



ACTION CONSTRUCTION EQUIPMENT LIMITED

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Seventh (27th) Annual General Meeting (AGM) of the Members of Action Construction Equipment Limited ("Company") will be held on Friday, September 03, 2021 at 12.00 Noon (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following businesses. The deemed venue of AGM shall be the registered office of the Company.

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- (a) The audited standalone financial statements of the Company for the financial year ended March 31, 2021 and reports of Board of Directors and Auditors' thereon; and
- (b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and report of Auditors' thereon.

2. To declare a final dividend of ₹ 0.50 i.e. (25%) per equity share for the Financial Year ended March 31, 2021.
3. To appoint a Director in place of Mrs. Mona Agarwal (DIN: 00057653) who retires from office by rotation, and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

4. To ratify the remuneration of the cost auditors for the financial year ending March 31, 2022 and in this regard, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus applicable taxes inclusive of all out of pocket expenses, approved by the Board of Directors, to be paid to M/s Vandana Bansal & Associates, Cost Accountants (Firm Registration No: 100203), appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors be

and is hereby authorized to perform and execute and to do all such acts, deeds, things, and matters as may be deemed necessary, proper or expedient and for the matters connected herewith or incidental hereto."

5. **Appointment of Dr. Jagan Nath Chamber (DIN:08841478) as an Independent Non-Executive Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of 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) and other applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Jagan Nath Chamber (DIN:08841478) who has been appointed as an Additional Director of the Company by the Board of Directors w.e.f. November 06, 2020 pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the said Act proposing his candidature for the office of Director, be and is hereby appointed an Independent Non-Executive Director of the Company to hold office for a first term of five consecutive years effective from November 06, 2020 and whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute and to do all such acts, deeds, things, and matters as may be deemed necessary, proper or expedient and for the matters connected herewith or incidental hereto."

"RESOLVED FURTHER THAT Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Rajan Luthra, Chief Financial Officer and Mr. Anil Kumar, Company Secretary of the Company be and are 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."

6. Re-classification of Authorised Share Capital of the Company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for reclassification of the Authorised Share Capital of the Company from ₹ 55,25,00,000 (Rupees Fifty Five Crore Twenty Five Lakhs only) divided into 12,50,00,000 (Twelve Crore Fifty Lakhs) Equity Shares of ₹ 2 (Rupees Two) each and 3,02,50,000 (Three Crore Two Lakhs Fifty Thousand) 8% Redeemable cumulative Preference Shares of ₹ 10 (Rupees Ten) each to ₹ 55,25,00,000 (Rupees Fifty Five Crore Twenty Five Lakhs only) divided into 27,62,50,000 (Twenty Seven Crore Sixty Two Lakhs Fifty Thousand) Equity Shares of ₹ 2 (Rupees Two) each and consequently the existing Clause V of the Memorandum of Association of the Company, relating to the Share Capital be and is hereby altered by deleting the same and substituting in its place and stead, the following new Clause V:

‘V’ The Authorised Share Capital of the Company is ₹ 55,25,00,000 (Rupees Fifty Five Crore Twenty Five Lakhs only) divided into 27,62,50,000 (Twenty Seven Crore Sixty Two Lakhs Fifty Thousand) Equity Shares of ₹ 2 (Rupees Two) each.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute and to do all such acts, deeds, things, and matters as may be deemed necessary, proper or expedient and for the matters connected herewith or incidental hereto”.

“RESOLVED FURTHER THAT Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Rajan Luthra, Chief Financial Officer and Mr. Anil Kumar, Company Secretary of the Company be and are 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.”

7. Approval of Action Construction Equipment Limited Employees Stock Option Scheme - 2021 and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof), Regulation 6(1) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee

Benefits) Regulations, 2014 (**“SEBI (SBEB) Regulations”**), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI (LODR) Regulations”**), relevant provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines/ Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/ imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), the consent of the Members of the Company be and is hereby accorded for the approval of **Action Construction Equipment Limited Employees Stock Option Scheme-2021 (“Scheme”)** and the Board of Directors of the Company (hereinafter referred to as the **“Board of Directors”** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised to create, grant, offer, issue and allot under the Scheme, in one or more tranches, such number of Employee Stock Options (**“Options”**) not exceeding of 5 % of the paid-up capital of the Company as on March 31, 2021 comprising into 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Options (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of:

- (a) a Permanent Employee of the Company who has been working in India or outside India; or
- (b) a Director of the Company, whether a Whole Time Director or not but excluding an Independent Director and Non-Executive Directors;

but does not include-

- (a) an Employee or Director who is a Promoter or a person belonging to the Promoter Group; or
- (b) a Director who either himself or through his relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company.

and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time (**“Eligible Employees”**), exercisable into 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Equity Shares of face value ₹ 2/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as

may be applicable from time to time) on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the Scheme.”

“RESOLVED FURTHER THAT the Scheme shall be administered by the Nomination and Remuneration Committee of the Company who shall have all necessary powers as defined in the Scheme and is hereby designated as Compensation Committee in pursuance of the SEBI (SBEB) Regulations for the purpose of administration and superintendence of the Scheme.”

“RESOLVED FURTHER THAT the Scheme shall be implemented through trust route wherein an irrevocable Trust, as set up by the Company by the name **Action Construction Equipment Limited Employees Welfare Trust (“Trust”)** shall acquire the shares of the Company either by way of direct allotment from the Company and/or Secondary acquisition from the market and will follow cash mechanism.”

“RESOLVED FURTHER THAT out of the overall pool of into 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Equity Shares, the Trust may acquire such quantity of Shares either by way of secondary acquisition and/or by direct allotment as decided by the Board of Directors, from time to time.”

“RESOLVED FURTHER THAT the new Equity Shares, if any, to be issued and allotted by the Company under the Scheme shall rank pari passu in all respects with the then existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT the Company shall confirm to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.”

“RESOLVED FURTHER THAT the Board of Directors, subject to compliance with the SEBI (SBEB) Regulations and other applicable laws, rules and regulations, be and are hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the

effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors are authorized to do for the purpose of giving effect to this resolution.”

8. To approve acquisition of Equity Shares by way of secondary acquisition under Action Construction Equipment Limited Employees Stock Option Scheme-2021 and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 6(3) (a) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**“SEBI (SBEB) Regulations”**), applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof), the applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI (LODR) Regulations”**), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **“Board of Directors”** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) for secondary acquisition of upto 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Equity Shares (**“Shares”**) of the Company by **Action Construction Equipment Limited Employees Welfare Trust (“Trust”)**, in one or more tranches, and at such price or prices and on such terms and conditions, as may be determined by the Board of Directors, for the purpose of implementation of the **Action Construction Equipment Limited Employees Stock Option Scheme-2021 (“Scheme”)** and in due compliance with the provisions of the SEBI (SBEB) Regulations.”

“RESOLVED FURTHER THAT the total number of Shares under secondary acquisition held by the Trust in pursuance to the Scheme or any other share based Employee benefit plan implemented in the past, shall at no time, exceed 5 (five) percent of the Paid-up Equity Capital of the Company

in due compliance with the provisions of the SEBI (SBEB) Regulations.”

“RESOLVED FURTHER THAT the secondary acquisition by the Trust in any financial year shall not exceed 2 (two) percent of the paid-up Equity capital as at the end of the respective previous financial year in due compliance with the provisions of the SEBI (SBEB) Regulations.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as bonus issue, rights issue, stock splits or consolidations or other re-organisation, if any, where additional Equity Shares are required to be issued by the Company to the shareholders, then the maximum number of Equity Shares to be acquired by the Trust from the secondary market in any financial year as well as the maximum number of Equity Shares acquired from the secondary market and held by the Trust at any point of time, as aforesaid, shall be increased in the same proportion as the number of such additional Equity Shares issued bears to the number of Equity Shares outstanding immediately prior to such issue.”

“RESOLVED FURTHER THAT the Trust shall not deal in derivatives and shall undertake transactions as permitted by SEBI (SBEB) Regulations.”

“RESOLVED FURTHER THAT the Trustees of the Trust shall not vote in respect of the Shares held by such Trust.”

“RESOLVED FURTHER THAT for the purposes of disclosures to the stock exchange(s), the shareholding of the Trust shall be shown as non-promoter and non-public shareholding.”

“RESOLVED FURTHER THAT the Trustees of the Trust shall ensure compliance of the provisions of the SEBI (SBEB) Regulations, Companies Act, 2013 and all other applicable laws at all times in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary and incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution.”

9. Provision of money by the Company for purchase of its own shares by the trust / trustees for the benefit of employees under Action Construction Equipment Limited Employees Stock Option Scheme-2021 and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 67(3), 62(1)(b) of the Companies Act, 2013, Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**“SEBI (SBEB) Regulations”**), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI (LODR) Regulations”**), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **“Board of Directors”** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to **Action Construction Equipment Limited Employees Welfare Trust (“Trust”)**, in one or more tranches not exceeding 5% (Five percent) of the aggregate of the Paid-Up share capital and Free Reserves for the purpose of subscription and/or purchase of Equity Shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of Equity Shares (**“Shares”**) as may be prescribed under **Action Construction Equipment Limited Employees Stock Option Scheme-2021 (“Scheme”)** or any other share based Employee benefit plan which may be introduced by the Company from time to time (**“Employee Benefit Scheme(s)”**) with a view to purchase such Shares in line with contemplated objectives of the Scheme or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI (SBEB) Regulations, Companies Act, 2013 and any other applicable laws and regulations.”

“RESOLVED FURTHER THAT the above limit of 5% shall be taken on consolidated basis for all Employee Benefit Scheme(s) as may be undertaken by the Company from time to time.”

“RESOLVED FURTHER THAT any loan provided by the Company shall be interest free and shall be repayable by the Trust in quarterly intervals subject to availability of the funds received pursuant to exercise of stock options under the Scheme and in accordance with the relevant provisions of the applicable laws & regulations.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to comply with the legal provisions and do all ancillary and consequential matters and to take such steps and to do such acts, deeds, matters and things as they may deem proper and give/send such notices, directions as may be necessary to give effect to the above resolution.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution.”

- 10. To approve raising of funds in one or more tranches, by issuance of securities by way of private offerings, qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable law for an amount up to ₹ 175.00 Crore and in this regard, to consider, and if thought fit, to pass the following resolution as a Special Resolution.**

“RESOLVED THAT pursuant to Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof (“Companies Act”) and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the BSE Limited and National Stock Exchange of India Limited (the “Stock Exchanges”) and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary / Equity Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended, the listing agreements entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed; and

any other provisions of applicable laws (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India (“Gol”), Ministry of Corporate Affairs (“MCA”), Reserve Bank of India (“RBI”), Securities and Exchange Board of India (“SEBI”), Stock Exchanges, and such other statutory / regulatory authorities), and subject to all approvals, permissions, consents, and / or sanctions as may be necessary or required from SEBI, the Stock Exchanges, RBI, MCA, Gol, or any other concerned statutory / regulatory authorities, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and / or sanctions by any of the aforesaid authorities, which will be considered by the Board of Directors of the Company (“Board”, which term shall include any committee which the Board may have constituted or may hereinafter constitute from time to time to exercise its powers, including the powers conferred by this resolution), approval of the members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised to offer, issue, and allot (including with provisions for reservations on firm and / or competitive basis, or such part of the issue and for such categories of persons as may be permitted) any instrument or security, including equity shares of the face value of ₹ 2/- each (Rupees Two Only) (“Equity Shares”), fully / partly convertible debentures, global depository receipts, American depository receipts, foreign currency convertible bonds, non-convertible debentures, warrants (collectively, the “Securities”), or any combination of Securities, to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non-resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the SEBI ICDR Regulations (“QIBs”) / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in one or more tranches, with or without a green shoe option, to raise funds for an aggregate consideration of up to ₹ 175.00 Crore only (Rupees One Hundred Seventy Five Crore Only), through a public issue, rights issue, preferential allotment, or a private placement (including one or more qualified institutions placements (“QIPs”) in accordance with the applicable provisions of the Companies Act and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, to be subscribed to in Indian and

/ or any foreign currency by all eligible investors, through the issuance of an offer document(s) / letter(s) / circular(s) / placement document(s), as permitted under applicable laws and regulations, at such price(s) (including at a discount or premium to market price or prices permitted under applicable law), in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine to whom the offer, issue and allotment of Securities shall be made to the exclusion of others (including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company); making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investors and / or in respect of different Securities; number of securities to be issued; face value; number of Equity Shares to be issued and allotted on conversion / redemption / extinguishment of debt(s); rights attached to the warrants; period of conversion; fixing of record date(s); and / or book closure date(s) subject to the applicable laws considering the prevailing market conditions and / or other relevant factors, and wherever necessary, in consultation with the book running lead managers and / or other advisors appointed.”

“RESOLVED FURTHER THAT the ‘relevant date’ for the purpose of pricing the Securities shall be date of the meeting in which the Board decides to open the issue of the Securities, subsequent to receipt of approval from the members of the Company, in terms of applicable laws; in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs by way of a QIPs, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board.”

“RESOLVED FURTHER THAT in case of an issue and allotment of Securities by way of a QIPs in terms of the SEBI ICDR Regulations:

- (i) The allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution by the members of the Company;
- (ii) The Equity Shares to be offered, issued, and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank *pari passu* in all respects with the existing Equity Shares;
- (iii) No partly paid-up Equity Shares or other Securities shall be issued / allotted;
- (iv) The issuance of the Securities by way of the QIPs shall be made at such price that is not less than the price determined in accordance with the pricing formula provided under Regulation 176(1) of the SEBI

ICDR Regulations (“QIP Floor Price”), and the price determined for the QIPs shall be subject to appropriate adjustments as per the provisions of the SEBI ICDR Regulations, as may be applicable. However, the Board, at its absolute discretion, may offer a discount of not more than 5% or such other percentage as may be permitted under applicable law on the QIP Floor Price;

- (v) No single allottee shall be allotted more than 50% of the issue size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations; and
- (vi) The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this special resolution.

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per prevailing practices and regulations in the capital markets and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed to.”

“RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, *inter alia*, subject to the following terms and conditions:

- a) In the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced *pro tanto*;
- b) In the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;
- c) In the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares and the price as aforesaid shall be suitably adjusted; and
- d) In the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or reclassification of the Securities into other securities and/ or involvement in such other event or circumstances which in the opinion of concerned

stock exchange requires such adjustments, necessary adjustments will be made

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to do such acts, deeds, and things, in its absolute discretion, as it deems necessary or desirable in connection with offering, issuing, and allotting the Securities, and to give effect to these resolutions, including, without limitation, the following:

- (a) Offer, issue and allot all / any of the Securities, subject to such terms and conditions, as the Board may deem fit and proper in its absolute discretion;
- (b) Determining the terms and conditions of the issuance, including among other things, (a) terms for issuance of additional Securities and for disposal of Securities which are not subscribed to by issuing them to banks / financial institutions / mutual funds or otherwise, (b) terms as are provided in domestic offerings of this nature, and (c) terms and conditions in connection with payment of interest, dividend, voting rights, premium and redemption or early redemption, conversion into Equity Shares, pricing, variation of the price or period of conversion, and / or finalizing the objects of the issuance and the monitoring of the same;
- (c) Approve, finalise, and execute any preliminary as well as final offer document(s) (including, among other things, any draft offer document, offering circular, registration statement, prospectus, preliminary placement document, placement document, private placement offer letter, letter of offer, and / or other letter or circular), and to approve and finalise any bid cum application form(s), confirmation of allocation notes abridged letter(s) of offer, notices, including any advertisements and any other documents or any term sheets or any other ancillary documents in this regard;
- (d) Decide the form, terms and timing of the issue(s), including the opening and closing of the issue / offering(s), Securities to be issued and allotted, class of investors to whom Securities are to be offered, issued and allotted, number of Equity Shares to be issued and allotted in each tranche;
- (e) Issue and allot such number of Equity Shares, as may be required to be issued and allotted, upon conversion of any Securities, or as may be necessary in accordance with the terms of the issuance all such Equity Shares ranking pari passu with the existing Equity Shares in all respects;
- (f) Approve, finalise, execute, and amend agreements and documents, including, any number of powers of attorney, lock-up letters, agreements in connection with the creation of any security, and agreements

in connection with the appointment of any intermediaries and / or advisors, (including for underwriting, marketing, listing, trading, appointment of lead manager(s) / merchant banker(s), legal counsel, depository(ies), banker(s), advisor(s), registrar(s), trustee(s), and other intermediaries as required), and to pay any fees, commission, costs, charges and other expenses in connection therewith;

- (g) Provide such declarations, affidavits, certificates, consents and / or authorities as required from time to time;
- (h) Seek any consents and approvals, including, among others, the consent(s) from the Company’s lenders, customers, vendors, parties with whom the Company has entered into agreements, and from concerned statutory and regulatory authorities;
- (i) File requisite documents with the SEBI, Stock Exchanges, the GoI, the RBI, and any other statutory and / or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;
- (j) Seeking the listing of the Securities on any stock exchange(s), submitting the listing application(s) to such stock exchange(s) and taking all actions that may be necessary in connection with obtaining such listing approvals (both in-principle and final listing and trading approvals);
- (k) Open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board;
- (l) Approving the issue price and finalize allocation and the basis of allotment(s) of the Securities on the basis of the bids / applications and oversubscription thereof as received, where applicable;
- (m) Acceptance and appropriation of the proceeds of the issue of the Securities;
- (n) Affix the common seal of the Company, as required, on any agreement(s), undertaking(s), deed(s) or other document(s), in the presence of any one or more of the Directors of the Company or any one or more of the officers of the Company as may be authorised by the Board in accordance with the Memorandum of Association and Articles of Association of the Company;
- (o) Further authorise and empower any committee and / or director(s) and / or officer(s) of the Company, to execute and deliver, for and on behalf of the Company, any and all other documents or instruments and doing or causing to be done any and all acts or things as the committee / director(s) / officer(s) may deem

necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing, or in connection with the issuance of Securities, and any documents or instruments so executed and delivered or acts and things done or caused to be done by the committee / director(s) / officer(s) shall be conclusive evidence of the authority of the committee / director(s) / officer(s) and the Company in doing so;

- (p) to settle any issues, questions, difficulties or doubts that may arise; and
- (q) Do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or settle any issues, questions, difficulties or doubts that may arise in regard to or in connection with any matter(s) referred to or contemplated in any of this resolution and the members of the Company shall be deemed to have given their approval thereto expressly by the authority

of this resolution and all actions taken by the Board in connection with any matter(s) referred to or contemplated in this resolution are hereby approved, ratified and confirmed in all respects.

**By Order of the Board of Director
For Action Construction Equipment Limited**

**Place: Faridabad
Date: July 31, 2021
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. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively "MCA Circulars"), and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, (collectively "SEBI Circulars") permitted Companies to conduct Annual General Meeting (AGM) through Video Conferencing (VC)/ or Other Audio Visual Means (OAVM), subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 27th AGM of the Company is being convened and conducted through VC/OAVM. The deemed venue of the AGM shall be the registered office of the Company.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with **National Securities Depository Limited (NSDL)** for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
3. As per the provisions under the MCA Circulars, Members attending the 27th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, ("Act") which sets out details relating to Special Business at the Meeting, is **annexed** hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to cs@ace-cranes.com.
5. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 27th AGM is being held through VC/OAVM as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 27th AGM and hence **the Proxy Form and Attendance Slip are not annexed to this Notice.**
6. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the RTA/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.ace-cranes.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evoting.nsdl.com.
7. The Institutional/Corporate members intending to attend the e-AGM through authorised representatives are requested to send to Company/Scrutinizer a certified true copy of the Board Resolution (PDF/ JPG format) authorising their representative to attend the e-AGM through VC/OAVM and vote on their behalf by an email through its registered email address to cs@vasishtassociates.com.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The details of the Directors seeking appointment/re-appointment at the 27th AGM are provided in **Annexure-I** of this Notice. The Company has received the requisite consents/declarations for the appointment/re-appointment under the Companies Act, 2013 and the rules made thereunder.
10. In order to enable the Company to comply with MCA/SEBI circulars and to participate in the 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/RTA or with the Depository. **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.**
11. The Register of Members and the Share Transfer books of the Company will remain closed from **Friday, August 27, 2021 to Friday, September 03, 2021 (both days inclusive)** for the purpose of Annual General Meeting and for determining the entitlement of the shareholders to the dividend for FY 2020-21. **Cut-off date** for e-voting will be **Friday, August 27, 2021.**
12. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed **Friday, August 27, 2021 as cut-off date for determining**

the Members who shall be entitled to vote through remote e-voting or e-voting at the AGM. A member who is not a member as on the cut-off date shall treat this notice for information purpose only.

13. 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.

14. Members holding shares in physical mode:

- (a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company/(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/RTA for receiving all communications from the Company electronically.

15. Non-Resident Indian members are requested to inform RTA/ respective DPs, immediately of:

- (a) Change in their residential status on return to India for permanent settlement.
- (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

16. The Board in their meeting held on May 28, 2021 has recommended dividend of ₹ 0.50 i.e. (25%) per equity share for the financial year ended March 31, 2021. 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.

17. The dividend after deduction of tax at source, if declared at the AGM, would be paid/ dispatched to those persons or their mandates:

- (a) Whose names appear as beneficial owners as at the end of the business hours on **August 26, 2021** in the list of beneficial owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic mode; and

- (b) Whose names appear as members in the Register of Members of the Company/ RTA after giving effect to valid share transmission/ transposition in physical form lodged with the Company on or before **August 26, 2021.**

18. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details of investors furnished by the Depositories/ available with the RTA for payment of dividend through National Electronic Clearing Services ("NECS") to the investors, wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from members holding shares in electronic mode for deletion/ change in such bank account details. Further, instruction if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participant about such change, with complete details of bank account. In case the shares are held in physical form, please send NECS form, so as to reach on or before the date of Book Closure fixed for payment of dividend to RTA. Dividend warrants/demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service.

19. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the RTA by sending email to the SKYLINE's email address at admin@skylinerta.com. For details, Members may refer to the "Communication on TDS on Dividend Distribution" appended to this notice as **Annexure - II.**

20. Member(s) of the Company who are holding shares in physical form and have multiple accounts in identical name(s) or are holding more than one share certificate in the same name under different Ledger Folio(s) are requested to apply for consolidation of such folio(s).

21. Members wishing to claim dividend that remain unclaimed are requested to correspond with the Registrar and shares transfer agent (RTA) or the Company Secretary of the Company. Members are requested to note that as per section 124 of the Companies Act, 2013 and applicable rules, dividends that are not claimed within seven years

from the date of transfer to the Company's unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) and shares on which dividend remains unclaimed for seven consecutive years will also be transferred to the IEPF.

22. The Company has transferred the unpaid or unclaimed dividends upto FY 2012-13 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts on the website of the Company at www.ace-cranes.com in the Investors Relation section.

Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has already transferred all shares in respect of which dividend (declared up to FY 2012-13) has not been paid or claimed by the members for 7 (seven) consecutive years or more, to IEPF Authority.

23. As the 27th AGM is being held through VC/OAVM, the **route map** is not annexed to this Notice.
24. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the notice and Annual Report will be available for inspection electronically by the members of the Company during the AGM. All other documents referred to in the Notice and Annual Report will also be available for electronic inspection without payment of any fee by the members from the date of circulation of this notice upto the date of AGM i.e. **September 03, 2021**. Members seeking to inspect such documents can send an email to cs@ace-cranes.com.
25. Voting through electronic means
- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 27th AGM by electronic means and the business may be transacted through e-voting Services ("**Remote e-Voting**").

The members who have cast their votes by Remote e-Voting prior to the AGM may also participate in the AGM through VC/ OAVM via link provided in their login ids but shall not be entitled to cast their vote again.

The instructions for members for remote e-voting and joining Annual General Meeting are as under:-

The remote e-voting period begins on **Monday, August 30, 2021 at 09:00 A.M. and ends on Thursday, September 02, 2021 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the **cut-off date** i.e. **August 27, 2021** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, i.e. **August 27, 2021**.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





Step 1: Access to NSDL e-Voting system

- (a) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of share-holders	Login Method
Individual Share-holders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the " Beneficial Owner " icon under " Login " which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on " Access to e-Voting " under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com.Sezlect “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting .</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <p> </p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p>

	<p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
Individual Shareholders holding securities in demat mode with CDSL.	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

(b) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
(b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
(c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details of shareholders other than individual shareholders are given below:
 - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - (c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the

email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- (ii) If your email ID is not registered, please follow steps mentioned below in process **for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - (a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) Physical User Reset Password?”(If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?

- (a) After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- (b) Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Annual General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
- (c) Now you are ready for e-Voting as the Voting page opens.
- (d) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

- (e) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (f) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (g) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- (a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@vasishtassociates.com with a copy marked to evoting@nsdl.co.in.
- (b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- (a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@ace-cranes.com.
- (b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@ace-cranes.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to

the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

- (c) Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- (d) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- (a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (b) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- (c) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting

- or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- (b) Members are encouraged to join the Meeting through Laptops for better experience.
 - (c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - (d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - (e) Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at cs@ace-cranes.com. The same will be replied by the company suitably.
26. Facility of joining the AGM through VC/OAVM shall be available for 1000 members on first come first serve basis. However, participation of members holding 2% or more shares, Promoters and Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
 27. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. **August 27, 2021** may obtain the login ID and password by sending an email to cs@ace-cranes.com or admin@skylinerta.com or evoting@nsdl.co.in by mentioning their Folio No./DP ID and Client ID No.
 28. M/s Vasisht & Associates, Company Secretaries has been appointed as Scrutinizer to scrutinize the Remote e-Voting and e-voting at the AGM in a fair and transparent manner.
 29. The Scrutinizer shall, after the conclusion of e-voting at the AGM, unblock the votes cast through Remote e-Voting and e-voting at AGM shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing, who shall declare the result of the voting forthwith.
 30. The results declared alongwith the Scrutinizer's Report shall be placed on Company's website www.ace-cranes.com and on the website of NSDL at <https://www.evoting.nsdl.com> after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
 31. Members joining the meeting through VC/OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC/OAVM but shall not be entitled to cast their vote again.
 32. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / Folio Number, PAN, Mobile Number at cs@ace-cranes.com on or before September 01, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
 33. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Skyline Financial Services Private Limite, D-153A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi - 110 020 . Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's Annual Report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily send their email address at cs@ace-cranes.com.
 34. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are

urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.

35. In case of any queries regarding the Annual Report or other matters if any, the Members may write to cs@ace-cranes.com to receive an email response.
36. 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.
37. 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.
38. In term of section 152 of the Act, Mrs. Mona Agarwal, retire

by rotation at the Meeting and being eligible, offer herself for re- appointment.

39. 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 7, 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.

**By Order of the Board of Director
For Action Construction Equipment Limited**

**Place: Faridabad
Date: July 31, 2021
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**

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 4

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the rules made thereunder, the Company is required to have the audit of its cost records conducted by a cost accountant in practice and the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

The Board on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s Vandana Bansal & Associates, Cost Accountants, (Firm registration No: 100203), to conduct the audit of the cost records of the Company in respect of the applicable products for the financial year ending March 31, 2022 at an annual remuneration of ₹ 1,00,000 (Rupees One Lakh Only) plus applicable taxes inclusive of all out of pocket expenses subject to the deduction of applicable taxes.

M/s Vandana Bansal & Associates have furnished a certificate regarding their eligibility and consent for re-appointment as Cost Auditors of the Company. They have experience in the field of cost audit.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

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:

The Board of Directors on the recommendation of the Nomination and Remuneration Committee have appointed Dr. Jagan Nath Chamber (DIN:08841478) as additional Director of the Company with effect from November 06, 2020. In accordance with Section 161(1) of the Companies Act, 2013, Dr. Jagan Nath Chamber holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company.

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.

In accordance with the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 ("Act") and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the Board of Directors in its meeting held on November 06, 2020, have appointed Dr. Jagan Nath Chamber (DIN:08841478) as Independent Non-Executive Director of the Company, subject to approval of the shareholders of the Company to hold office for a first term of five consecutive years effective from November 06, 2020 and whose office shall not be liable to retire by rotation."

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has informed that he is not disqualified under Section 164(2) of the Act. He has also given his consent to act as Director of the Company, if so appointed by the members.

The Company has received requisite notice in writing from a member proposing the appointment of Dr. Jagan Nath Chamber as a candidate for the office of Director of the Company.

Brief Profile of Dr. Jagan Nath Chamber:

Dr. Jagan Nath Chamber aged 67 was born at Ludhiana. He did his MA English Literature from Government College Ludhiana and LLB from Delhi University. He was an IAS officer and got UP cadre.

He served as District Magistrate at few places like Mau, Moradabad and served the state government in different capacities like IG Registration and Stamps Commissioner, Commissioner Sales Tax, Transport Commissioner, IG Prisons, Secretary and Principle Secretary of the Departments of Industries, Home and Prisons, Sports and Youth, Agriculture and Horticulture, Food and Civil Supplies, etc. in the State of Uttar Pradesh and also as member Board of Revenue.

Also served in Government of India in the capacity of Joint Secretary, Additional Secretary and Secretary. He Retired from Government of India as Secretary. During the service he did his MBA from Europe and PhD from Kumaon University and have undergone various training courses in the country and abroad including Alumni of Harvard University USA.

Dr. Jagan Nath Chamber 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, Dr. Jagan Nath Chamber fulfills 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 Dr. Jagan Nath Chamber 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 & Memberships of Committees of the Board and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as **Annexure-I**.

Based on the disclosures received from Dr. Jagan Nath Chamber, it is confirmed that he is neither related to any existing Director of the Company nor debarred from accessing the capital markets and/ or restrained from holding any position/ office of director in a Company pursuant to any order of the Securities and Exchange Board of India or any other such authority.

In terms of Section 149 and other applicable provisions of the Act and Rules made thereunder, the approval of members is sought by way of an Special Resolution for the appointment of Dr. Jagan Nath Chamber as Independent Non-Executive Director of the Company to hold office for a first term of five consecutive years effective from November 06, 2020 and whose office shall not be liable to retire by rotation.”

A copy of the draft letter for the appointment of Dr. Jagan Nath Chamber as an Independent Director setting out the terms and conditions will be available for inspection electronically.

Save and except Dr. Jagan Nath Chamber, 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. 5 of the Notice.

The Board recommends the Special Resolution as set out at Item No. 5 of the Notice for approval of the members.

ITEM NO. 6:

The present authorised capital of the Company is ₹ 55,25,00,000 (Rupees Fifty Five Crore Twenty Five Lakhs Only) divided into 12,50,00,000 (Twelve Crore Fifty Lakhs) Equity Shares of ₹ 2 (Rupees Two) each and 3,02,50,000 (Three Crore Two Lakhs Fifty Thousand), 8% Redeemable cumulative Preference Shares of ₹ 10 (Rupees Ten) each.

The Company has redeemed all its 3,02,19,380, 8% Cumulative Non-Participating Redeemable Preference Shares (NCPS) of ₹10/- each aggregating to ₹30,21,93,800/- which were issued pursuant to the scheme of amalgamation between Action Construction

Equipment Limited and ACE TC Rental Private Limited, as per the terms on which preference shares were issued.

In order to raise capital through further issuance of equity shares at any time in future and to strengthen capital structure of the Company, it is therefore deemed appropriate to re-classify the unused Preference Share Capital comprised in the existing Authorised Share Capital of the Company into Equity Share Capital and for that purpose, the Memorandum of Association of the Company is proposed to be altered in the manner specified in resolution at item no. 6 of the notice. .

The provisions of Companies Act, 2013 (“Companies Act”) require the Company to seek an approval of its members for re-classification of its Authorised Share Capital and consequent modification of the Capital Clause of Memorandum of Association. Accordingly, as per sections 13, 14 and 61 read with other applicable provisions of the Companies Act and the rules framed thereunder, the consent of shareholders is required for carrying out necessary amendments/ replacements/alterations in the existing Memorandum of Association.

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.

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval of the members.

ITEM NO. 7 & 8 :

Equity based remuneration includes alignment of personal goals of the Employees with Organisational objectives by participating in the ownership of the Company. The Board of Directors of your Company understands the need to enhance the employee engagement, to reward the employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the key employees and to create a sense of ownership and participation amongst them, the Board of Directors has in its meeting held on **July 31, 2021**, approved Action Construction Equipment Limited Employees Stock Option Scheme-2021 (“Scheme”) to or for the benefit of such Employee as defined in the Scheme.

In terms of Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI (SBEB) Regulations”) and Section 62 and other applicable provisions of the Companies Act, 2013, issue of Equity Shares to Employees of the Company under an Employee Stock Options Scheme requires an approval of the existing Members by way of Special Resolution. The Special Resolution set out at Item No. 7 is seeking your approval for the formulation and implementation of the Scheme and issuance of Equity Shares thereunder.

Further, as per Regulation 6(3)(a) of SEBI (SBEB) Regulations, approval of the shareholders by way of separate Special Resolution is also required for secondary acquisition of Shares by the Trust for proper implementation of the Scheme. The Special Resolution set out at Item No. 8 is seeking your approval for the said purpose.

The salient features and other details of the Scheme as required pursuant to Regulation 6(2) of SEBI (SBEB) Regulations are as under:

1. Brief Description of the Scheme:

The Scheme shall be called as Action Construction Equipment Limited Employees Stock Option Scheme-2021.

The Purpose of the Scheme includes the following:

- (a) To motivate the Employees to contribute to the growth and profitability of the Company;
- (b) To retain the key Employees and reduce the attrition rate of the Company;
- (c) To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company;
- (d) To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come; and
- (e) To provide additional deferred rewards to Employees.

2. The total number of Stock Options to be granted under the Scheme:

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 5% of the Paid Up Capital of the Company as on March 31, 2021, comprising into, 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Options which shall be convertible into equal number of Equity Shares.

If any Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further grant under the Scheme unless otherwise determined by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee).

Further, the maximum number of Options that can be granted and the Equity Shares arise upon exercise of these Options shall stand adjusted in case of corporate action (as defined in the Scheme).

3. Identification of classes of Employees entitled to participate in the Scheme:

- a) A permanent Employee of the Company who has been working in India or outside India; or
- b) A Director of the Company, whether a Whole Time Director or not but excluding an Independent Director and Non-Executive Director;

But does not include:

- a) an Employee or Director who is a Promoter or a person belonging to the Promoter Group; or
- b) A Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company.

4. Requirement of Vesting and period of Vesting:

Vesting period shall commence from the grant date subject to minimum of 1 (One) year from the grant date and a maximum of 4 (Four) years from the grant date, at the discretion of and in the manner prescribed by the Board of Directors.

Vesting of Options can vary from Grantee (an Eligible Employee to whom Options have been granted under the Scheme) to Grantee as per the discretion of the Board of Directors whose decision shall be final and binding.

The vesting would be subject to the continued employment of the Grantee and may further be linked with the eligibility criteria, as determined by the Board of Directors and mentioned in the grant letter.

5. Maximum period within which the Options shall be vested:

Maximum period within which the Options shall be vested is 4 (Four) years from the grant date.

6. Exercise Price or Pricing Formula:

The exercise price of the Shares will be decided by the Board of Directors and will either be:

- In case the Shares acquired by the Trust is from secondary acquisition then the exercise price will be decided on the basis of the average purchase price of the Shares of the Trust or the market price.
- In case the Shares acquired by the Trust is from direct allotment then the exercise price will be based upon market price.

For the above purpose Market price means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Nomination and Remuneration Committee on which the grant is made.

Explanation – As the Equity Shares of the Company are listed on more than one stock exchange, the closing price on the stock exchange having higher trading volume shall be considered as the market price.

The Board of Directors has a power to provide suitable discount upto a maximum of 35% on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.

7. Exercise period and process of Exercise:

After vesting, Options can be exercised within 3 (Three) months from the date of respective vesting, either wholly or in part, through cash mechanism after submitting the exercise application along with payment of the exercise price, applicable taxes and other charges, if any.

The mode and manner of the exercise shall be communicated individually.

8. Appraisal process for determining the eligibility of the Employees to the scheme:

The Board of Directors may on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant / vesting of Options under the Scheme and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee / Grantee in the Company.
- Performance of Employee / Grantee: Employee's / Grantee's performance during the financial year in the Company on the basis of decided parameters.
- Performance of Company: Performance of the Company as per the standards set by the Board of Directors.
- Any other criteria as decided by the Nomination and Remuneration Committee in consultation with Board of Directors from time to time.

9. The Maximum number of Options to be granted per Employee and in aggregate:

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 5% of the Paid Up Capital of the Company as on March 31, 2021, comprising into, 56,74,159 (Fifty Six Lakhs Seventy Four Thousand One Hundred Fifty Nine) Options which shall be convertible into equal number of Equity Shares.

The maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant. The Board of Directors may decide to grant such number of Options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

10. The Maximum quantum of benefits to be provided per Employee under the scheme:

The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Stock Exchanges as on the date of Exercise of Options and the Exercise Price paid by the Employee.

11. Whether the Scheme(s) is to be implemented and administered directly by the Company or through a Trust:

The Scheme shall be implemented through trust route wherein an irrevocable Trust by the name Action Construction Equipment Limited Employees Welfare Trust, set-up by the Company in compliance with SEBI (SBEB) Regulations, shall acquire the Equity Shares either by way of secondary acquisition from the market and/or Direct allotment from the Company.

The Scheme shall be administered by the Nomination and Remuneration Committee which shall delegate some or all of its power to the Trust or any other Committee or Persons for proper administration of the Scheme.

12. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both:

The Scheme involves both secondary acquisitions of equity shares by the Trust / Direct allotment to the Trust by the Company.

13. The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

The amount of interest free loan to be provided for implementation of the Scheme by the Company to the Trust Shall not exceed 5% of the paid-up equity capital and free reserves as provided in Companies Act, 2013. The loan shall be repayable by the Trust in quarterly intervals subject to availability of the funds received pursuant to exercise of stock options under the Scheme and in accordance with the relevant provisions of the applicable laws & regulations. The utilization of such loan shall be for the objects of the Trust as mentioned in the trust deed. The Trust shall repay the loan to the Company by utilising the proceeds realised from exercise of Options by the Grantees and the accruals of the Trust at the time of duration or termination of the Scheme.

14. The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Scheme:

The total number of Shares under secondary acquisition held by the Trust in pursuance to the Scheme or any other share based Employee benefit plan implemented in the past, shall at no time, exceed 5 (Five) percent of the Paid-up Equity Capital of the Company as at the end of the financial

year immediately prior to the year in which the Shareholder approval is obtained for such secondary acquisition in due compliance with the provisions of the SEBI (SBEB) Regulations.

Further, the secondary acquisition in a financial year by the Trust shall not exceed 2 (Two) percent of the Paid up Equity Capital as at the end of the previous financial year.

15. Disclosure and accounting policies:

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB) Regulations or as may be prescribed by regulatory authorities from time to time.

16. The method which the Company shall use to value its Options:

The Company shall comply with the requirements of IND-AS 102 and shall use Fair value method.

17. Statement with regard to Disclosure in Director’s Report:

As the company is adopting fair value method, presently there is no requirement for disclosure in director’s report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors’ report and the impact of this difference on profits and on earnings per share (“EPS”) of the Company shall also be disclosed in the Directors’ report.

In terms of Section 62 of the Companies Act, 2013 and Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the approval of the Shareholders is sought by way of Special Resolution for the approval of the Action Construction Equipment Limited Employees Stock Option Scheme-2021 and issuance of new Shares and / or transfer of existing Shares under this Scheme.

Therefore, your Directors recommend the resolutions as set out at item no. 7 and 8 for your approval as Special Resolutions.

None of the Directors, Key Managerial Personnel of the Company, and any relatives of such Director, Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the options may be granted under the Scheme.

Action Construction Equipment Limited Employees Stock Option Scheme-2021 and other documents referred to in the aforesaid resolutions are available for inspection electronically in the Investors Section of the website of the Company.

ITEM NO. 9

In order to execute Action Construction Equipment Limited Employees Stock Option Scheme-2021 through Trust Route, the Company needs to make provisioning of funds to the Trust so as to enable it to purchase the Shares of the Company. Accordingly, Item No. 9 which is proposed for approval of the Shareholders is set out in this Notice.

The disclosures as per Rule 16 of the Chapter IV of the Companies Act, 2013, are as under:

1.	The class of Employees for whose benefit the Scheme is being implemented and money is being provided for purchase of or subscription to Shares.	The class of Employees for whose benefit the Scheme is being implemented and money is being provided for purchase of or subscription to Shares is as follow: a) A permanent Employee of the Company who has been working in India or outside India; or b) A Director of the Company, whether a Whole Time Director or not but excluding an Independent Director and Non-Executive Director; But does not include: a) An Employee or Director who is a Promoter or a person belonging to the Promoter Group; or b) A Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company.
2.	The particulars of the Trustee or Employees in whose favor such Shares are to be registered.	Name of the Trust: Action Construction Equipment Limited Employees Welfare Trust Name of the Trustees: 1) Mr. Rajesh Kumar Mehta 2) Mr. Sanjay Gupta
3.	Particulars of Trust	Name of the Trust: Action Construction Equipment Limited Employees Welfare Trust Address of the Trust: Dudhola Link Road, Dudhola, Palwal-121102.
4.	Name, Address, Occupation and Nationality of Trustees.	1. Name: Mr. Rajesh Kumar Mehta Address: H.No. 297, Sector-7A, Ballabgarh Faridabad-121006, Haryana Occupation: Service Nationality: Indian 2. Name: Mr. Sanjay Gupta Address: B2/701, Pranayam Apartment Ballabgarh, Sector 82-85, Kheri Kalan, Faridabad-121006, Haryana Occupation: Service Nationality: Indian
5.	Relationship of Trustees with Promoters, Directors or Key Managerial Personnel, if any.	None

6.	Any interest of Key Managerial Personnel, Directors or Promoters in such Scheme or Trust and effect thereof.	The Key Managerial personnel and Directors are interested in the Action Construction Equipment Limited Employees Stock Option Scheme – 2021 only to the extent, to the Options that may be granted to them, if any, under the Scheme.
7.	The detailed particulars of benefits which will accrue to the Employees from the implementation of the Scheme	<p>(a) To motivate the Employees to contribute to the growth and profitability of the Company.</p> <p>(b) To retain the key Employees and reduce the attrition rate of the Company.</p> <p>(c) To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company.</p> <p>(d) To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come, and</p> <p>(e) To provide additional deferred rewards to Employees.</p> <p>Further, The Employees will be entitled to exercise the options granted to them at the exercise price during the exercise period pursuant to Action Construction Equipment Limited Employees Stock Option Scheme –2021.</p>
8.	The details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the scheme would be exercised.	<p>The Trust would be considered as the registered Shareholder of the Company till the date of transfer of Shares to the Employees.</p> <p>However, the Trustees will not have any right to vote on the Equity Shares held by the Trust.</p> <p>Once the shares are transferred to the Employees upon their Exercise, then the Employees will be treated as the Shareholder of the Company and shall exercise the right to vote in respect of such shares.</p>

In terms of the Companies Act, 2013, read with Rule 16 of Chapter IV of the Companies Act, 2013, the approval of the Shareholders is sought by way of Special Resolution for the approval for the provisioning of money to the Trust to fulfil the requirements of Action Construction Equipment Limited Employees Stock Option Scheme-2021.

Therefore, your Directors recommend the Resolutions as set out at item no. 9 for your approval by way of Special Resolution.

None of the Directors, Key Managerial Personnel of the Company, and any relatives of such Director, Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in these resolutions except to the extent of Equity Shares held by them in the Company or the Options that may be granted under the said Scheme.

ITEM NO. 10

The Company anticipates growth opportunities in its existing operations and continues to evaluate various avenues for organic expansion and achieving inorganic growth. Towards this, the Company continues to require capital for achieving such growth and expansion. Accordingly, subject to compliance with applicable law, the Company proposes to raise capital for the purposes of pre-payment and / or repayment of loans, funding the long term growth of its existing businesses; and general corporate purposes including organic or inorganic growth, making strategic acquisitions; financing other long term capital, working capital and / or any other as may be permissible under applicable law(s) and approved by the Board of Directors of the Company.

In line with the above, the Company proposes to raise funds through the issuance of any instrument or security, including Equity Shares, fully / partly convertible debentures, global depository receipts, American depository receipts, foreign currency convertible bonds, non-convertible debentures, warrants (collectively, the “Securities”), or any combination of Securities, for an aggregate consideration of up to ₹ 175 Crore only (Rupees One Hundred Seventy Five Crore only) to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non-resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), and the Qualified Institutional Buyers, the “QIBs”) / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in one or more tranches, without or without a green shoe option, through a public issue, preferential allotment, private placement, or a rights issue (including one or more Qualified Institutions Placements (“QIPs”) in accordance with the applicable provisions of the Companies Act, 2013 (“Companies Act”) and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be

considered appropriate, in terms of Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the BSE Limited and National Stock Exchange of India Limited (the "Stock Exchanges") and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended; the listing agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed ("Stock Exchanges", and such equity shares, the "Equity Shares"); and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India ("SEBI"), Stock Exchanges, and such other statutory / regulatory authorities). Accordingly, the Board of Directors of the Company ("Board", which term shall include any committee which the Board may have constituted or may constitute to exercise its powers, including the powers conferred by this resolution), at its meeting held on **July 31, 2021**, subject to the approval of the members of the Company, approved the raising of funds at such price and on such terms and conditions as may be deemed appropriate by the Board at its sole and absolute discretion, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager(s) and / or other advisor(s) appointed in relation to issuance of Securities, in accordance with applicable laws, and subject to regulatory approvals (as necessary).

The resolution proposed is an enabling resolution and the exact price, proportion, and timing of the issue of the Securities in one or more tranches and the remaining detailed terms and conditions for the issuance of Securities will be decided by the Board, in accordance with the SEBI ICDR Regulations, in consultation with book running lead manager(s) and / or other advisor(s) appointed in relation to the issuance of Securities and such other authorities and agencies as may be required to be consulted by the Company. Further, the Company is yet to identify the investor(s) and decide the quantum of Equity Shares to be issued to them. Hence, the details of the proposed allottee(s),

percentage of their post-issue shareholding and the shareholding pattern of the Company are not provided. Accordingly, the Board may, in its discretion, adopt one or more of the mechanisms for raising of funds to meet its objectives as stated in the paragraphs above without the need for fresh approval from the members of the Company. The proposal, therefore, seeks to confer upon the Board the absolute discretion and adequate flexibility to determine the terms of the issuance.

The 'relevant date' for the purpose of pricing the Securities shall be date of the meeting in which the Board decides to open the issue of the Securities, subsequent to receipt of approval from the members of the Company, in terms of applicable law; in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs by way of a QIPs, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board.

In the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the Special Resolution by the members of the Company. Further, the Equity Shares offered, issued, and allotted by the Company pursuant to any such QIP in terms of the resolution would be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank, in all respects, *pari passu* with the existing Equity Shares of the Company.

The pricing of the Securities shall be determined in accordance with the relevant provisions of the SEBI ICDR Regulations, the Companies Act, and any other applicable law. The resolution enables the Board, in accordance with applicable law, to offer a discount of not more than 5% or such percentage as may be permitted under applicable law on the price determined in accordance with the SEBI ICDR Regulations.

The Securities allotted as above would be listed on the Stock Exchanges. As and when the Board takes a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

The approval of the members is being sought to enable the Board to decide on the issuance of Securities, to the extent and in the manner stated in the Special Resolution, as set out in item no. 10 of this notice, without the need for any fresh approval from the members of the Company in this regard.

The allotment of Equity Shares would be subject to the applicable regulatory approvals, if any. The issuance and allotment of Equity Shares to foreign/non-resident investors would be subject to the applicable foreign investment cap, under applicable law.

None of the Directors or Key Managerial Personnel of the Company, or their respective relatives, is concerned or interested, financially or otherwise, in said resolution.

The proposed issuance of Securities is in the interest of the Company and the Board recommends the resolution set out at item no. 10 of the notice for the approval of the members as a special resolution.

This Notice does not constitute an offer or invitation or solicitation of an offer of securities to the public within or outside India. Nothing in this Notice constitutes an offer of securities for sale or solicitation in any jurisdiction in which such offer or solicitation is not authorized or where it is unlawful to do so.

This Notice is not an offer of securities for sale in the United States. Any securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any United States state securities laws, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable United States state securities laws. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

ANNEXURE-I

NAME OF DIRECTOR	DR. JAGAN NATH CHAMBER
DIN	08841478
Date of Birth (Age)	15.05.1954 (67)
Date of first appointment on Board	06.11.2020
Qualification	M.A., LLB, (Retired IAS)
Relationship with Directors/KMP	None
Experience/Expertise in specific functional area	<p>Dr. Jagan Nath Chamber aged 66 was born at Ludhiana. He did his MA English Literature from Government College Ludhiana and LLB from Delhi University. He was an IAS officer and got UP cadre.</p> <p>He served as District Magistrate at few places like Mau, Moradabad and served the state government in different capacities like IG Registration and Stamps Commissioner, Commissioner Sales Tax, Transport Commissioner, IG Prisons, Secretary and Principle Secretary of the Departments of Industries, Home and Prisons, Sports and Youth, Agriculture and Horticulture, Food and Civil Supplies, etc. in the State of Uttar Pradesh and also as member Board of Revenue.</p> <p>Also served in Government of India in the capacity of Joint Secretary, Additional Secretary and Secretary. He Retired from Government of India as Secretary. During the service he did his MBA from Europe and PhD from Kumao University and have undergone various training courses in the country and abroad including Alumni of Harvard University USA</p>
Terms and Conditions of appointment/ re-appointment	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	Details given in Director's Report FY 2020-21.
Membership of the Committees of Board of Directors of Company	Audit Committee, Member CSR Committee, Member
Directorship in other Companies	1. Jai Jinendra Promoters Private Limited.
Membership of the Board committee of other companies in which he is a Director	None
No. of Board meeting attended during the year (FY 2020-21)	Details given in Corporate Governance Report FY 2020-21.
No. of shares held in the Company (As on March 31, 2021)	NIL

ANNEXURE II

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

Please take note of the below Tax Deduction at Source (TDS) provisions and information/document requirements for each shareholder:

Section 1: For all Members – Details that should be completed and/ or updated, as applicable:-

All Members are requested to ensure that the below details are completed and/ or updated, as applicable, in their respective Demat Account(s) maintained with the Depository Participant(s); or in case of shares held in physical form, with the Registrar & Transfer Agent (“RTA”) of the Company. Please note that these details as available on Book Closure Date in the Register of Members/ Register of Beneficial Ownership will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions.

- I. Valid Permanent Account Number (PAN).
- II. Residential status as per the Act i.e. Resident or Non-Resident for F.Y. 2021-22
- III. Category of the Member:
 - (a) Mutual Fund
 - (b) Insurance Company
 - (c) Alternate Investment Fund (AIF) Category I and II
 - (d) AIF Category III
 - (e) Government (Central/ State Government)
 - (f) Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII): Foreign Company
 - (g) FPI/ FII: Others (being Individual, Firm, Trust, AJP, etc.)
 - (h) Individual
 - (i) Hindu Undivided Family (HUF)
 - (j) Firm
 - (k) Limited Liability Partnership (LLP)
 - (l) Association of Persons (AOP), Body of individuals (BOI) or Artificial Judicial Person (AJP)
 - (m) Trust
 - (n) Domestic company
 - (o) Foreign company
- IV. Email Address.
- V. Address.

Section 2: TDS provisions and documents required, as applicable for relevant category of Members.

1. For Resident Members:

- (a) **Mutual Funds:** No TDS is required to be deducted as per section 196(iv) of the Income Tax Act, 1961 (“the IT Act”) subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

- (b) **Insurance Companies:** No TDS is required to be deducted as per section 194 of the IT Act subject to specified conditions. Self-attested copy of valid IRDA registration certificate needs to be submitted.

- (c) **Category I and II Alternative Investment Fund:** No TDS is required to be deducted as per section 197A (1F) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

- (d) **Recognised Provident Funds:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees’ Provident Funds Act, 1952 needs to be submitted.

- (e) **Approved Superannuation Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.

- (f) **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.

- (g) **National Pension Scheme:** No TDS is required to be deducted as per Sec 197A (1E) of the IT Act.

- (h) **Government (Central/ State):** No TDS is required to be deducted as per Sec 196(i) of the IT Act.

- (i) **Business Trust:** No TDS is required to be deducted as per Sec 194 of the IT Act. Self-attested copy of valid SEBI registration certificate needs to be submitted.

- (j) **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

(k) Other resident Members:

- i. TDS is required to be deducted at the rate of 7.5% u/s 194 of the IT Act.
- ii. No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholder does not exceed ₹ 5,000.

No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum

amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income). (Format of Form 15G and Form 15H are available on website of Income Tax i.e. <https://www.incometaxindia.gov.in/forms/incometax%20rules/10312000000007845.pdf> & <https://www.incometaxindia.gov.in/forms/income-tax%20rules/10312000000007846.pdf> respectively).

Please note that Declaration under Form No. 15G of 15H Shall not be valid if it does not contain the PAN of the declarant. In such cases TDS shall be deducted at the rate of 20% u/s 206AA(2) of the IT Act.

- iii. TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the shareholder is not available.
- iv. TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

2. For Non-resident Members:

- (a) **FPI and FII:** TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess).

Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents:-

- a. Self-attested copy of PAN;
- b. Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;
- c. Self-declaration in Form 10F (Format of Form 10F is available on income tax website at <https://www.incometaxindia.gov.in/Forms/IncomeTax%20Rules/10312000000007197.pdf>); and
- d. Self-declaration on letter head of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per **Appendix 1** to this Communication).

In case the dividend is payable to 'Specified Fund' referred to in [Clause (c) of Explanation to Section 10(4D)], TDS rate would be 10% (plus applicable surcharge and cess). The reduced rate of TDS would be subject to the availability of requisite documents demonstrating that the person is covered under the aforesaid category of 'Specified Fund'.

- (b) **Any entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax

authorities) in support of the entity being entitled to exemption from TDS needs to be submitted.

(c) Other non-resident Members:

- i. TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess).
- ii. Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents:-
 - a. Self-attested copy of PAN;
 - b. Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;
 - c. Self-declaration in Form 10F (Format of Form 10F is available on income tax website at <https://www.incometaxindia.gov.in/Forms/IncomeTax%20Rules/10312000000007197.pdf>); and
 - d. Self-declaration on letter head of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per **Appendix 1** to this Communication).
- iii. TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided.

Details and/ or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach admin@skylinerta.com by August 26, 2021. Please note that no communication in this regard, shall be accepted post August 26, 2021.

Section 3: Other general information for the Members:-

- I. For all self-attested documents, Members must mention on the document "**certified true copy of the original**". For all documents being sent/ accepted by email, the Member undertakes to send the original document(s) on the request by the Company.
- II. In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Book Closure Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.
- III. Section 206AB has been introduced by the Finance Act, 2021, whereby TDS will be higher of the following:

- a) Twice the rate specified in the relevant provision of the Income-Tax Act; or
- b) Twice the rate or rates in force; or
- c) the rate of five percent;

In case a person has not filed his/her Return of Income for each of the two preceding financial years and the aggregate of tax deducted at source in his/her case is ₹ 50,000 or more in each of these two financial years. These provisions will be effective from July 01, 2021.

- IV. Application of TDS rate is subject to necessary due diligence and verification by the Company, of the shareholder details as available in register of Members on the Book Closure Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/ documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.
- V. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/ to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and cooperation in any appellate proceedings.

Note:

Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

**Appendix - 1
FORMAT FOR DECLARATION FOR
CLAIMING BENEFITS UNDER DTAA**

Action Construction Equipment Limited
Dudhola Link Road, Dudhola, Distt. Palwal-121102

Subject : Declaration for eligibility to claim benefit under Double Taxation Agreement between Government of India and Government of (mention country of tax residency) ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable.

With reference to above, I/We wish to declare as below:

- 1. I/ We, (Full name of the shareholder), having permanent account number (PAN) under the Indian Income tax Act, (mention PAN), and holding (mention number of shares held) number of shares of the Company under Demat Account number/ folio number..... as on the Book Closure Date as specified in the notice of

27th Annual General Meeting, am / are a tax resident of (country name) in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under section 6 of the Indian Income-tax Act, 1961 ("the IT Act"). A copy of the valid tax residency certificate for..... (period), which is valid as on the Book Closure Date, is attached herewith.

- 2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
- 3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
- 4. I/We do not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/ payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
- 5. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
- 6. I/ We do not have a Business Connection in India according to the provision of section 9(1)(i) of the Act and the amounts paid/ payable to us, in any case, are not attributable to business operations, if any, carried out in India.

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I/ We will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information/ documents that may be necessary and co-operate in any proceedings before any income tax/ appellate authority.

For.....
Mention the name of the payee
Authorised Signatory
Name of the person signing
Designation of the person signing
Date:
Place: