
Impact due to decrease of 1.00%	(17.60)	(15.47)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

B) Compensated absences (unfunded)

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provisions has been recognised in the statement of profit and loss.

Particulars	As at March 31, 2019	As at March 31, 2018
Compensated absences (unfunded)		
Current	33.11	28.51
Non-Current	183.63	170.67
	216.74	**199.18**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (contd.)

C) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

D) Other employee benefits

The Company has taken an Insurance Policy for medical benefits in respect of its working employees. The Insurance Policy for on-roll employees is partially funded by the Company.

31. Financial Instruments

A) Financial assets and liabilities

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

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets measured at fair value		
Investments measured at fair value through profit and loss	4,508.88	3,525.73
Financial assets measured at amortised cost		
Trade receivables	14,398.44	16,981.18
Loans	–	1,651.42
Cash and cash equivalents	843.73	667.40
Other Bank balances	297.48	411.65
Other financial assets	685.19	646.91
	16,224.84	**20,358.56**
Financial liabilities measured at amortised cost		
Borrowings	5,324.25	7,829.89
Trade payables	28,060.25	23,590.30
Other financial liabilities	7,096.13	6,815.43
	40,480.63	**38,235.62**

B) Fair Value Hierarchy

The fair value of financial Instruments as referred to in note (A) above has been classified into three category depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted price in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1 : Quoted prices for identical instruments in an active market
Level2 : Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs and
Level 3 : Inputs which are not based on observable market data (unobservable inputs).

Financial assets measured at Fair Value

Particulars	As at March 31, 2019	As at March 31, 2018
Investments measured at fair value through profit and loss		
Level 1	4,508.88	3,525.73
Level 2	–	–
Level 3	–	–
	4,508.88	**3,525.73**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statement as at the Balance Sheet date.

C) Financial Risk Management

The company's activities expose it to market risk, liquidity risk and credit risk. The company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

C.1) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

Expected credit losses for financial assets other than trade receivables

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

Expected credit losses for trade receivables under simplified approach

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

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)		
Gross sale in respect of customers where no specific default is occurred	133,972.59	109,727.99
Expected loss rate	0.05%	0.06%
Expected Credit loss (loss allowance provision)	72.56	64.97
Receivable due from customers where specific default has accrued	–	24.90

Reconciliation of loss allowance provision - Trade receivables

Particulars	₹ in lakhs
Loss allowance as at April 1, 2017	**55.48**
Additional loss recognised	34.39
Bad debts written off	(24.90)
Expected credit loss as at March 31, 2018	**64.97**
Additional loss recognised	353.34
Bad debts written off	(345.75)
Expected credit loss as at March 31, 2019	**72.56**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

C.2) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Less than 1 year	1-5 Years	More than 5 Years	Total
As at March 31, 2019				
Borrowings	1,599.08	2,313.23	1,411.94	5,324.25
Trade payables	28,060.25	–	–	28,060.25
Other financial liabilities	7,096.13	–	–	7,096.13
	36,755.46	**2,313.23**	**1,411.94**	**40,480.63**
As at March 31, 2018				
Borrowings	1,462.48	2,950.11	3,417.30	7,829.89
Trade payables	23,590.30	–	–	23,590.30
Other financial liabilities	6,815.43	–	–	6,815.43
	31,868.21	**2,950.11**	**3,417.30**	**38,235.62**

C.3) Market Risk

The Company is not an active investor in equity market. Further the treasury activities, focused on managing investments in debt instruments, are centralized and administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in fixed deposits and debt mutual funds. Mark to market movements in respect of the Company's investments that are held at amortised cost are temporary and get recouped through fixed coupon accruals. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

The Company also invests in mutual fund schemes of leading fund. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund scheme in which the Company has invested, such price risk is not significant.

Foreign currency risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar and Euro) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company hence does not use any derivative instruments to manage its exposure.

Foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets	2,089.26	1,337.69
Financial Liabilities	322.56	333.78
Net exposure to foreign currency risk	**1,766.70**	**1,003.91**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Sensitivity

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

Particulars	As at March 31, 2019	As at March 31, 2018
USD sensitivity		
INR/USD increase by 150 bps*	38.35	23.15
INR/USD decrease by 150 bps*	(38.35)	(23.15)

*Holding all other variables constant

Foreign currency risk exposure in EURO:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets	8.11	81.37
Financial Liabilities	1.71	94.23
Net exposure to foreign currency risk	**6.40**	**(12.86)**

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, 2019	As at March 31, 2018
Euro sensitivity		
INR/Euro increase by 200 bps*	0.17	(0.32)
INR/Euro decrease by 200 bps*	(0.17)	0.32

*Holding all other variables constant

C.4) Interest Rate Risk

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

32. Capital Management

The Company's capital management objectives are:

- To ensure the companies ability to continue as going concern
- To provide an adequate return to shareholders

The Company monitors capital on the basis of carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Capital Management (contd.)

(a) Debt to equity ratio

Particulars	As at March 31, 2019	As at March 31, 2018
Net debt	4,480.52	7,162.49
Total equity	43,718.88	40,556.89
Net debt to equity ratio	**10.25%**	**17.66%**

(b) Dividends (excluding dividend tax)

(i) Equity shares

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Final dividend for the year ended 31 March 2018 of Rs. 0.50/- per fully paid share	586.62	351.96

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.50/- per fully paid equity share (31 March 2018 – ₹ 0.50/- per share). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

33. Related party transactions

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

A. Name of Related Parties

a) Subsidiaries

Frested Limited (refer note no. 36)
SC Forma SA

b) Associate Firm

Namo Metals

c) Key management personnel

Mr. Vijay Agarwal	Chairman & Managing Director
Mrs. Mona Agarwal	Whole - Time Director
Mr. Sorab Agarwal	Whole - Time Director
Mrs. Surbhi Garg	Whole - Time Director
Mr. Girish Narain Mehra (IAS Retd.)	Independent Director
Major General (Retd.) Dr. K. C. Agrawal	Independent Director
Mr. Subhash Chander Verma	Independent Director
Dr. Amar Singhal	Independent Director
Mr. Rajan Luthra	Chief Financial Officer
Mr. Anil Kumar (from July 3, 2017)	Company Secretary & Compliance Officer
Mrs. Yashika Kansal (till May 31, 2017)	Company Secretary & Compliance Officer

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

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

VMS Equipment Pvt Ltd.
ACE Emergency Response Service Trust
ACE Employees Group Gratuity Scheme Trust

B. Transactions with related party

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

Nature of Transaction	For the year	Frested Ltd.	VMS Equipment Pvt Ltd.	Namo Metals	ACE Emergency Response Trust	Total
Sale of Goods	2018-19	–	813.59	–	–	**813.59**
	2017-18	–	1,582.91	–	–	**1,582.91**
Purchase of Goods	2018-19	–	50.00	–	–	**50.00**
	2017-18	–	–	–	–	**–**
Rent Received	2018-19	–	2.24	–	1.06	**3.30**
	2017-18	–	1.99	–	0.95	**2.94**
Donation Paid	2018-19	–	–	–	167.30	**167.30**
	2017-18	–	–	–	152.70	**152.70**
Interest Received	2018-19	–	–	–	–	**–**
	2017-18	246.61	4.15	–	–	**250.76**
Investment in Equity	2018-19	–	–	80.95	–	**80.95**
	2017-18	6.44	–	(107.85)	–	**(101.41)**
Loan to Subsidiary	2018-19	–	–	–	–	**–**
	2017-18	3.48	–	–	–	**3.48**

Note : All transactions are done at Arm's Length Price

(ii) Outstanding balances arising from sales/purchase of goods and services

Name of Party	Nature of Transaction	As at March 31, 2019	As at March 31, 2018
VMS Equipment Pvt Ltd.	Amount Receivable	39.29	1,340.15

(iii) Loan to/from Subsidiaries and Associates

Loan to Frested Ltd.

Particulars	As at March 31, 2019	As at March 31, 2018
At the Beginning of the year	**1,651.42**	**1,613.86**
Loan advanced	–	3.50
Loan repayment received	–	(0.02)
Foreign exchange fluctuation	–	34.08
Adjusted on account of merger (refer note no. 36)	(1,651.42)	–
At the End of the year	**–**	**1,651.42**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

(iii) Transactions with Key management personnel

Name of Party/ Nature of Transaction	For the year	Short-term employee benefits	Dividend paid	Redemption of preference shares	Licence Fee Paid	Service rendered	Total
Mr. Vijay Agarwal	2018-19	306.09	303.69	500.00	56.40	–	**1,166.18**
	2017-18	285.86	220.73	708.78	56.47	–	**1,271.84**
Mrs. Mona Agarwal	2018-19	150.78	172.32	–	–	–	**323.10**
	2017-18	142.00	139.29	604.39	–	–	**885.68**
Mr. Sorab Agarwal	2018-19	58.73	84.09	604.39	–	–	**747.21**
	2017-18	46.97	69.72	–	–	–	**116.69**
Mrs. Surbhi Garg	2018-19	52.22	83.00	–	26.40	–	**161.62**
	2017-18	47.60	69.14	–	26.43	–	**143.17**
Mr. Girish Narain Mehra (IAS Retd.)	2018-19	–	–	–	–	1.65	**1.65**
	2017-18	–	–	–	–	1.20	**1.20**
Major General (Retd.) Dr. K. C. Agrawal	2018-19	–	–	–	–	0.75	**0.75**
	2017-18	–	–	–	–	0.60	**0.60**
Mr. Subhash Chander Verma	2018-19	–	–	–	–	1.80	**1.80**
	2017-18	–	–	–	–	1.65	**1.65**
Dr. Amar Singhal	2018-19	–	–	–	–	1.95	**1.95**
	2017-18	–	–	–	–	1.65	**1.65**
Mr. Rajan Luthra	2018-19	61.39	–	–	–	–	**61.39**
	2017-18	55.96	–	–	–	–	**55.96**
Mr. Anil Kumar (From 3rd July 2017)	2018-19	5.72	–	–	–	–	**5.72**
	2017-18	3.84	–	–	–	–	**3.84**
Mrs. Yashika Kansal (Till 31st May 2017)	2018-19	–	–	–	–	–	**–**
	2017-18	1.08	–	–	–	–	**1.08**

34. Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Guarantees	2,160.36	1,828.96
Letter of Credits	4,763.43	4,820.13
Claim against the Company, not acknowledged as Debts	819.27	861.23
Sales Tax, Excise & Income Tax Matters, pending before Assessing/ Appellate Authorities, not acknowledged as liability	3,218.16	2,950.46
	10,961.22	**10,460.78**

Notes:

i) The amount indicated as contingent liability or claim against the company, reflects only the basic value. Any interest, penalty or legal cost is not considered.

ii) It is not practicable for the company to estimate the timings and amount of cash fl ows, if any, in respect of the above pending resolution of the respective proceedings.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Contingent liabilities and commitments (contd.)

(b) Capital commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	1,358.34	74.46

(c) Non-cancellable operating leases

The company leases Immovable property under non-cancellable operating leases expiring in next five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Within one year	127.63	129.54
Later than one year but not later than five years	56.81	112.37
Later than five years	–	–

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental expense relating to operating leases	151.44	166.50

35. Earnings per share (EPS)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit after tax for the year	5,616.18	5,263.50
Weighted average number of equity shares outstanding during the year	117,323,000	117,323,000
Basic earnings per share (in ₹)	4.79	4.49
Diluted earnings per share (in ₹)	4.79	4.49

36. Business Combinations

Summary of acquisition

Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT') vide its order dated February 20, 2019 and Supreme Court of Mauritius vide its order dated September 3, 2018 have approved the Scheme of Amalgamation ('Scheme') of Frested Limited ('the amalgamating company'), with Action Construction Equipment Limited ('the Company') as per the provisions of Section 230-232 & 234 of the Companies Act, 2013. Accordingly Frested Limited stand transferred/merged with the Company with effect from Appointed Date of scheme i.e. January 01, 2018. The entire issued, subscribed and paid up share capital of the Frested Limited has been cancelled and no shares were issued to the shareholders of Frested Limited.

As per the Scheme, the Company has accounted for the amalgamation of Frested Limited in its books of accounts with effect from the Appointed Date in accordance with the provisions of the Indian Accounting Standard (Ind AS) – 103 "Business Combinations" issued by the Ministry of Corporate Affairs.

The Company has acquired the business of M/s Frested Limited, at a consideration of ₹ 2,768.31 Lakhs. Value of net assets

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Business Combinations (contd.)

acquired is determined at ₹ 147.76 Lakhs, consequently the differential amount of ₹ 2,620.55 Lakhs has been recognized in balance sheet by adjusting the Capital reserve for ₹ 571.96 Lakhs and Retained Earnings for ₹ 2,048.59 lakhs. In the earlier years, the Company has made a provision of ₹ 875 Lakhs, against the Loan given to Frested Limited. This provision is no longer required and therefore transferred to Retained Earnings. The management believes that the fair value of the net assets acquired is not likely to remain significantly different from the book value of the net assets acquired.

M/s Frested Limited, was an entity registered in Mauritius and was wholly owned Subsidiary of the Company.

Purchase consideration and fair value of the assets acquired:

Particulars	Amount (₹ in Lakhs)
Purchase Consideration	2,768.31
Less: Net identifiable assets acquired (Investment in 829,982 equity shares of M/s SC Forma SA, Botosani for nominal Value RON 1.16 each)	(147.76)
Differencial amount	**2,620.55**

By virtue of the Scheme of Amalgamation, M/s SC Forma SA, Botosani, Romania has become direct Subsidiary of the Company. The company owns 89.52% equity shares of M/s SC Forma SA.

37. Dividend on Preference Shares

The Company has issued '8% Cumulative Non-Participating Redeemable Preference Shares of Rs.10/-each' (NCPS) pursuant to the scheme of amalgamation between Action Construction Equipment Limited and ACE TC Rental Private Limited duly approved by Hon'ble High Court of Pb. & HR, Chandigarh vide its order dated 17th November 2015. As per the terms of issue of NCPS, all preference shareholders of the Company are entitled to receive 8% dividend. The Company has paid 8% dividend to all the preference shareholders on their outstanding holdings till Financial Year 2017-18.

For the Financial Year 2018-19, all the preference shareholders have voluntarily foregone their rights to receive dividend as per details given below and accordingly the Company has not made the necessary provisions of dividend on preference shares in the books of accounts.

S. No.	Name of Preference shareholders	Amount (₹ in Lakhs)
1	Mr. Vijay Agarwal	32.66
2	Mr. Sorab Agarwal	39.47
3	Mrs. Surbhi Garg	48.35
	Total	**120.48**

38. Research and Development Expenditure

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Capital Expenditure	82.79	32.68
Revenue Expenditure	1,234.29	962.51
	1,317.08	**995.19**
Expenses on Research and Development as percentage of Gross Turnover	0.99%	0.93%

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act).		
Principal amount due to micro and small enterprises	1,071.43	4,416.29
Interest due on above	–	–
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the suppliers beyond the appointed day during the period.	–	–
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	–	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	–	–

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

40. Segment information

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

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

(a) Segment Revenue and Results

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Segment revenue (Net)		
(i) Cranes	96,429.29	74,900.28
(ii) Construction Equipment	8,018.66	7,189.99
(iii) Material Handling	9,437.57	8,075.31
(iv) Agri Equipment	20,362.99	18,483.25
Add: Excise Duty	–	1,215.43
Total Segment Revenue	**134,248.51**	**109,864.26**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment information (Contd.)

Segments results		
(i) Cranes	8,923.93	8,267.94
(ii) Construction Equipment	199.68	346.55
(iii) Material Handling	1,149.76	973.41
(iv) Agri Equipment	679.55	469.65
	10,952.92	**10,057.55**
Finance costs	(1,152.09)	(1,352.66)
Other Unallocated Expenses	(1,366.33)	(1,243.47)
Total Segment results	**8,434.50**	**7,461.42**

(b) Segment Assets and Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Segment assets		
(i) Cranes	60,428.65	58,829.98
(ii) Construction Equipment	7,276.61	6,804.38
(iii) Material Handling	3,596.83	2,489.80
(iv) Agri Equipment	6,836.51	4,513.26
Total segment assets	**78,138.60**	**72,637.42**
Unallocated	10,307.27	11,183.81
Total assets as per the balance sheet	**88,445.87**	**83,821.23**
Segment liabilities		
(i) Cranes	26,241.03	23,985.56
(ii) Construction Equipment	2,583.25	1,428.12
(iii) Material Handling	1,784.77	1,633.85
(iv) Agri Equipment	7,234.59	6,251.50
Total segment liabilities	**37,843.64**	**33,299.03**
Unallocated	50,602.23	50,522.20
Total liabilities as per the balance sheet	**88,445.87**	**83,821.23**

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

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

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

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 16, 2019

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

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 accompanying consolidated financial statements of Action Construction Equipment Limited (the Holding)and its subsidiary (the Holding Company & its subsidiary together referred to as Group) which comprise the Consolidated Balance Sheet as at 31st March 2019, the consolidated statement of Profit and Loss, Consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on the separate financial statements of the subsidiary referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit/loss, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements 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.

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

Key Audit Matters	How our audit addressed the key audit matters
Adoption of IND AS 115-Revnue from Contracts with Customers as described in note 1.3 (a) of the consolidated financial statements.	
The company has adopted the IND AS 115-Revenue from contract with customers mandatory for reporting periods beginning on or after 1st April, 2018. Application of IND AS 115 including selection of transition method involves significant judgement in determining when control of goods or services underlying the performance obligation is transferred to the customer and transition method to be applied. As the revenue recognition due to the significance of the balance to the financial statements as a whole we regard this as a key audit matter.	As a part of our audit procedures ,our procedures included the following:- We have read the accounting policy for revenue recognition and assessed the compliance of the policy in terms of the principal enunciated under IND AS 115. We obtained and understood the revenue recognition process including determining the point of transfer of control and completion of performance obligation. We performed the test of details on a sample basis and examined the underlying customer contracts. We examined the disclosure made by management in compliance with the requirements with IND AS 115. **Conclusion** Our procedures did not find any material exceptions.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

In connection with our audit of the Consolidated Financial Statements our responsibility is to read the other information with the financial statements of the subsidiary audited by the other auditors to the extent it relates to the entity and in doing so, place reliance on the work of the other auditors and consider whether the other information is materiality inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from their financial statements audited by the other auditors.

If based on the work we have performed if, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the Implementation Guide on Reporting Standards matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS and the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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 Standard on Auditing we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- Identify and assess the risks of material misstatements of the consolidated Ind As financial statements, whether due to fraud or error, design and perform audit procedures, responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material mistatement resulting from fraud is higher than the one, resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations or the override on internal control.
- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act. We are also responsible for expressing our opinion on whether the company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the consolidated financial statements or if such disclosure are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding among other matters the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

  We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably is expected to outweigh the public interest benefit of such communication.

Other Matter

- During the year the preference shareholders have forgone their right to receive the dividend on 8% Cumulative Non- participating redeemable Preference Shares of ₹ 10/- each amounting to ₹ 1,20,48,415/- refer to note 36.
- We have not audited the financial statements of foreign subsidiary namely SC FORMA whose financial statements reflect total assets of ₹ 381.75 lakhs as at March 31, 2019, total Revenue/(Expenditure) of ₹ 4.17 lakhs/(17.69) lakhs and Net Cash outflows ₹ 2.88 lakhs for the year ended on March 31, 2019 respectively. These statements have been audited by other auditors and our report in so far as it relates to the amounts included in respect of the subsidiary is based solely on these statements submitted to us by the management.

Our opinion is not modified in respect of these matter.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary referred to in other matters section above, we report to the extent applicable that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements .

(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 reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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 31st March, 2019 taken on record by the Board of Directors of the Holding Company and report of the statutory auditors of its subsidiary, none of the directors of the Group is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on the auditors report of the holding company and subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the companies internal financial controls

over financial reporting.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act as amended.

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated financial Statements disclose the impact of pending litigations on its financial position in its consolidated financial statements:

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

CA Ravi Gulati
Partner
Membership No.090672

Place : New Delhi
Date : 16th May 2019

Annexure A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Action Construction Equipment Limited ("the Holding Company") as of March 31, 2019 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

Opinion

In our opinion, to the best of our knowledge and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Ravi Gulati
Partner
Membership No.090672

Place : New Delhi
Date : 16th May 2019

Consolidated Balance Sheet as at March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	32,746.70	32,128.99
Capital work in progress	2	827.69	517.79
Investment properties	3	1,251.33	1,275.00
Intangible assets	4	56.75	322.25
Financial assets			
i. Investments	5	1,843.28	406.08
ii. Other financial assets	6	452.32	357.42
Other non-current assets	7	6,854.11	6,598.27
Non-current tax assets (Net)		16.11	507.96
Total non-current assets		**44,048.29**	**42,113.76**
Current assets			
Inventories	8	21,288.77	14,429.81
Financial assets			
i. Investments	5	2,665.85	3,119.90
ii. Trade receivables	9	14,411.29	16,990.82
iii. Cash and cash equivalents	10	844.90	671.46
iv. Bank balances other than (iii) above	11	297.48	411.65
v. Other current financial assets	6	233.65	290.27
Other current assets	7	4,740.57	3,650.69
Current tax Assets (Net)		159.15	–
Total current assets		**44,641.66**	**39,564.60**
Total Assets		**88,689.95**	**81,678.36**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,346.46	2,346.46
Other equity	13	41,408.32	35,868.15
Equity attributable to the owners of Action Construction Equpment Limited		**43,754.78**	**38,214.61**
Non-Controlling Interests		29.00	30.79
		43,783.78	**38,245.40**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	14	3,725.17	6,367.41
Provisions	15	260.26	1,151.30
Deferred tax liabilities (Net)	16	1,559.10	874.24
Total non-current liabilities		**5,544.53**	**8,392.95**
Current Liabilities			
Financial liabilities			
i. Borrowings	14	664.86	57.43
ii. Trade payables	17	28,062.25	23,590.33
(a) Total outstanding dues of micro enterprises and small enterprises		1,071.43	4,416.29
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		26,990.82	19,174.04
iii. Other financial liabilities	18	8,205.20	8,389.07
Other current liabilities	19	2,276.32	2,393.13
Provisions	15	153.01	222.14
Current tax liabilities (Net)		–	387.91
Total current liabilities		**39,361.64**	**35,040.01**
Total Equity and Liabilities		**88,689.95**	**81,678.36**

The accompanying Notes (1 to 40) are an integral part of Financial Statements

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 16, 2019

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	20	134,252.68	109,870.23
Other income	21	970.67	795.13
Total income		**135,223.35**	**110,665.36**
Expenses			
Cost of materials consumed	22	101,161.89	76,656.63
Purchase of stock-in-trade		1,509.37	387.84
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(4,700.65)	(265.37)
Excise duty		–	1,215.43
Employee benefits expenses	24	7,510.73	6,767.68
Finance costs	25	1,152.09	1,352.66
Depreciation and amortisation expenses	26	1,175.27	1,193.48
Other expenses	27	18,994.04	15,957.57
Total expenses		**126,802.74**	**103,265.92**
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		**8,420.61**	**7,399.44**
Share of net profit of associates accounted for using equity method		–	–
Profit before exceptional items and tax		**8,420.61**	**7,399.44**
Exceptional items		–	–
Profit before tax		**8,420.61**	**7,399.44**
Tax expense:	28		
Current tax		2,643.20	2,066.13
Deferred tax		175.12	131.79
Profit after tax		**5,602.29**	**5,201.52**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment defined benefit obligation		(2.18)	5.06
Income tax relating to these items		0.74	(1.75)
Other Comprehensive income for the year (net of tax)		**(1.44)**	**3.31**
Total comprehensive income for the year		**5,600.85**	**5,204.83**
Profit attributable to:			
Owners		5,604.08	5,208.28
Non-Controlling Interest		(1.79)	(6.76)
Other Comprehensive income attributable to:			
Owners		(1.44)	3.31
Non-Controlling Interest		–	–
Total Comprehensive income attributable to:			
Owners		5,602.64	5,211.59
Non-Controlling Interest		(1.79)	(6.76)
Earnings per equity share (Face Value of ₹ 2/- each)	34		
Basic (in ₹)		4.78	4.44
Diluted (in ₹)		4.78	4.44

The accompanying Notes (1 to 40) are an integral part of Financial Statements

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 16, 2019

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

Balance as at April 1, 2017	2,346.46
Increase/(Decrease) during the year	–
Balance as at March 31, 2018	2,346.46
Increase/(Decrease) during the year	–
Balance as at March 31, 2019	**2,346.46**

B) Other equity

Particulars	General Reserve	Capital Redemption Reserve	Capital Reserve	Securities Premium	Retained earnings	Total
Balance as at April 1, 2017	9,825.00	–	571.96	8,532.73	12,121.96	31,051.65
Profit for the year	–	–	–	–	5,208.28	5,208.28
Other comprehensive income	–	–	–	–	3.31	3.31
Dividend	–	–	–	–	(351.96)	(351.96)
Tax on Dividend	–	–	–	–	(71.65)	(71.65)
Others	–	–	–	–	(1.34)	(1.34)
Transferred from retained earnings	100.00	1,313.16	–	–	(1,413.16)	-
Translation of foreign Currency Loans/Investments	–	–	–	–	29.86	29.86
Balance as at March 31, 2018	**9,925.00**	**1,313.16**	**571.96**	**8,532.73**	**15,525.30**	**35,868.15**
Profit for the year	–	–	–	–	5,604.08	5,604.08
Other comprehensive income	–	–	–	–	(1.44)	(1.44)
Dividend	–	–	–	–	(586.62)	(586.62)
Tax on Dividend	–	–	–	–	(120.58)	(120.58)
Adjusted on account of Merger (refer note no. 35)	–	–	(571.96)	–	1,446.96	875.00
Transferred from retained earnings	–	1,104.39	–	–	(1,104.39)	–
Goodwill Written off	–	–	–	–	(230.00)	(230.00)
Translation of foreign Currency Investments	–	–	–	–	(0.27)	(0.27)
Balance as at March 31, 2019	**9,925.00**	**2,417.55**	**–**	**8,532.73**	**20,533.04**	**41,408.32**

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 16, 2019

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Consolidated Statement of Cash Flow for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	**8,420.61**	**7,399.44**
Adjustments for		
Depreciation and amortisation expense	1,175.27	1,193.48
Gain on disposal of property, plant and equipment	(42.40)	(57.60)
Loss on disposal of property, plant and equipment	31.35	93.95
Unrealised foreign exchange fluctuation	10.61	36.49
Interest income	(261.68)	(147.88)
Interest income from financial assets at amortised cost	–	(246.61)
Gain on Investments carried at fair value through profit or loss (net)	(246.92)	(133.84)
Rental income classified as investing cash flows	(103.01)	(111.05)
Finance costs	1,152.09	1,352.66
Other Non-cash items	–	(1.34)
Bad Debts Written off	348.27	271.51
Provision for doubtful receivable	7.59	9.49
Provision for doubtful loan & Advances	–	350.00
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	2,229.56	(6,631.63)
(Increase)/Decrease in inventories	(6,858.96)	(3,070.11)
(Increase)/Decrease in other financial assets	81.05	(94.15)
(Increase)/Decrease in other current assets	(1,109.02)	(1,471.39)
Increase/(Decrease) in trade payables	4,474.81	8,850.92
Increase/(Decrease) in provisions	(87.34)	123.73
Increase/(Decrease) in other financial liabilities	286.96	2,209.96
Increase/(Decrease) in other current liabilities	(116.81)	478.41
Cash generated from operations	**9,392.03**	**10,404.44**
Income taxes paid	(2,187.93)	(1,465.36)
Net cash inflow from operating activities	**7,204.10**	**8,939.08**
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,446.57)	(1,916.70)
Purchase of Intangible assets	(6.24)	(2.37)
Capital advances and Capital work in progress	(565.74)	(2,685.47)
Purchase of Investments	(983.15)	(1,706.92)
Proceeds from disposal of property, plant and equipment	729.52	1,587.73
Fixed deposit having maturity more than 3 months	(5.16)	783.84
Interest income	261.68	147.88
Gain on Investments carried at fair value through profit or loss (net)	246.92	133.84
Rental income classified as investing cash flows	103.01	111.05
Net cash outflow from investing activities	**(2,665.73)**	**(3,547.12)**

Consolidated Statement of Cash Flow for the year ended March 31, 2019 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from financing activities		
Net proceeds from non-current borrowings	(1,404.29)	201.26
Net proceeds from current borrowings	3.04	(2,422.70)
Redemption of Preference Shares	(1,104.39)	(1,313.16)
Interest paid	(1,152.09)	(1,352.66)
Dividend and Tax thereon	(707.20)	(423.61)
Net cash outflow from financing activities	**(4,364.93)**	**(5,310.87)**
Net increase in cash and cash equivalents	173.44	81.09
Cash and cash equivalents at the beginning of the year	671.46	590.37
Cash and cash equivalents at end of the year	**844.90**	**671.46**

Notes:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".

(b) Cash and Cash Equivalents comprises of:

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in current accounts	538.64	84.14
Cash on hand	49.69	47.23
Bank/ Term deposits with original maturity less than 3 months	256.57	540.09
	844.90	**671.46**

(c) Amendment to Ind AS-7

The amendments to Ind AS-7 Cash flow statments requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities, both cash flows and non-cash changes arising from financing activities, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from April 1, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendments.

Particulars	As at March 31, 2018	Cash Flow	Current/ Non-current classification	As at March 31, 2019
Borrowing Non-current	6,367.41	(1,103.63)	(1,538.61)	3,725.17
Other Financial Liabilities	1,405.05	(1,405.05)	934.22	934.22
Borrowing current	57.43	3.04	604.39	664.86

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 16, 2019

For and on behalf of the Board of Directors

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

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Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

COMPANY OVERVIEW

Action Construction Equipment Limited (the Company) is a public limited company and domiciled in India, which was incorporated on January 13, 1995, and having its registered office at Dudhola link Road, Village Dudhola, Palwal - 121102, Haryana, India and is listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The company is engaged in the business of manufacturing and marketing of Hydraulic Mobile Cranes, Mobile Tower Cranes, Crawler cranes, Truck mounted cranes, Material Handling equipment like Forklifts, Road construction equipment like Backhoe loaders, Compactors, Motor graders and agriculture equipment like Tractors, Harvesters, Rotavators etc. The company has manufacturing facilities at Haryana.

The Company concluded its Initial Public Offer (IPO) in September 2006 and its Equity Shares got listed at BSE Limited and National Stock Exchange of India Limited on September 26, 2006. The IPO comprised of 46,00,000 Equity Shares of face value of ₹ 10 each allotted at a premium of ₹ 120 per share and on March 24, 2008, the Company has sub-divided its Shares from face value of ₹ 10 each to ₹ 2 each.

The consolidated financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 16, 2019.

1. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

Compliance with Ind AS

These consolidated financial statements comply in all material aspects with Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The consolidated financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Historical Cost Convention

The consolidated financial statements have been prepared under the historical cost convention on the accrual basis of accounting except for the following –

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans - plan assets measured at fair value.

1.2. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

a) the asset/liability is expected to be realized/settled in the Company's normal operating cycle;

b) the asset is intended for sale or consumption;

c) the asset/liability is held primarily for the purpose of trading;

d) the asset/liability is expected to be realized/settled within twelve months after the reporting period;

e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

f) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained Its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets and inventories for processing and their realization in cash and cash equivalents.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

1.3 Summary of significant accounting policies

a) Revenue recognition

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

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

Recognising revenue from major business activities

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

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

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

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

Rental Income

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

Interest Income

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

Dividend Income

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

b) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Borrowing costs

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

d) Property, plant and equipment

Recognition and initial measurement

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

Subsequent measurement (depreciation and useful lives)

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

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

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

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

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

De-recognition

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

e) Investment properties

Recognition and initial measurement

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

Subsequent measurement (depreciation and useful lives)

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

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

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

De-recognition

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

f) Intangible assets

Recognition and initial measurement

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

Computer Software and Technical Knowhow

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

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

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

g) Leases

As a lessee

Finance leases: Leases of property, plant and equipment where the company, as lessee, has substantially all the risk and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Operating lease: Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

h) Financial instruments

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

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

(i) at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i e a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

(ii) in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

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

h.1) Financial assets

Classification and subsequent measurement

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

(i) Financial assets at amortised cost

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

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

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

(ii) Investments in equity instruments of subsidiaries and associates

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

(iii) Financial assets at fair value

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

De-recognition of financial assets

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

h.2) Financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

i) Impairment of financial assets

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

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

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

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

Trade receivables

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

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

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

j) Impairment of non-financial assets

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

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

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

k) Fair value measurement

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

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

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

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

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

l) Inventories

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

m) Income Tax

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

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

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

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

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

n) Investment in subsidiaries, joint ventures and associates

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

o) Government grants

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

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

p) Cash and cash equivalents

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

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

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Other long-term employee benefit obligations

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

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

Post-employment obligations

The group operates the following post-employment scheme:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund.

Gratuity obligations

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

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

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

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

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

r) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

s) Earnings per share

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

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

t) Amounts rounding off

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

1.4. Key accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a) Income taxes

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

b) Property, plant and equipment

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

c) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost-to-sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent managements best estimate about future developments.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

d) Defined Benefit Obligation

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

e) Fair value measurement of financial instruments

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

1.5 Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2019 on March 30, 2019:

- notifying Ind AS 116, 'Leases' and
- amending Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits'.

The same are applicable for financial statements pertaining to annual periods beginning on or after April 1, 2019. The Company expects that there will be no material impact on the financial statements resulting from the implementation of these standards.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (a) Property, plant and equipment

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2018 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2017	Additions for the Year	Deletions / Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Deletions	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Land	16,653.48	–	238.06	**16,415.42**	–	–	–	–	16,653.48	**16,415.42**
Factory Building	5,897.22	87.00	393.28	**5,590.94**	2,310.66	150.17	308.10	**2,152.73**	3,586.56	**3,438.21**
Office Building	4,771.47	618.78	248.35	**5,141.90**	423.27	79.23	17.80	**484.70**	4,348.20	**4,657.20**
Plant and Machinery	12,064.92	847.57	1,755.77	**11,156.72**	4,858.08	621.63	514.12	**4,965.59**	7,206.84	**6,191.13**
Furnitures & Fixtures	843.41	64.40	0.74	**907.07**	498.21	59.17	0.52	**556.86**	345.20	**350.21**
Office Equipment	315.88	36.15	0.04	**351.99**	192.21	26.96	-	**219.17**	123.67	**132.82**
Motor Vehicles	1,392.91	227.84	61.75	**1,559.00**	637.71	138.24	32.90	**743.05**	755.20	**815.95**
Computer	382.67	31.65	6.40	**407.92**	322.36	26.45	2.96	**345.85**	60.31	**62.07**
Electric Equipment & Fittings	252.25	3.29	6.16	**249.38**	170.04	17.25	3.89	**183.40**	82.21	**65.98**
Total	**42,574.21**	**1,916.68**	**2,710.55**	**41,780.34**	**9,412.54**	**1,119.10**	**880.29**	**9,651.35**	**33,161.67**	**32,128.99**

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2019 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2018	Additions for the Year	Deletions / Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Deletions	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Land	16,415.42	248.36	–	**16,663.78**	–	–	–	–	16,415.42	**16,663.78**
Factory Building	5,590.94	701.68	–	**6,292.62**	2,152.73	165.00	–	**2,317.73**	3,438.21	**3,974.89**
Office Building	5,141.90	62.94	8.69	**5,196.15**	484.70	90.11	5.16	**569.65**	4,657.20	**4,626.50**
Plant and Machinery	11,156.72	1,050.73	1,026.34	**11,181.11**	4,965.59	574.15	336.07	**5,203.67**	6,191.13	**5,977.44**
Furnitures & Fixtures	907.07	173.22	–	**1,080.29**	556.86	64.04	–	**620.90**	350.21	**459.39**
Office Equipment	351.99	48.61	–	**400.60**	219.17	29.56	–	**248.73**	132.82	**151.87**
Motor Vehicles	1,559.00	69.53	83.43	**1,545.10**	743.05	142.01	59.06	**826.00**	815.95	**719.10**
Computer	407.92	36.72	0.36	**444.28**	345.85	27.66	0.06	**373.45**	62.07	**70.83**
Electric Equipment & Fittings	249.38	54.78	–	**304.16**	183.40	17.86	–	**201.26**	65.98	**102.90**
Total	**41,780.34**	**2,446.57**	**1,118.82**	**43,108.09**	**9,651.35**	**1,110.39**	**400.35**	**10,361.39**	**32,128.99**	**32,746.70**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

2 (b) Capital Work-in-progress

Particulars	As at April 1, 2017	Additions	Capitalisation	As at March 31, 2018	Additions	Capitalisation	As at March 31, 2019
Capital work-in-progress	709.31	603.48	795.00	**517.79**	1,245.32	935.42	**827.69**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Factory Building	1,216.49	1,111.26
Office Building	356.63	363.04
Plant and Machinery	5,977.44	6,191.13
Motor Vehicles	326.31	463.09
	7,876.87	**8,128.52**

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

3. Investment properties

Particulars	As at April 1, 2017	Additions/ Charge for the Year	Disposal	As at March 31, 2018	Additions/ Charge for the Year	Disposal	As at March 31, 2019
Gross carrying value	1,562.45	210.00	–	**1,772.45**	–	–	**1,772.45**
Accumulated depreciation	469.99	27.46	–	**497.45**	23.67	–	**521.12**
Net carrying value	**1,092.46**			**1,275.00**			**1,251.33**

(i) Investment properties Pledged as security (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Net carrying value of Investment properties	328.89	334.90

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income	103.01	111.05
Direct operating expenses that generated rental income	10.90	12.96
Direct operating expenses that did not generate rental income	–	–
Profit from leasing of investment properties before depreciation	**92.11**	**98.09**
Depreciation	23.67	23.67
Profit from investment properties	**68.44**	**74.42**

(iii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. All the lease are cancellable at the option of lessee, hence there is no lease disclosure as required by Ind AS 17 "Leases".

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

(iv) Fair value of Investment properties

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of Investment properties	2,024.79	1,300.00

Estimation of fair value

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

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

4. Intangible assets

The changes in the carrying value of Intangible assets for the year ended March 31, 2018 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2017	Additions for the year	Deletions / Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Deletions	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Computer Software	610.12	2.37	–	**612.49**	559.67	18.08	–	**577.75**	50.45	**34.74**
Technical Know how	220.34	–	–	**220.34**	130.73	32.63	–	**163.36**	89.61	**56.98**
Goodwill	230.53	–	–	**230.53**	–	–	–	**–**	230.53	**230.53**
Total	**1,060.99**	**2.37**	**–**	**1,063.36**	**690.40**	**50.71**	**–**	**741.11**	**370.59**	**322.25**

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

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2018	Additions for the year	Deletions / Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Deletions	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Computer Software	612.49	6.24	–	**618.73**	577.75	13.99	–	**591.74**	34.74	**26.99**
Technical Know how	220.34	–	–	**220.34**	163.36	27.22	–	**190.58**	56.98	**29.76**
Goodwill	230.53	–	230.53	–	–	–	–	**–**	230.53	**–**
Total	**1,063.36**	**6.24**	**230.53**	**839.07**	**741.11**	**41.21**	–	**782.32**	**322.25**	**56.75**

5. Investments

(i) Investments - Non Current

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Investments in associates - Unquoted investment carried at cost		
ACE Employees Group Gratuity Scheme Trust	0.25	0.25

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments - Non Current (Contd.)

Particulars	As at March 31, 2019	As at March 31, 2018
(b) Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
2000000 Units (P.Y- 2000000 Units) LD525G-SBI Debts Fund Series-C-7-(1190 Days)- Direct Growth	217.67	203.31
2000000 Units (P.Y- 2000000 Units) LD528G-SBI Debts Fund Series-C-9-(1150 Days)- Direct Growth	217.29	202.52
4239905.706Units (P.Y- Nil Units) Reliance Fixed Horizon Fund - XXXVIII - Series 02 - Direct Growth Plan (TQAGG)	451.21	–
1000000 Units (P.Y- Nil Units) Relaince Fixed Horizion Fund XXXIX-Series 2 - Direct Growth Plan (FGAGG)	107.42	–
2000000 Units (P.Y- Nil Units) Axis Fixed Term Plan - Series 97 (1116 Days) Growth (WIGPG)	208.98	–
1023198.525 Units (P.Y- Nil Units) LD543G SBI Debts Fund Series C-20 (1100 Days) Direct Growth	109.39	–
5000000 Units (P.Y- Nil Units) LD544G SBI Debts Fund Series - C-21 (1100 Days) - Direct Growth	531.07	–
	1,843.28	**406.08**
Aggregate amount of quoted investment & market value thereof	1,843.03	405.83
Aggregate amount of unquoted investments	0.25	0.25
Aggregate amount of impairment in the value of investments	–	–

(ii) Investments - Current

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Mutual funds - Quoted investment carried at fair value through profit or loss		
Nil units (P.Y- 3000000 units) Reliance Fixed Horizon Fund XXIX Series 3- Growth Plan	–	377.02
3293283.279 Units (P.Y- 3293283.279 Units) Reliance Credit Risk Fund - Growth Plan Growth Option (SDGPG)	848.95	797.23
Nil Units (P.Y- 3022243.714 units) Reliance Corporate Bond Fund - Growth Plan	–	423.51
Nil Units (P.Y- 1128942.125 units) ICICI Prudential Regular Saving Fund - Growth	–	209.58
Nil Units (P.Y- 1444846.593 units) HDFC Corporate Debt Opportunities Fund - Regular Plan- Growth	–	208.21
Nil units (P.Y- 326280.242 units) LD069G-SBI Magnum Medium Duration Fund - Direct Growth	–	102.48
18840.140 Units (P.Y- 36767.162 Units) LD72SG-SBI Liquid Fund- Direct Growth	551.75	1,001.87
26189.77 units (P.Y- Nil units) Reliance Ultra Short Duration Fund-Direct Growth Plan (CPAGG)	800.41	–

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
1026396.078 units (P.Y- Nil units) L465G SBI Dynamic Asset Allocation Fund - Regular Plan - Growth	137.42	–
531449.22 Units (P.Y- Nil Units) ICICI Prudential Balanced Advantage Fund - Growth	187.81	–
484081.92 units (P.Y- Nil units) Invesco India Dynamic Equity Fund - Growth	139.51	–
	2,665.85	**3,119.90**
Aggregate amount of quoted investment & market value thereof	2,665.85	3,119.90
Aggregate amount of unquoted investments	–	–
Aggregate amount of impairment in the value of investments	–	–

6 . Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Non-current financial assets		
(Unsecured, Considered good)		
Security deposits	92.18	108.44
Employee Advances	15.66	23.81
Term deposits with Banks#	344.48	225.17
	452.32	**357.42**
(ii) Current financial assets		
(Unsecured, Considered good)		
Security deposits	180.87	207.71
Employee Advances	52.38	82.18
Interest receivable on fixed deposits	0.40	0.38
	233.65	**290.27**

7. Other assets

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Other non-current assets		
Capital advances	6,854.11	6,598.27
	6,854.11	**6,598.27**
(ii) Other current assets		
Advances to Suppliers	2,455.63	2,626.55
Balance with Government Authorities		
Sales Tax Receivable	92.14	92.70
Balance with Excise/ GST Authorities	1,782.16	687.29
Duty Drawback Receivable	81.64	2.17
Balance with Custom Authorities	103.48	99.70
Prepaid expenses	194.55	118.29
Others	30.97	23.99
	4,740.57	**3,650.69**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Material and Components		
Raw Material and Components	12,955.65	10,505.11
Goods-in-transit	834.68	1,126.91
	13,790.33	**11,632.02**
Work-in-Progress	2,793.44	722.51
Finished Goods	4,705.00	2,075.28
	21,288.77	**14,429.81**

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

9. Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered good	14,411.29	16,990.82
Doubtful	78.95	71.38
	14,490.24	**17,062.20**
Allowances for doubtful receivables	(78.95)	(71.38)
	14,411.29	**16,990.82**

Note:

(i) Receivables due from related party (refer note no. 32) 39.29 1,340.15

(ii) Working capital facilities are secured by first pari passu charge on entire book debts, for detail refer Note No. 14.

10. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in current accounts	538.64	84.14
Cash on hand	49.69	47.23
Bank/ Term deposits with original maturity less than 3 months#	256.57	540.09
	844.90	**671.46**

11. Other Bank Balances

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits with maturity for more than 3 months but less than 12 months#	291.99	404.58
Unclaimed dividend Accounts	5.49	7.07
	297.48	**411.65**

#Fixed deposits with banks, includes the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Deposit pledged with the State Bank of India	213.42	202.25
Deposit pledged against the bank guarantee	378.44	125.57

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

12. Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
a) Authorised Capital:				
Equity shares of ₹ 2/- each	125,000,000	2,500.00	125,000,000	2,500.00
8% Cumulative Non-Participating Redeemable Preference Shares of ₹ 10/- each	30,250,000	3,025.00	30,250,000	3,025.00
Issued, Subscribed and fully paid up:				
Equity shares of ₹ 2/- each	117,323,000	2,346.46	117,323,000	2346.46
b) Reconciliation of number of equity shares Outstanding				
At the beginning of the year	117,323,000	2,346.46	117,323,000	2,346.46
Changes during the year	–	–	–	–
At the end of the year	**117,323,000**	**2,346.46**	**117,323,000**	**2,346.46**

c) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceeding March 31, 2019

No of Shares				
March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
–	–	–	18,383,000	–

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

d) Rights, preferences and restrictions attached to equity shares

The equity shares of the company, having par value of ₹ 2/- per share rank pari passu in all respects including voting rights and entitlement to dividend.

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%age	No. of Shares	%age
Mr. Vijay Agarwal / Mrs. Mona Agarwal	41,428,731	35.31%	41,401,907	35.29%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	25,839,407	22.02%	25,314,407	21.58%
Mr. Sorab Agarwal	7,623,650	6.50%	7,148,650	6.09%
Mrs. Surbhi Garg	6,930,156	5.91%	6,930,156	5.91%

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

13. Other Equity

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
General Reserve	(a)	9,925.00	9,925.00
Capital Redemption Reserve	(b)	2,417.55	1,313.16
Capital Reserve	(c)	–	571.96
Securities Premium Reserve	(d)	8,532.73	8,532.73
Retained Earnings	(e)	20,533.04	15,525.30
		41,408.32	**35,868.15**

Particulars	As at March 31, 2019	As at March 31, 2018
a) General reserve		
Balance at the beginning of the year	9,925.00	9,825.00
Transferred from retained earnings	–	100.00
Balance at the end of the year	**9,925.00**	**9,925.00**
b) Capital Redemption Reserve		
Balance at the beginning of the year	1,313.16	–
Transferred from retained earnings	1,104.39	1,313.16
Balance at the end of the year	**2,417.55**	**1,313.16**
c) Capital reserve		
Balance at the beginning of the year	571.96	571.96
Adjusted on account of Merger (refer note no. 35)	(571.96)	–
Balance at the end of the year	**–**	**571.96**
d) Securities Premium Reserve		
Balance at the beginning and at the end of the year	8,532.73	8,532.73
e) Retained earnings		
At the beginning of the year	15,521.15	12,121.12
Net profit for the year	5,604.08	5,208.28
Transferred to Capital Redemption Reserve	(1,104.39)	(1,313.16)
Transferred to General Reserves	-	(100.00)
Translations of Foreign Currency loans/investments	(0.27)	29.86
Payment of equity dividend and tax thereon	(707.20)	(423.61)
Adjusted on account of Merger (refer note no. 35)	1,446.96	–
Goodwill written off	(230.00)	
Other	–	(1.34)
	20,530.33	**15,521.15**
Other comprehensive income (net of tax)		
Re-measurements of defined employee benefit plans		
At the beginning of the year	4.15	0.84
Changes during the year	(1.44)	3.31
	2.71	**4.15**
Balance at the end of the year	**20,533.04**	**15,525.30**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Other Equity (contd.)

Nature and purpose of other reserves

a) General reserve

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

b) Capital redemption reserve

This reserve is created on redemption of preference shares, out of current year profits.

c) Capital reserve

This is created out of the profit on amalgamation of entities and it is not available for the distribution to the shareholders.

d) Securities premium reserve

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

14. Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Non-current Borrowings		
Secured		
Term Loans from Banks in ₹	4,580.27	5,927.69
Term Loans from NBFC	79.12	135.99
Unsecured		
8% Cumulative Non-Participating Redeemable Preference Shares	–	1,708.78
	4,659.39	**7,772.46**
Current maturity of long term debts	(934.22)	(1,405.05)
	3,725.17	**6,367.41**
(ii) Current Borrowings		
Secured		
Cash Credit	60.47	57.43
Unsecured		
8% Cumulative Non-Participating Redeemable Preference Shares	604.39	–
	664.86	**57.43**

Notes:-

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

b) Detail of Preference shareholder's

Particulars	As at March 31, 2019	As at March 31, 2018
Mr. Vijay Agarwal	-	500.00
Mr. Sorab Agarwal	-	604.39
Mrs. Surbhi Garg	604.39	604.39
	604.39	**1,708.78**

The preference shares have been considered as short term borrowings

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Borrowing (contd.)

c) Detail of Borrowings

Sl. No.	Nature of Loans	Repayment terms	Security offered	Rate of Interest	As at March 31,2019	As at March 31,2018
1.	Rupee Loan from ICICI Bank Ltd.	Repayable in 120 equated monthly installments, including interest	Exclusive charge on the assets financed out of this loan.	8.70%	2,786.68	2,998.82
2.	Rupee Loan from Kotak Mahindra Bank Ltd.	Repayable in 60 equated monthly installments, including interest	Exclusive charge by way of equitable mortgage over property situated at industrial unit at Plant IV Prithla Dhatir Road, Village Dudholla, Palwal and Subservient charge on all existing and future current assets of the company.	9.00%	1,618.65	2,076.22
3.	Commercial Equipment Loan from ICICI Bank Ltd., HDFC Bank Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Commercial equipment financed out of these loan.	8.50%	116.93	738.88
4.	Vehicle loan from HDFC Bank Ltd., ICICI Bank, Kotak Mahindra Prime Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Vehicle financed out of these loan.	8.50%	130.14	227.10
5.	Vehicle loan from Daimler Financial Services India Pvt.Ltd.	Repayable in equated monthly installments as per the schedule of individual loan	Exclusive Hypothecation on the Vehicle financed out of this loan.	9.80%	6.99	22.66
6.	8% Cumulative Non-Participating Redeemable Preference Shares	Repayable at the option of company's management, within 20 years from the date of issue	Nil	8.00%	604.39	1,708.78
7.	Working capital facilities from various banks	Repayable on demand	Secured by way of hypothecation of the Company's entire inventory and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivable, both present & future and Plant & Machinery on pari passu basis and First charge by the way of equitable mortagage of two of the properties situated at Mumbai on pari passu basis/exclusive basis.	9.75%	60.47	57.43

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

15. Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Non-Current Provisions		
Provision for Leave entitlement	183.63	170.67
Provision for Gratuity	76.63	105.63
Provision for Doubtful Loan and Advances (refer note no. 35)	–	875.00
	260.26	**1,151.30**
(ii) Current Provisions		
Provision for warranty	119.90	193.63
Provision for Leave entitlement	33.11	28.51
	153.01	**222.14**

Provision for warranty

The group gives warranties on certain products and undertake to repair or replace them, if they fails to perform satisfactorily during the free warranty period. Such provisions represents the amount of the expected cost of meeting the obligations of such rectification/ replacement. The timing of the outflow is expected to be within the period of one to two years. The provision is based on estimates made from historical warranty data associated with similar products and services. The company expect to incur the related expenditures over the next year.

Movement in Provisions

Particulars	Provision for Leave Entitlements	Provision for Warranty
Provision at April 1, 2017	**189.13**	**116.33**
Additional provisions recognised	184.14	193.63
Amount utilised during the year	(174.09)	(116.33)
Provision at March 31, 2018	**199.18**	**193.63**
Additional provisions recognised	216.74	119.90
Amount utilised during the year	(199.18)	(193.63)
Provision at March 31, 2019	**216.74**	**119.90**

16. Deferred tax liabilities (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
Depreciation on Property, Plant and Equipment, Investment property and intangible assets	1,685.51	1,519.12
	1,685.51	**1,519.12**
Deferred tax Assets		
Provision for employee benefits	101.06	103.30
Provision for doubtful debts	25.35	31.10
MAT credit entitlement	–	510.48
	126.41	**644.88**
Deferred tax liabilities (Net)	**1,559.10**	**874.24**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Deffered tax liabilities (Net) (contd.)

Movement in deferred tax liabilities (Net)

Particulars	Property, Plant and Equipment, Investment property and intangible assets	Provision for employees benefit	Provision for doubtful debts	MAT credit entitlement
As at April 1, 2017	**1,304.11**	**(52.92)**	**–**	**(836.32)**
Charged/(Credited):				
-to profit and loss	215.01	(52.13)	(31.10)	325.84
-to other comprehensive income	–	1.75	–	–
As at March 31, 2018	**1,519.12**	**(103.30)**	**(31.10)**	**(510.48)**
Charged/(Credited):				
-to profit and loss	166.39	2.98	5.75	510.48
-to other comprehensive income	–	(0.74)	–	–
As at March 31, 2019	**1,685.51**	**(101.06)**	**(25.35)**	**–**

17. Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Dues to Micro and Small Enterprises *	1,071.43	4,416.29
Dues to enterprises other than Micro and Small Enterprises	26,990.82	19,174.04
	28,062.25	**23,590.33**

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same.

18. Other current financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of long term debts	934.22	1,405.05
Unclaimed Dividends	5.49	7.07
Security deposits	739.72	601.97
Interest accrued but not due on Preference Shares	–	287.50
Employee benefits	632.11	522.96
Others Payables	5,893.66	5,564.52
	8,205.20	**8,389.07**

19. Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers	1,677.80	1,867.64
Statutory Liabilities	267.85	303.54
Deferred revenue	330.67	221.95
	2,276.32	**2,393.13**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

20. Revenue from operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Products (including excise duty)	132,511.47	107,531.04
Sale of Services	145.31	177.91
Hiring Charges	1,317.37	2,019.24
Export Incentives	121.97	53.09
Other operating revenue	156.56	88.95
	134,252.68	**109,870.23**

Consequent to the introduction of Goods and Service Tax (GST) with effect from July 1, 2017, Central Excise,Value Added Tax (VAT) Service Tax etc. have been subsumed into GST. GST, VAT, Service Tax etc. are not included in revenue from operations. However, central excise was included in revenue from operations till June 30, 2017. Accordingly , the figures for the year ended March 31, 2019 are not strictly relatable to previous Year.

21. Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income	261.68	147.88
Rental income	103.01	111.05
Profit on Sale of property, plant and equipment	42.40	57.60
Interest income from financial assets at amortised cost	–	246.61
Gain on Investments carried at fair value through profit or loss (net)	246.92	133.84
Gain on foreign currency transactions (Net)	136.49	22.68
Miscellaneous income	180.17	75.47
	970.67	**795.13**

22. Cost of materials consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock of Raw material	11,632.02	8,827.29
Add: Purchases (net of returns)	104,829.57	79,849.20
Less: Closing stock of Raw material	(13,790.33)	(11,632.02)
Less: Purchase of Stock-in-trade	(1,509.37)	(387.84)
	101,161.89	**76,656.63**

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock		
Work-in progress	722.51	531.61
Finished goods	2,075.28	2,000.81
	2,797.79	**2,532.42**
Closing Stock		
Work-in progress	2,793.44	722.51
Finished goods	4,705.00	2,075.28
	7,498.44	**2,797.79**
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	**(4,700.65)**	**(265.37)**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

24. Employee benefits expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	6,802.80	6,012.23
Contribution to provident and other funds	318.15	297.93
Staff welfare expenses	389.78	457.52
	7,510.73	**6,767.68**

25. Finance costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on Working Capital facilities	1,014.50	581.04
Interest on Term Loans	52.11	352.98
Interest on Other Loans	85.48	131.14
Interest on Preference Shares	–	287.50
	1,152.09	**1,352.66**

26. Depreciation and amortisation expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	1,110.39	1,119.10
Amortisation of intangible assets	41.21	50.71
Depreciation of Investment Property	23.67	23.67
	1,175.27	**1,193.48**

27. Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Manufacturing Expenses	5,131.74	3,997.58
Repairs & Maintenance - Building	177.26	129.61
Repairs & Maintenance - Plant & Machinery	535.19	417.68
Power & Fuel	660.79	552.63
Freight & Forwarding Charges	3,975.95	2,953.75
Selling Expenses	1,440.89	1,429.98
Commission on Sales	2,029.85	1,807.64
Rent	151.44	166.50
Rates & Taxes	55.89	77.23
Insurance	97.22	111.63
Travel & conveyance	1,620.65	1,341.23
Communication Expenses	319.64	250.68
Auditors remuneration*	16.21	12.08
Vehicle Expenses	164.53	151.09
Bad Debts Written off	348.27	271.51
Provision for doubtful receivable	7.59	9.49
Provision for doubtful loan & Advances	–	350.00
Corporate Social Responsibility (CSR) expense* *	85.10	40.00
Miscellaneous Expenses	2,175.83	1,887.26
	18,994.04	**15,957.57**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Other expenses (Contd.)

***Auditor's Remuneration (excluding taxes) includes**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Audit Fees	14.00	9.59
Tax audit fees	1.25	1.00
Certification	0.26	0.49
Cost audit fees	0.70	1.00
	16.21	**12.08**

****CSR Expenditure**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent by the company during the year	80.37	35.60
Amount spent during the year for promoting health care	85.10	40.00

28. Income tax expense

(a) Income tax expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current tax on profit for the year	2,068.28	1,730.47
MAT Credit entitlement	510.48	325.83
Adjustment of current tax of prior periods	64.44	9.83
	2,643.20	**2,066.13**
Deferred tax		
Decrease/(increase) in deferred tax assets	8.73	(83.22)
(Decrease)/increase in deferred tax liabilities	166.39	215.01
	175.12	**131.79**
	2,818.32	**2,197.92**

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before income tax expense	**8,420.61**	**7,399.44**
Statutory Income Tax rate	34.944%	34.608%
Income tax expense at the statutory tax rate	2,942.50	2,560.80
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Income exempt from tax	(57.47)	(76.90)
Tax on expense not eligible for deduction	80.24	275.51
Weighted deduction on Research and development expenditure	(257.06)	(183.25)
Adjustments for current tax of prior periods	64.44	9.83
Tax effects of earier years	–	(379.97)
Diferrential tax rate on long term capital gain	(17.70)	–
Other items	63.37	(8.10)
Income tax expense	**2,818.32**	**2,197.92**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Income tax expenses (contd.)

(c) Capital Tax losses

Particulars	As at March 31, 2019	As at March 31, 2018
Unused tax losses for which no deferred tax asset has been recognised	–	91.45
Potential tax benefit	–	31.65

The group has not recognised deferred tax assets of an unused losses under the head of capital gains as the company is not likely to generate taxable income under the same head in forseeable future.

29. Employee Benefits

(A) Gratuity

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

	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	**Amount recognized in the balance sheet is as under:**		
	Present value of defined benefit obligation	543.82	468.99
	Fair value of plan assets with LIC	467.19	363.36
	Net defined benefit obligation	**76.63**	**105.63**
(ii)	**Amount recognized in the statement of profit and loss is as under:**		
	Past Service cost	–	4.41
	Current Service cost	82.94	74.34
	Net interest cost	3.60	3.84
	Amount recognized in the statement of profit and loss	**86.54**	**82.59**
(iii)	**Movement in the present value of defined benefit obligation recognized in the balance sheet is as under:**		
	Present value of defined benefit obligation as at the start of the year	468.99	387.90
	Current service cost	82.94	74.34
	Past service cost	–	4.41
	Interest cost	34.28	28.19
	Actuarial loss/(gain) recognized during the year	5.23	(2.14)
	Benefits paid	(47.62)	(23.71)
	Present value of defined benefit obligation as at the end of the year	**543.82**	**468.99**
(iv)	**Movement in the plan assets recognized in the balance sheet is as under:**		
	Fair Value of plan assets at beginning of year	363.36	313.59
	Expected return on plan assets	30.68	24.36
	Employer's contribution	117.72	46.21
	Benefit paid	(47.62)	(23.71)
	Actuarial gain/(loss) on plan assets	3.05	2.91
	Fair Value of plan assets at the end of the year	**467.19**	**363.36**
	Actual return on plan assets	33.73	27.28
(v)	**Breakup of actuarial (gain)/loss:**		
	Actual (gain)/loss on arising from change in financial assumption	(3.02)	(21.58)
	Actual (gain)/loss on arising from experience adjustment	5.20	16.52
	Total actuarial (gain)/loss	**2.18**	**(5.06)**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (Contd.)

(vi) Actuarial assumptions

Particulars	As at March 31, 2019	As at March 31, 2018
Attrition Rate	20.00% P.a.	20.00% P.a.
Imputed rate of Interest (D)	7.70% P.a.	7.70% P.a.
Imputed rate of Interest (IC)	7.70% P.a.	7.50% P.a.
Salary escalation	10.00% P.a.	10.00% P.a.
Return on paln asset	7.70% P.a.	7.50% P.a.
Remaining working life	22.47 Years	22.38 Years

Gratuity payable to the employees on death or resignation or on retirement or at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table on March 31, 2019 (Indian Assured Lives Mortality (2006-08) Ultimate table on March 31, 2018)

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of obligation at the end of the year	543.82	468.99
Impact of the change in discount rate		
Impact due to increase of 1.00%	(18.56)	(16.11)
Impact due to decrease of 1.00%	20.13	17.48
Impact of the change in salary increase rate		
Impact due to increase of 1.00%	18.37	16.19
Impact due to decrease of 1.00%	(17.60)	(15.47)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

B) Compensated absences (unfunded)

The leave obligations cover the group's liability for sick and earned leaves. The group does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provisions has been recognised in the statement of profit and loss.

Particulars	As at March 31, 2019	As at March 31, 2018
Compensated absences (unfunded)		
Current	33.11	28.51
Non-Current	183.63	170.67
	216.74	**199.18**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits (Contd.)

C) Defined contribution plans

The group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

D) Other employee benefits

The group has taken an Insurance Policy for medical benefits in respect of its working employees. The Insurance Policy for on-roll employees is partially funded by the group.

30 Financial Instruments

A) Financial assets and liabilities

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

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets measured at fair value		
Investments measured at fair value through profit and loss	4,508.88	3,525.73
Financial assets measured at amortised cost		
Trade receivables	14,411.29	16,990.82
Cash and cash equivalents	844.90	671.46
Other Bank balances	297.48	411.65
Other financial assets	685.97	647.69
	16,239.64	**18,721.62**
Financial liabilities measured at amortised cost		
Borrowings	5,324.25	7,829.89
Trade payables	28,062.25	23,590.33
Other financial liabilities	7,270.98	6,984.02
	40,657.48	**38,404.24**

B) Fair Value Hierarchy

The fair value of financial Instruments as referred to in note (A) above has been classified into three category depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted price in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1 : Quoted prices for identical instruments in an active market
Level2 : Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs and
Level 3 : Inputs which are not based on observable market data (unobservable inputs).

Financial assets measured at Fair Value

Particulars	As at March 31, 2019	As at March 31, 2018
Investments measured at fair value through profit and loss		
Level 1	4,508.88	3,525.73
Level 2	–	–
Level 3	–	–
	4,508.88	**3,525.73**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statement as at the Balance Sheet date.

C) Financial Risk Management

The group's activities expose it to market risk, liquidity risk and credit risk. The group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

C.1) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The group considers reasonable and supportive forward-looking information.

Expected credit losses for financial assets other than trade receivables

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

Expected credit losses for trade receivables under simplified approach

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

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)		
Gross sale in respect of customers where no specific default is occurred	133,974.15	109,728.19
Expected loss rate	0.06%	0.07%
Expected Credit loss (loss allowance provision)	78.95	71.38
Receivable due from customers where specific default has accrued	–	24.90

Reconciliation of loss allowance provision - Trade receivables

Particulars	₹ in lakh
Loss allowance as at April 1, 2017	**66.58**
Additional loss recognised	29.70
Bad debts written off	(24.90)
Expected credit loss as at March 31, 2018	**71.38**
Additional loss recognised	353.32
Bad debts written off	(345.75)
Expected credit loss as at March 31, 2019	**78.95**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

C.2) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the group's short-term, medium-term and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Less than 1 year	1-5 Years	More than 5 Years	Total
As at March 31, 2019				
Borrowings	1,599.08	2,313.23	1,411.94	5,324.25
Trade payables	28,062.25	–	–	28,062.25
Other financial liabilities	7,270.98	–	–	7,270.98
	36,932.31	**2,313.23**	**1,411.94**	**40,657.48**
As at March 31, 2018				
Borrowings	1,462.48	2,950.11	3,417.30	7,829.89
Trade payables	23,590.33	–	–	23,590.33
Other financial liabilities	6,984.02	–	–	6,984.02
	32,036.83	**2,950.11**	**3,417.30**	**38,404.24**

C.3) Market Risk

The group is not an active investor in equity market. Further the treasury activities, focused on managing investments in debt instruments, are centralized and administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The group's investments are predominantly held in fixed deposits and debt mutual funds. Mark to market movements in respect of the group's investments that are held at amortised cost are temporary and get recouped through fixed coupon accruals. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

The group also invests in mutual fund schemes of leading fund. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund scheme in which the group has invested, such price risk is not significant.

Foreign currency risk

The group undertakes transactions denominated in foreign currency (mainly US Dollar and Euro) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the group's exposure to foreign currency risk is limited and the group hence does not use any derivative instruments to manage its exposure.

Foreign currency risk exposure in USD:

The group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets	2,089.26	1,337.69
Financial Liabilities	322.56	333.78
Net exposure to foreign currency risk	**1,766.70**	**1,003.91**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Sensitivity

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

Particulars	As at March 31, 2019	As at March 31, 2018
USD sensitivity		
INR/USD increase by 150 bps*	38.35	23.15
INR/USD decrease by 150 bps*	(38.35)	(23.15)

*Holding all other variables constant

Foreign currency risk exposure in EURO:

The group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets	8.11	81.37
Financial Liabilities	1.71	94.23
Net exposure to foreign currency risk	**6.40**	**(12.86)**

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, 2019	As at March 31, 2018
Euro sensitivity		
INR/Euro increase by 200 bps*	0.17	(0.32)
INR/Euro decrease by 200 bps*	(0.17)	0.32

*Holding all other variables constant

C.4) Interest Rate Risk

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

31. Capital Management

The group's capital management objectives are

- To ensure the companies ability to continue as going concern
- To provide an adequate return to shareholders

The group monitors capital on the basis of carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the group's various classes of debt. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Capital Management (contd.)

(a) Debt to equity ratio

Particulars	As at March 31, 2019	As at March 31, 2018
Net debt	4,479.35	7,158.43
Total equity	43,783.78	38,245.40
Net debt to equity ratio	**10.23%**	**18.72%**

(b) Dividends (excluding dividend tax)

(i) Equity shares

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Final dividend for the year ended 31 March 2018 of Rs. 0.50/- per fully paid share	586.62	351.96

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.50/- per fully paid equity share (31 March 2018 – ₹ 0.50/- per share). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

32. Related party transactions

The group's related party transactions and outstanding balance are with its Key management and others as described below:

A. Name of Related Parties

a) Key management personnel

Mr. Vijay Agarwal	Chairman & Managing Director
Mrs. Mona Agarwal	Whole - Time Director
Mr. Sorab Agarwal	Whole - Time Director
Mrs. Surbhi Garg	Whole - Time Director
Mr. Girish Narain Mehra (IAS Retd.)	Independent Director
Major General (Retd.) Dr. K. C. Agrawal	Independent Director
Mr. Subhash Chander Verma	Independent Director
Dr. Amar Singhal	Independent Director
Mr. Rajan Luthra	Chief Financial Officer
Mr. Anil Kumar (from July 3, 2017)	Company Secretary & Compliance Officer
Mrs. Yashika Kansal (till May 31, 2017)	Company Secretary & Compliance Officer

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

VMS Equipment Pvt Ltd.
ACE Emergency Response Service Trust
ACE Employees Group Gratuity Scheme Trust

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

B. Transactions with related party

(i) Transactions with significantly influenced enterprises

Nature of Transaction	For the year	VMS Equipment Pvt Ltd.	ACE Emergency Response Trust	Total
Sale of Goods	2018-19	813.59	–	813.59
	2017-18	1,582.91	–	1,582.91
Purchase of Goods	2018-19	50.00	–	50.00
	2017-18	–	–	–
Rent Received	2018-19	2.24	1.06	3.30
	2017-18	1.99	0.95	2.94
Donation Paid	2018-19	–	167.30	167.30
	2017-18	–	152.70	152.70
Interest Received	2018-19	–	–	-
	2017-18	4.15	–	4.15

Note : All transactions are done at Arm's Length Price

(ii) Outstanding balances arising from sales/purchase of goods and services

Name of Party	Nature of Transaction	As at March 31, 2019	As at March 31, 2018
VMS Equipment Pvt Ltd.	Amount Receivable	39.29	1,340.15

(iii) Transactions with Key management personnel

Name of Party/ Nature of Transaction	For the year	Short-term employee benefits	Dividend paid	Redemption of preference shares	Licence Fee Paid	Service rendered	Total
Mr. Vijay Agarwal	2018-19	306.09	303.69	500.00	56.40	–	**1,166.18**
	2017-18	285.86	220.73	708.78	56.47	–	**1,271.84**
Mrs. Mona Agarwal	2018-19	150.78	172.32	–	–	–	**323.10**
	2017-18	142.00	139.29	604.39	–	–	**885.68**
Mr. Sorab Agarwal	2018-19	58.73	84.09	604.39	–	–	**747.21**
	2017-18	46.97	69.72	–	–	–	**116.69**
Mrs. Surbhi Garg	2018-19	52.22	83.00	–	26.40	–	**161.62**
	2017-18	47.60	69.14	–	26.43	–	**143.17**
Mr. Girish Narain Mehra (IAS Retd.)	2018-19	–	–	–	–	1.65	**1.65**
	2017-18	–	–	–	–	1.20	**1.20**
Major General (Retd.) Dr. K. C. Agrawal	2018-19	–	–	–	–	0.75	**0.75**
	2017-18	–	–	–	–	0.60	**0.60**
Mr. Subhash Chander Verma	2018-19	–	–	–	–	1.80	**1.80**
	2017-18	–	–	–	–	1.65	**1.65**
Dr. Amar Singhal	2018-19	–	–	–	–	1.95	**1.95**
	2017-18	–	–	–	–	1.65	**1.65**
Mr. Rajan Luthra	2018-19	61.39	–	–	–	–	**61.39**
	2017-18	55.96	–	–	–	–	**55.96**
Mr. Anil Kumar From 3rd July 2017)	2018-19	5.72	–	–	–	–	**5.72**
	2017-18	3.84	–	–	–	–	**3.84**
Mrs. Yashika Kansal From 31st May 2017)	2018-19	–	–	–	–	–	**–**
	2017-18	1.08	–	–	–	–	**1.08**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

33. Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Guarantees	2,160.36	1,828.96
Letter of Credits	4,763.43	4,820.13
Claim against the group, not acknowledged as Debts	819.27	861.23
Sales Tax, Excise & Income Tax Matters, pending before Assessing/ Appellate Authorities, not acknowledged as liability	3,218.16	2,950.46
	10,961.22	**10,460.78**

Notes:

i) 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.

ii) It is not practicable for the group to estimate the timings and amount of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(b) Capital commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	1,358.34	74.46

(c) Non-cancellable operating leases

The group leases Immovable property under non-cancellable operating leases expiring in next five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Within one year	127.63	129.54
Later than one year but not later than five years	56.81	112.37
Later than five years	–	–

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental expense relating to operating leases	151.44	166.50

34. Earnings per share (EPS)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit attributable to the owners of the company	5,604.08	5,208.28
Weighted average number of equity shares outstanding during the year	117,323,000	117,323,000
Basic earnings per share (in ₹)	4.78	4.44
Diluted earnings per share (in ₹)	4.78	4.44

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

35. Business Combinations

Summary of acquisition

Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT') vide its order dated February 20, 2019 and Supreme Court of Mauritius vide its order dated September 3, 2018 have approved the Scheme of Amalgamation ('Scheme') of Frested Limited ('the amalgamating company'), with Action Construction Equipment Limited ('the Company') as per the provisions of Section 230-232 & 234 of the Companies Act, 2013. Accordingly Frested Limited stand transferred/merged with the Company with effect from Appointed Date of scheme i.e. January 01, 2018. The entire issued, subscribed and paid up share capital of the Frested Limited has been cancelled and no shares were issued to the shareholders of Frested Limited.

As per the Scheme, the Company has accounted for the amalgamation of Frested Limited in its books of accounts with effect from the Appointed Date in accordance with the provisions of the Indian Accounting Standard (Ind AS) – 103 "Business Combinations" issued by the Ministry of Corporate Affairs.

The Company has acquired the business of M/s Frested Limited, at a consideration of ₹ 2,768.31 Lakhs. Value of net assets acquired is determined at ₹ 147.76 Lakhs, consequently the differential amount of ₹ 2,620.55 Lakhs has been recognized in balance sheet by adjusting the Capital reserve for ₹ 571.96 Lakhs and Retained Earnings for ₹ 2,048.59 lakhs. In the earlier years, the Company has made a provision of ₹ 875 Lakhs, against the Loan given to Frested Limited. This provision is no longer required and therefore transferred to Retained Earnings. The management believes that the fair value of the net assets acquired is not likely to remain significantly different from the book value of the net assets acquired.

M/s Frested Limited, was an entity registered in Mauritius and was wholly owned Subsidiary of the Company.

Purchase consideration and fair value of the assets acquired:

Particulars	Amount (₹ in Lakhs)
Purchase Consideration	2,768.31
Less: Net identifiable assets acquired (Investment in 829,982 equity shares of M/s SC Forma SA, Botosani for nominal Value RON 1.16 each)	(147.76)
Differencial amount	**2,620.55**

By virtue of the Scheme of Amalgamation, M/s SC Forma SA, Botosani, Romania has become direct Subsidiary of the Company. The company owns 89.52% equity shares of M/s SC Forma SA.

36. Dividend on Preference Shares

The group has issued '8% Cumulative Non-Participating Redeemable Preference Shares of Rs.10/-each' (NCPS) pursuant to the scheme of amalgamation between Action Construction Equipment Limited and ACE TC Rental Private Limited duly approved by Hon'ble High Court of Pb. & HR, Chandigarh vide its order dated 17th November 2015. As per the terms of issue of NCPS, all preference shareholders of the group are entitled to receive 8% dividend. The group has paid 8% dividend to all the preference shareholders on their outstanding holdings till Financial Year 2017-18.

For the Financial Year 2018-19, all the preference shareholders have voluntarily foregone their rights to receive dividend as per details given below and accordingly the group has not made the necessary provisions of dividend on preference shares in the books of accounts.

S. No.	Name of Preference shareholders	Amount (₹ in Lakhs)
1	Mr. Vijay Agarwal	32.66
2	Mr. Sorab Agarwal	39.47
3	Mrs. Surbhi Garg	48.35
	Total	**120.48**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

37. Research and Development Expenditure

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Capital Expenditure	82.79	32.68
Revenue Expenditure	1,234.29	962.51
	1,317.08	**995.19**
Expenses on Research and Development as percentage of Gross Turnover	0.99%	0.93%

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

	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act).		
	Principal amount due to micro and small enterprises	1,071.43	4416.29
	Interest due on above	–	–
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the suppliers beyond the appointed day during the period.	–	–
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	–	–
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	–	–

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

39. Segment information

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

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment Information (contd.)

(a) Segment Revenue and Results

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Segment revenue (Net)		
(i) Cranes	96,429.29	74,900.28
(ii) Construction Equipment	8,018.66	7,189.99
(iii) Material Handling	9,437.57	8,075.31
(iv) Agri Equipment	20,362.99	18,483.25
(v) Subsidiaries Business	4.17	5.97
Add: Excise Duty	-	1,215.43
Total Segment Revenue	**134,252.68**	**109,870.23**
Segments results		
(i) Cranes	8,923.93	8,267.94
(ii) Construction Equipment	199.68	346.55
(iii) Material Handling	1,149.76	973.41
(iv) Agri Equipment	679.55	469.65
(v) Subsidiaries Business	(13.89)	(61.98)
	10,939.03	**9,995.57**
Finance costs	(1,152.09)	(1,352.66)
Other Unallocated Expenses	(1,366.33)	(1,243.47)
Total Segment results	**8,420.61**	**7,399.44**

(b) Segment Assets and Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Segment assets		
(i) Cranes	60,428.65	58,829.98
(ii) Construction Equipment	7,276.61	6,804.38
(iii) Material Handling	3,596.83	2,489.80
(iv) Agri Equipment	6,836.51	4,513.26
Total segment assets	**78,138.60**	**72,637.42**
Unallocated	10,551.35	9,040.94
Total assets as per the balance sheet	**88,689.95**	**81,678.36**
Segment liabilities		
(i) Cranes	26,241.03	23,985.56
(ii) Construction Equipment	2,583.25	1,428.12
(iii) Material Handling	1,784.77	1,633.85
(iv) Agri Equipment	7,234.59	6,251.50
Total segment liabilities	**37,843.64**	**33,299.03**
Unallocated	50,846.31	48,379.33
Total liabilities as per the balance sheet	**88,689.95**	**81,678.36**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment information (contd.)

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

As per Ind AS 108 "Operating segments", the group has reported information on consolidated basis including business conduted through its subsidiaries.

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

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

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 16, 2019

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Disclosure of additional information pretaining to the Parent Company, Subsidiaries and Associates as per schedule III of the Companies Act, 2013:

For the financial year 2018-19 :

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss (P&L)		Other Comprehensive Income (OCI)		Total comprehensive Income (TCI)	
	As %age of consolidated net assets	Net Assets	As %age of consolidated P&L	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
Action Construction Equipment Limited	99.85	43,718.88	100.25	5,616.18	100.00	(1.44)	100.25	5,614.74
Direct Subsidiary								
SC Forma SA	0.16	67.75	(0.24)	(13.52)	–	–	(0.24)	(13.52)
Associates								
Namo Metals (Partnership Firm)	(0.01)	(2.85)	(0.01)	(0.37)	–	–	(0.01)	(0.37)
Total	**100.00**	**43,783.78**	**100.00**	**5,602.29**	**100.00**	**(1.44)**	**100.00**	**5,600.85**

For the financial Year 2017-18 :

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss (P&L)		Other Comprehensive Income (OCI)		Total comprehensive Income (TCI)	
	As % age of consolidated net assets	Net Assets	As % age of consolidated P&L	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
Action Construction Equipment Limited	106.04	40,556.89	101.19	5,263.50	100.00	3.31	101.19	5,266.81
Foreign Subsidiary								
Frested Limited	(5.89)	(2,254.26)	(0.15)	(7.76)	–	–	(0.15)	(7.76)
Indirect Subsidiary								
SC Forma SA	(0.14)	(54.76)	(1.02)	(53.03)	–	–	(1.02)	(53.03)
Associates								
Namo Metals (Partnership Firm)	(0.01)	(2.47)	(0.02)	(1.19)	–	–	(0.02)	(1.19)
Total	**100.00**	**38,245.40**	**100.00**	**5,201.52**	**100.00**	**3.31**	**100.00**	**5,204.83**

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 presented with amounts **(₹ in Lakhs)**

S. No.	Details	Particulars
1.	Name of the subsidiary	SC Forma SA, Romania
2.	The date since when subsidiary was acquired	01.02.2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.01.2018 to 31.12.2018
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	RON, ₹ 16.31
5.	Share capital	175.46
6.	Reserves & surplus (Inclusive of Revaluation Reserve)	27.12
7.	Total Assets	381.75
8.	Total Liabilities	179.17
9.	Investments	NIL
10.	Turnover	4.17
11.	Profit before taxation	(13.52)
12.	Provision for taxation	NIL
13.	Profit after taxation	(13.52)
14.	Proposed Dividend	NIL
15.	%age of shareholding	89.50%

Notes:

- There are no subsidiaries which are yet to commence operations.
- During the year Frested Limited, Wholly Owned Subsidiary of the Company has amalgamated into and with the Company.
- By virtue of scheme of Amalgamation, SC Forma, SA, Romania (subsidiary of Frested Limited with 89.50% shareholding) has become direct Subsidiary of the Company.

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

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 16, 2019

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

ACE

ACTION CONSTRUCTION EQUIPMENT LIMITED

Regd. Office: Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana
Email:cs@ace-cranes.com, Phone:01275-280111, Fax:01275-280133, CIN:L74899HR1995PLC053860,
Website:www.ace-cranes.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Fifth (25th) Annual General Meeting (AGM) of the Members of Action Construction Equipment Limited will be held as per following schedule:

Day	**Friday**
Date	**September 27, 2019**
Time	**11:30 a.m.**
Venue	**Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001. (Route Map attached)**

To transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt:

(a) The audited standalone financial statement of the Company for the financial year ended March 31, 2019 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, 2019 and report of Auditors' thereon.

2. To declare final dividend on Equity Shares for the financial year ended March 31, 2019.

3. To appoint a Director in place of Mrs. Surbhi Garg (DIN: 01558782) who retires from office by rotation, and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. To ratify the remuneration of the cost auditors for the financial year ending March 31, 2020, 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 ₹ 70,000/- (Rupees Seventy Thousand only) plus applicable taxes inclusive of all out of pocket expenses, approved by the Board of Directors, to be paid to M/s Goyal & Associates, Cost Accountants (Firm Registration No: 000787), 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, 2020, be and is hereby ratified."

5. Re-appointment of Mrs. Surbhi Garg (DIN: 01558782) as Whole-Time Director, designated as Executive Director of the Company, 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 and 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 further period of 5 (five) years with effect from April 01, 2020 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 ₹ 1,25,00,000/- (Rupees One Crore Twenty Five 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. 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 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. Appointment of Mr. Avinash Parkash Gandhi (DIN:00161107) as an Independent Non-Executive Director of the Company, 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(1A) and other applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Mr. Avinash Parkash Gandhi (DIN : 00161107) who has attained the age of 75 years and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a first term of five consecutive years with effect from October 01, 2019 to September 30, 2024 and whose office shall not be liable to retire by rotation."

"**RESOLVED FURTHER THAT** Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Rajan Luthra, Chief Financial Officer and/or the Company Secretary of the Company be and is hereby severally authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

By Order of the Board of Director
For Action Construction Equipment Limited

Place: New Delhi
Date: August 05, 2019
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, Haryana, India
CIN : L74899HR1995PLC053860
Email : cs@ace-cranes.com

Sd/-
Anil Kumar
Company Secretary
M. No. ACS: 37791

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from **Friday, September 20, 2019 to Friday, September 27, 2019 (both days inclusive)** for the purpose of Annual General Meeting ("AGM") and for determining the entitlement of the shareholders to the dividend for FY 2019. The cut-off date for e-voting is **Friday, September 20, 2019.**

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend and vote in the meeting instead of himself / herself. Such a proxy/ proxies need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. A member holding more than 10 % of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form for the AGM is enclosed, proxy submitted on behalf of the Companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.

5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution to the Company authorizing their representative to attend and vote on their behalf at the Meeting.

6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged during the business hours at the registered office of the Company provided not less than 3 days written notice is given to the Company.

7. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed **Friday, September 20, 2019** as cut-off date for determining the Members who shall be entitled to vote through remote e-voting or voting at the meeting. A member who is not a member as on the cut-off date shall treat this notice for information purpose only.

8. In case of joint holders attending the meeting only such joint holder who is higher in order of names will be entitled to vote.

9. The Board in their meeting held on May 16, 2019 has recommended dividend of ₹ 0.50 i.e. (25%) per equity share for the financial year ended March 31, 2019. 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.

10. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particular already registered against their respective folios for payment of dividend are requested to write to the Company/ or its Registrars.

11. 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.

12. The Company has transferred the unpaid or unclaimed dividends upto FY 2010-11 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on September 28, 2018 (date of the previous Annual General Meeting) on the website of the Company at www.ace-cranes.com in the Investors Relation section. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed at www.mca.gov.in.

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 2010-11) has not been paid or claimed by the members for 7 (seven) consecutive years or more, to IEPF Authority.

13. 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 others 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.

14. 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.

15. Members holding shares in physical mode:

(a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company/Karvy (RTA), if not registered with the Company as mandated by SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

(b) are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website at www.ace-cranes.com in investor relation section.

(c) are requested to register/update their e-mail address with the Company / Karvy for receiving all communications from the Company electronically.

16. Non-Resident Indian members are requested to inform Karvy(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. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, i.e. April 01, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

18. Electronic copy of the Notice and Annual Report for FY 2019 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for Financial Year 2018-19 is being sent in the permitted mode. Attendance Slip, Proxy form and process and manner of e-voting are part of notice of Annual General Meeting.

19. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for Financial Year 2018-19 will also be available on the Company's website at www.ace-cranes.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Palwal for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@ace-cranes.com.

20. The Register of Director and Key Managerial Personnel and their shareholding maintained under Section170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested under Section 189 will be made available for inspection by members of the Company at the venue of the meeting.

21. Voting through electronic means:

I. Remote e-voting: In compliance with 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 the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited ('Karvy') (formerly known as Karvy Computershare Private Limited) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail asa.pcs123@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ Event No."

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/ Depository Participants (s)]:

i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM through ballot process. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS:

(a) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or

contact to Mr. V Kishore, Asstt. Manager, Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500008 or at evoting@karvy.com or phone no. 040-6716 1585 or call Karvy's toll free No. 1800-345-4001 for any further clarifications.

(b) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(c) The remote e-voting period will commence on **Monday, September 23, 2019 (9:00 a.m.) and ends on Thursday, September 26, 2019 (5:00 p.m.)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **September 20, 2019** may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

(d) The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. **September 20, 2019.**

(e) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date i.e. **September 20, 2019,** he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS:MYEPWD <space> E-Voting Event Number +Folio No. or DP ID Client ID to 9212993399.

Example for NSDL:

MYEPWD <SPACE>IN12345612345678

Example for CDSL:

MYEPWD <SPACE>1402345612345678

Example for Physical:

MYEPWD <SPACE>XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call Karvy's toll free number 1800-345-4001.

iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavor to send User ID and Password to those new Members whose mail ids are available.

(f) M/s Vasisht & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting/ballot process in a fair and transparent manner.

(g) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.ace-cranes.com and on the website of www.evoting.karvy.com within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange(s).

22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Saturday, Sunday and public holidays up to the day of meeting. The said documents will be available for inspection by the memebers at the meeting venue.

23. For effecting change of Address/Bank details/Electronic Clearing Service (ECS) Mandate, if any, Members are requested to notify the same to the Company and/or Registrar and Share Transfer Agent (RTA) of the Company, i.e. Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Serilingampally, Hyderabad-500008. Members must quote their Folio No./ Client ID in all correspondence with the Company/RTA.

24. Members are further informed that as a part of Green initiative taken by Ministry of Corporate Affairs, the Company is sending this notice with Annual Report and would send all the future Notices and Communications to the e-mail addresses of the shareholders, whose e-mail are registered with the Company or with the Depository. However, the Shareholders of whose e-mail ids are not registered with the Company or with the depository would continue to receive the same in physical form. Any shareholder desirous of receiving physical copy of any document can apply for the same to the Company. The Shareholders whose e-mail Id's are not

registered with the Company, are requested to register the same so that they would be able to receive the information in quick time and also it would be useful to the environment.

25. 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.

26. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.

27. In term of section 152 of the Act, Mrs. Surbhi Garg, retire by rotation at the Meeting and being eligible, offer herself for re-appointment.

28. Additional information, pursuant to Regulation 36 of the Listing Regulation, in respect of the Director seeking appointment/ re-appointment at the AGM forms part of the notice as **Annexure-A.**

29. The Requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is omitted by Companies (Amendment) Act, 2017 vide notification dated May 07, 2018 issued by the Ministry of Corporate affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditor, who was appointed in the Annual General Meeting, held on September 29, 2017.

30. Attendance slip, proxy form and the route map of the venue of the meeting are annexed hereto.

31. Members / Proxies are requested to :-

(a) Bring their copy of Annual Report and attendance slip duly filled at the venue of the meeting.

(b) Quote their Folio/DP & Client Id No. in all correspondence with the Company/RTA.

(c) Note that briefcase, bag, eatables etc. will not be allowed to be taken inside the venue of the meeting for security purposes and shareholders will be required to take care of their belongings.

(d) Note that shareholders present in person or through registered proxy shall only be entertained.

(e) The attendance slips/proxy form should be signed as per the specimen signatures registered with the R&T Agent/Depository Participant (DP). Please carry Original photo ID card for identification/verification purposes.

By Order of the Board of Director
For Action Construction Equipment Limited

Sd/-
Anil Kumar
Company Secretary
M. No. ACS: 37791

Place: New Delhi
Date: August 05, 2019
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, Haryana, India
CIN: L74899HR1995PLC053860
Email: cs@ace-cranes.com

ANNEXURE-A

Name of Directors	Mrs. Surbhi Garg	Mr. Avinash Parkash Gandhi
DIN	01558782	00161107
Date of Birth (Age)	11.01.1978 (41)	01.10.1938 (80)
Date of first appointment on Board	12.11.2011	05.08.2019 (Board Meeting Date)
Qualification	Under Graduate	B.E. (Mechanical)
Relationship with Directors/KMP	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
Experience/Expertise in specific functional area	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 80 years holds a rich experience of more than 50 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. He was also associated with Telco holding in senior positions in the area of manufacturing operations. Presently Mr. Gandhi is on the Boards of many reputed Companies namely, Schaeffler India Limited, Lumax Auto Technologies Limited, Lumax Industries Limited, Minda Corporation Limited, Hyundai Motor India Limited etc.
Terms and Conditions of appointment/ re-appointment	Refer Item No. 5	Not liable to retire by rotation, more particulars given in sample letter of appointment of Independent Directors uploaded on website of the Company at www.ace-cranes.com.
Details of Remuneration last drawn (FY-2018-19) (₹ in Lakhs)	₹ 52.22 lakhs	NA
Membership of the Committees of Board of Directors of Company	None	NA
Directorship in other Companies	VMS Equipment Private Limited	• Schaeffler India Limited • Lumax Auto Technologies Limited • Lumax Industries Limited • Minda Corporation Limited • Hyundai Motor India Limited • QRG Enterprises Limited • Minda Sai Limited • Uniproducts (India) Limited • EV Motors India Private Limited • Fairfield Atlas Limited

Membership of the Board committee of other companies in which he/she is a Director	None	1. Schaeffler India Limited • Audit Committee, Member • Nomination & Remuneration Committee, Member 2. Lumax Industries Limited • Audit Committee, Chairman • CSR Committee, Member 3. Minda Corporation Limited • Audit Committee, Member • Nomination & Remuneration Committee, Chairman 4. Lumax Auto Technologies Limited • Audit Committee, Member 5. Uniproducts (India) Limited • Nomination & Remuneration Committee, Chairman
No. of Board Meetings attended during the year (FY-2018-19)	Total Meetings held : 4 Total Meetings attended : 4	NA
No. of shares held in the Company (As on March 31, 2019)	69,30,156 no. of equity shares of ₹ 2 each	NIL

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 Goyal & Associates, Cost Accountants, (Firm registration No: 000787), to conduct the audit of the cost records of the Company in respect of the applicable products for the financial year ending March 31, 2020 at an annual remuneration of ₹ 70,000 (Rupees Seventy Thousand Only) plus applicable taxes inclusive of all out of pocket expenses subject to the deduction of applicable taxes.

M/s Goyal & 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, 2020.

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, the members of the Company have re-appointed Mrs. Surbhi Garg as Whole-Time Director of the Company in their 22nd Annual General Meeting held on September 23, 2016 for a period of three years w.e.f. April 01, 2017 and current term of her appointment as Whole-Time Director will expire on March 31, 2020.

Mrs. Surbhi Garg, aged 41 years, is a Promoter and Whole-Time Director of the Company. She is having over 10 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. She has excellent grasp and thorough knowledge with overall experience of general management. Considering her knowledge of various aspects relating to the Company's affairs and vast business experience, the Board of Directors is of the opinion that 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, 2020 for smooth and efficient running of the business.

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, and 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 16, 2019, re-appointed Mrs. Surbhi Garg (DIN: 01558782) as the Whole-Time Director of the Company with effect from April 01, 2020, for further period of five years.

Keeping in view that Mrs. Surbhi Garg has a rich and varied experience in the Industry and has been involved in the operations of the Company since 2011; it would be in the interest of the Company to continue the employment of Mrs. Surbhi Garg as Whole-Time Director.

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, 2020 to March 31, 2025.

3. Remuneration including allowance and perquisites as under:

(a) Salary, Perquisites and Allowances per annum:

Salary	In the scale of ₹ 48 lakhs to ₹ 100 lakhs.
Perquisites and Allowances	In the scale of ₹ 15 lakhs to ₹ 25 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-imbursement 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 conform 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-A"** to the 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, Whole-Time Director and 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/are 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 set out at item no. 5 of the notice for approval by the Members.

ITEM NO. 6:

Section 149 of the Companies Act, 2013 ('the Act') and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director can hold office for a term up to five consecutive years on the Board.

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 August 05, 2019, recommended for the approval of the members, the appointment of Mr. Avinash Parkash Gandhi (DIN: 00161107) as Independent Non-Executive Director of the Company for first term of five consecutive years from October 01, 2019 to September 30, 2024 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 Regulation16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has informed that he is not disqualified under Section 164(2) of the Act. He has also given his consent to act as Director of the Company, if so appointed by the members.

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 more than seventy five years and his appointment as Independent Director, need to be approved by special resolution by the shareholders.

Brief profile of Mr. Gandhi:

Mr. Avinash Parkash Gandhi aged 80 years holds a rich experience of more than 50 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, Schaeffler India Limited, Lumax Auto Technologies Limited, Lumax Industries Limited, Minda Corporation Limited, Hyundai Motor India Limited etc.

Mr. Avinash Parkash 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 appointment as an Independent Non-Executive Director of the Company and is independent of the management.

The Board of Directors is of the opinion that Mr. 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-A**.

Accordingly, the Board recommends passing of the Special Resolution in relation to appointment of Mr. Gandhi as an Independent Non-Executive Director for first term of five consecutive years with effect from October 01, 2019 to September 30, 2024, 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 any working day, except Saturday, upto and including the date of AGM of the Company.

Save and except Mr. Avinash Parkash Gandhi, being an appointee Director and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the special resolution set out at Item No. 6 of the Notice.

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ACE

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

ATTENDANCE SLIP

Please complete this attendance slip and hand over it at the entrance of the meeting hall, joint shareholders may obtain attendance ship on request.

Folio No./Client ID No.*	
DP ID *	
No. of shares	
Name	
Address	

*Applicable for the members holding shares in the electronic form.

I hereby record my presence at the 25th Annual General Meeting of the Company to be held on Friday, September 27, 2019 at 11:30 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001.

Signature of Shareholder/Proxy

Note:

Members / Proxies are requested to:-

(a) Bring their copy of Annual Report and attendance slip duly filled at the venue of the meeting.

(b) Quote their Folio/DP & Client Id No. in all correspondence with the Company/RTA.

(c) Note that briefcase, bag, eatables etc. will not be allowed to be taken inside the venue of the meeting for security purposes and shareholders will be required to take care of their belongings.

(d) Note that shareholders present in person or through registered proxy shall only be entertained.

(e) The attendance slips/proxy form should be signed as per the specimen's signatures registered with the R&T Agent/Depository Participant (DP). **Please carry Original photo ID card for identification/verification purposes.**

Blank

ACE

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

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L74899HR1995PLC053860
Name of the company:	Action Construction Equipment Limited
Registered office:	Dudhola Link Road, Dudhola, Palwal, Haryana-121102.

Name of the member(s):	
Registered address:	
Email Id:	
Folio No./Client Id:	
DP ID:	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name:	
Address:	
E-mail Id:	
Signature:	

Or Failing Him

2. Name:	
Address:	
E-mail Id:	
Signature:	

Or Failing Him

3. Name:	
Address:	
E-mail Id:	
Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on **Friday, September 27, 2019 at 11:30 a.m.** at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	For	Against
Ordinary Business			
1.	**To receive, consider and adopt:**		
(a)	The audited standalone financial statement of the Company for the financial year ended March 31, 2019 and the 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, 2019 and report of Auditors' thereon.		
2.	To declare final dividend on Equity Shares for the financial year ended March 31, 2019.		
3.	To appoint a Director in place of Mrs. Surbhi Garg (DIN: 01558782) who retires from office by rotation, and being eligible, offers herself for re-appointment.		
Special Business			
4.	To ratify the remuneration of the cost auditors for the financial year ending March 31, 2020.		
5.	Re-appointment of Mrs. Surbhi Garg (DIN: 01558782) as Whole-Time Director, Designated as Executive Director of the Company.		
6.	Appointment of Mr. Avinash Parkash Gandhi (DIN: 00161107) as an Independent Non-Executive Director of the company.		

Signed this..... day of..... 2019.

Signature of shareholder.....

Affix Revene Stamp

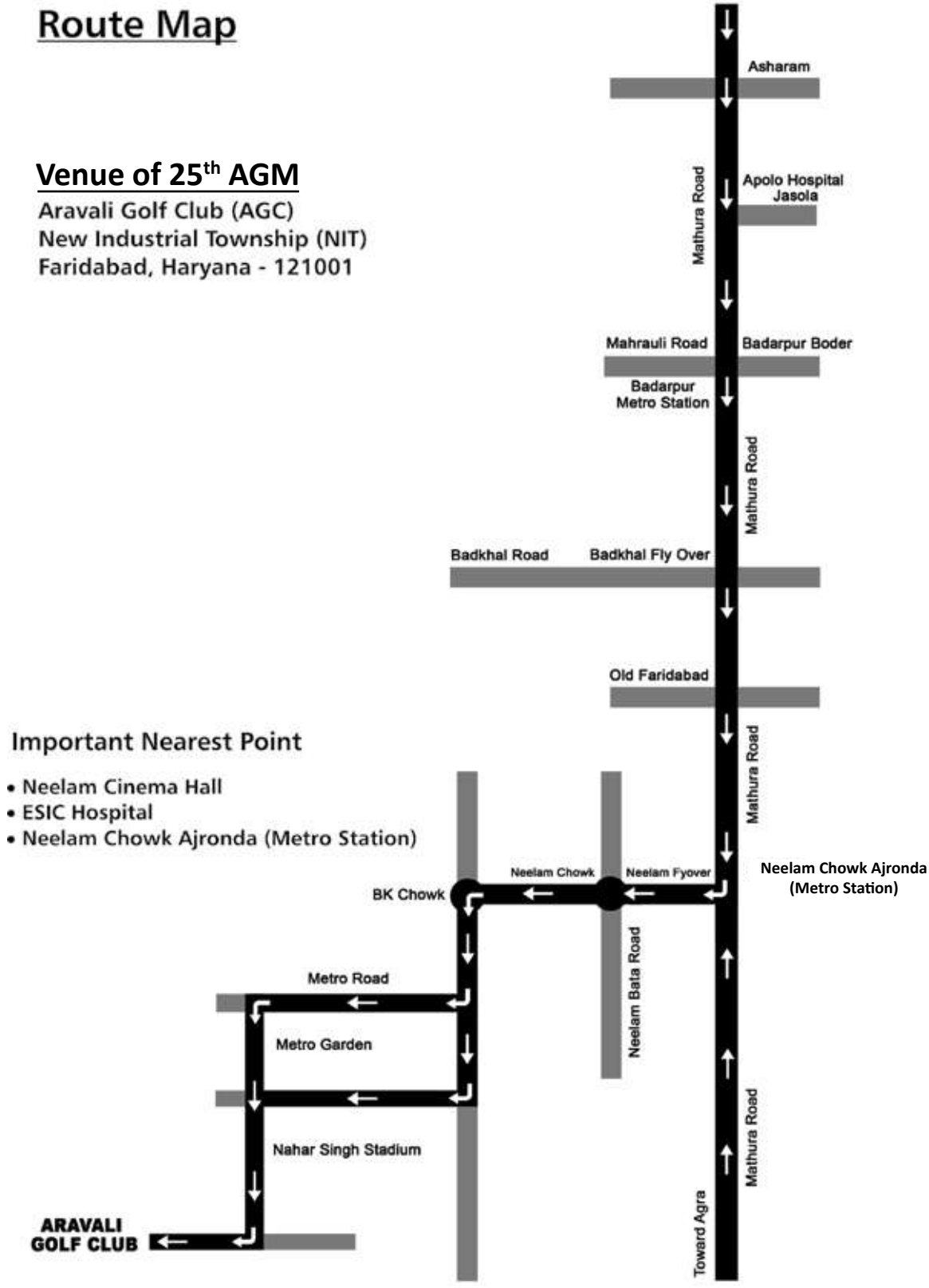
Signature of Proxy holder(s).....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map

Venue of 25th AGM

Aravali Golf Club (AGC)
New Industrial Township (NIT)
Faridabad, Haryana - 121001



Important Nearest Point

- Neelam Cinema Hall
- ESIC Hospital
- Neelam Chowk Ajronda (Metro Station)

Corporate Profile

BOARD OF DIRECTORS

- Mr. Vijay Agarwal
  Chairman and Managing Director
- Mrs. Mona Agarwal
  Whole - Time Director
- Mr. Sorab Agarwal
  Whole - Time Director
- Mrs. Surbhi Garg
  Whole - Time Director
- Mr. Girish Narain Mehra (IAS Retd.)
  Independent Director
- Mr. Subhash Chander Verma
  Independent Director
- Dr. Amar Singhal
  Independent Director
- Maj. Gen.(Retd.) Dr. Keshav Chandra Agrawal
  Independent Director

Chief Financial Officer (CFO)
Mr. Rajan Luthra

Company Secretary & Compliance Officer
Mr. Anil Kumar

Statutory Auditors
M/s BRAN & ASSOCIATES
Chartered Accountants

Registrar and Share Transfer Agent
Karvy Fintech Private Limited
Phone : +91-40-23322454, 23320751/52/53
Fax : +91-40-23311968
E-mail : einwards.ris@karvy.com

Bankers
- ICICI Bank Ltd.
- Standard Chartered Bank
- Axis Bank Ltd.
- State Bank of India
- Indusind Bank

Stock Exchanges
- BSE Limited
- National Stock Exchange of India Limited

Subsidiary Company
SC FORMA SA, Romania

Registered & Corporate Office
Dudhola Link Road,
Village Dudhola, Palwal-121102,
Haryana, India

Marketing Office
4th floor, Pinnacle, Surajkund,
Faridabad-121009
Haryana

www.ace-cranes.com

UNIT LOCATIONS

- Jajru Road, 25th Mile Stone, Delhi Mathura Road,Ballabgarh, Distt. Faridabad, Haryana-121004
- Dudhola Link Road, Village Dudhola, Distt. Palwal, Haryana-121102
- 45th Mile Stone, Mathura Road, Prithla, Distt. Palwal, Haryana-121102

RESEARCH & DEVELOPMENT CENTERS

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

ACE

Action Construction Equipment Limited

(CIN : L74899HR1995PLC053860)

Reg. & Corp. Office : Dudhola Link Road, Dudhola, Distt. Palwal - 121102, Haryana, India

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