

21st 2014 - 2015 ANNUAL REPORT



LIFTING INDIA'S
INFRASTRUCTURE
GROWTH

ACE

Action Construction Equipment Ltd.



Mobile Cranes (3 - 50 Tons)



Stiff Boom Cranes



Tractors



Crawler Cranes



Mobile Tower Cranes



Forklifts



Vibratory Rollers



Backhoe Loader



Wheeled Loaders



Tower Cranes

Motor Grader

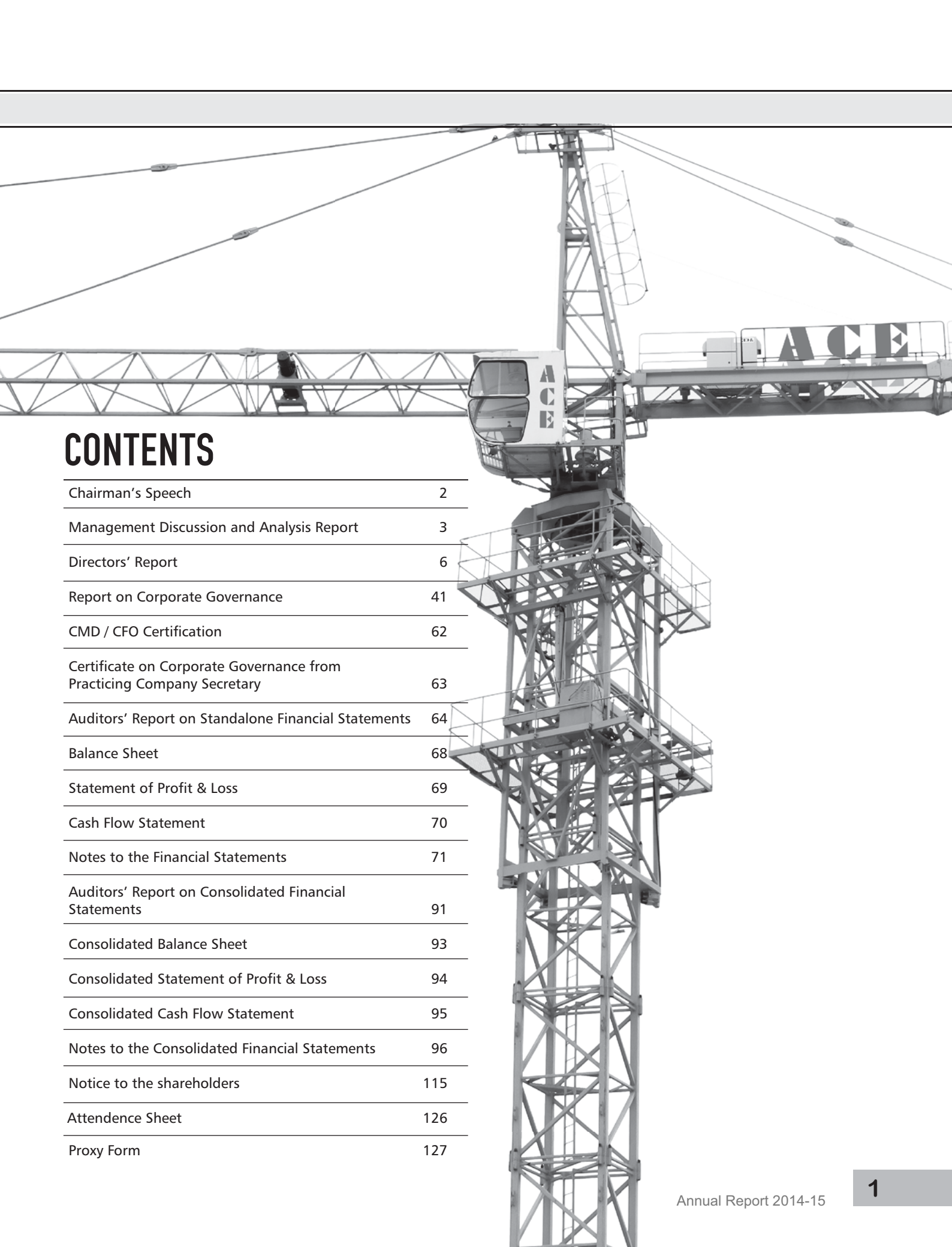


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*Nothing beats an **ACE***





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CHAIRMAN SPEECH



Dear Members,

It gives me great pleasure to present the Annual Report of your Company for the financial year 2014-15. In the last year's Annual Report, I had spoken about the uncertainties facing our economy and more particularly issues related to growth of infrastructure and construction Industry. While the macroeconomic environment has improved, challenges persist in the form of muted demand and depressed consumer sentiments.

Economy has shown signs of picking up in the last few quarters. Unfortunately for ACE and the construction and infrastructure sectors of the country, the growth is extremely modest. The entire construction and infrastructure has continued to remain seriously stressed both operationally and financially.

India's economy is in the midst of a recovery with lower fiscal and current account deficit, lower inflation and weak commodity prices. Our country growth seems poised to return to a high-growth path.

The outlook for the ongoing fiscal year remains positive. Industry is largely optimistic and believes that the Indian economy is at the initial stages of a business cycle recovery. Our Government is addressing economic reforms on a war footing basis. The Roads and Highways sector is major thrust area of the Government. It is expected that the benefits will flow into the sector that your company operates in the coming years.

A sharp focus on marketing coupled with continuing investments in R&D is the mantra to ACE next level of growth. The Company believes in providing products suiting to market requirements. R&D is providing the impetus to take forward this mindset. Our dedicated R&D Centres have sharpened our focus on various product categories and helped us launch new products that are in tune with customer needs. We are alive to the realities of technological challenges. Our R&D teams are working on all these areas to ensure that ACE always remains the forefront of innovation and keep breaking new paths in customer satisfaction.

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

In spite of tough business environment during the FY 2014-15, your Company continued to increase our market share by increasing customer base and product improvements. We believe that we have key strengths to remain healthy and face challenges with courage and conviction. We are confident that our commitment, dedication, cost cutting measures and continuing R&D programme will enable us to take full advantage of our market leadership positions and achieve our growth ambitions.

I would like to place on record my sincere appreciation to the Board of Directors and employees for their dedication, commitment and contribution to strengthen ACE. I would like to express my gratitude to all our stakeholders like bankers, customers, vendors etc for their continuing faith in ACE.

With best wishes,

Sincerely,

Vijay Agarwal

Chairman and Managing Director



Management Discussion and Analysis

❖ INDUSTRY STRUCTURES AND DEVELOPMENTS

In India, the investment climate is still plagued with structural issues of the past few years. The country is trying to deal with the legacy of large number of stalled projects. Majority of the stalled projects are in the manufacturing and infrastructure. Within infrastructure, majority were related to electricity and power, where the primary issue is non-availability of coal linkages. Infrastructure projects which are related to construction and real estate, lack of adequate clearances is the major impediment. The legacy of stalled projects has generated a vicious cycle of financial instability for infrastructure related companies and banks.

India needs large scale investments in infrastructure to sustain high growth is well accepted fact. While there have been various problems in infrastructure development in India, it is also true that the new government at the centre is taking strides in the positive directions. Government has significantly increased allocation of investments in the union Budget 2015-16 by Rs 70,000 crore, with a focus on railways and roads. However, the long term prospects of the industry are huge and an opportunity area for us for times to come.

Despite the focus on industrialisation, agriculture remains a dominant sector of the Indian economy both in terms of contribution to gross domestic product (GDP) as well as a source of employment to millions across the country. Agriculture plays a vital role in the Indian economy. Over 70 per cent of the rural households depend on agriculture as their principal means of livelihood.

There are multiple factors that have predominantly worked in tandem leading to the growth of the Indian agriculture sector in recent years. These include growth in income and consumption, growth in food processing sector and increase in agricultural exports.

Recognizing the importance of Agriculture Sector, the Government took a number of steps for sustainable development of Agriculture. These steps include enhanced institutional credit to farmers besides other steps. The Indian agriculture sector is expected to grow with better



momentum in the next few years owing to increase in investment in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Factors such as reduced transaction costs, time and fiscal incentives will also contribute to this upward trend.

The growth in the Agricultural Industry will help your company as it will result in robust growth in tractor volumes as well new products like track harvesters, rotavators launched in the recent past.

As far as the growth of equipment manufacturers (cranes, construction, material handling and agri equipments) is concerned; it is linked with growth of infrastructure, real estate, agricultural and indirectly with the growth of Indian economy. It requires expertise, in terms of technology, design and providing customer satisfaction. Its potential and market is huge; however only companies who would be able to provide good quality products at most competitive price will survive. The Company's ACE brand has emerged as brand for reliability and has been able to win the customer loyalty in all these years. ACE will continue its successful stint in the industry, through providing good quality products at most reasonable prices and complete customer satisfaction by its strong distribution and service network.

❖ OPPORTUNITIES

ACE continues to focus on various strategies and initiatives to overcome challenges. These include consolidation of new generation cranes in the targeted market segments. ACE maintained its market leadership position and is well positioned to achieve growth in terms of volumes and market share through better service levels and by providing the best of technology at an affordable price.

We believe that our proactive steps in providing best solutions to our customers and implementation of our strategies have prepared us for growth as demand picks up once the consumer sentiments improve with the expected revival of the infrastructure industry.

In the Agri segment; company is looking at significant product expansions and improving its market share. We are increasing our presence in few more states. We are, consequently, focusing on providing customers a complete range of crop solutions. To implement this, Company has also started production of Harvesters, rotavators etc.

❖ THREATS

- Economic downturn or slowdown can lead to decreased volumes and capacity utilization.
- Continued threat of raw material price volatility translating into pressure on margins during a rapid increase in raw material prices.
- Weak currency resulting in pressure on margins.
- Any change in the government policy or its budgetary allocation to the infrastructure sector will have a major impact on Company's business.
- Change in the tax structure of Sales Tax, Entry Tax, Service Tax, VAT etc.
- Increasing competition from National and International players.
- Unforeseen business losses

❖ SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

Cranes and material handling / construction equipment division revenues were more or less similar to 2014 levels. Agri Equipment division revenues were down by 10.30 % in 2015 as compared to 2014 levels as tractor industry was down by more than 15 % due to poor monsoons, tightening of credit norms by banks / NBFC due to increase in NPA and delay in payment to farmers by the sugar cane industry.

Cranes division profits increased by 20 % inspite of no increase in revenues mainly because of various cost initiatives taken by the Company.

Material handling / Construction equipment division profits increased by 180 % inspite of slight reduction in revenues in 2015 as compared to 2014 levels due to cost initiatives taken by the Company.

Agri Equipment Division profits were reduced by 66.50 % mainly due to lower volumes and increase in costs due to opening of new territories.

❖ RISKS AND CONCERN

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

The impact of the key risks which are listed below has been identified through a formal process by the management. However, the Company has been taking appropriate measures to mitigate these risks on a continuous basis. Some of the risks that are potentially significant in nature and need careful monitoring are listed hereunder:

- **Raw material prices volatility :**

Steel and other commodities are subject to price volatility and our profitability and cost effectiveness may be affected due to any increase /decrease in the prices of raw materials and other inputs.

- **Ability to pass on increasing cost:**

Ability to pass on increasing cost in a timely manner depends upon the demand supply situation and competitive activities and there has been a general reluctance as seen in the past, to make significant price hikes.

- **Continued Economic Growth :**

Demand of our equipments / machines is dependent on economic growth and / or infrastructure development. Any slowdown in the economic growth affects our growth.

- **Market Risks :**

Even as the Indian economy slowly recovers from the prolonged downturn, infrastructure spends will take time to kick in. Consequently, demand for construction equipments remains muted. Where ever there is demand, one find stiff competition from other players trying to secure these orders at such prices as may put unsustainable pressure on margins.

- **Foreign Currency Risks:**

Exchange rate fluctuations may have an adverse impact on the Company.

- **Cyclical nature of the Industry:**

The Company's growth is linked to those of the crane Industry, which is cyclical in nature. The demand for crane has a significant impact on the demand and prices of the products manufactured by the Company. A fall in the demand and / or

prices would adversely impact the financial performance of the Company.

Agriculture Industry growth is dependent upon normal monsoons and availability of finance from public sector banks and NBFC. The Indian met department is predicting below normal monsoon in the current fiscal. Tractor sales run the risk of demand drop in case of significant variations in the monsoons.

❖ OUTLOOK

Global economic conditions are expected to improve moderately in FY2016.

Growth had stagnated in the Infra structure sector mostly on account of issues related to sovereign clearances and land acquisition. But, even as restrictive regulations are being eased or removed, industry sentiments are slow to recover, with large number of projects, being struck due to serious liquidity issues and lenders trying to limit their exposure to the ailing sector. Given the focus on infrastructure that the current Government has, we expect to see some improvements on the ground for the infrastructure development sectors.

One believes that worst is behind for infrastructure in India. With signs of lowering interest rates, the construction and infrastructure sector is expected to pick up shortly.

However, most markets will remain competitive but ACE due to its good customer relationship will penetrate the market and will gain market share.

Your Company recognizes the tough times and we have already initiated significant cost reduction efforts, optimization of working capital requirements in order to minimize financing costs. These, coupled with other operational executions will enable the Company to register better performance in the coming years.

The Management anticipates improvement in the economy and is confident that when the revival happens, with right focus and proactive approach your Company will be able to capitalize on the future opportunities.

FY 2016 will be challenging for ACE, however, it is cautiously optimistic of its prospects. It will be a year for reviving the business with process improvement initiatives which should see better performance of the Company.

❖ CAUTIONARY STATEMENT

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



Directors' Report

The Directors are pleased to present the 21st Annual Report and Audited Statement of Accounts for the financial year ended 31st March, 2015.

	(Rs. in lacs)	
FINANCIAL RESULTS	2014-15	2013-14
Gross Turnover	61,681	64,252
Excise Duty	2,885	3,364
Net Turnover	58,796	60,888
Operating and Other Income	2,089	1,271
Total Income	60,885	62,159
Profit before Depreciation, Interest and Tax	3,215	3,080
Less:		
Depreciation	957	1,527
Interest	1,301	1,041
Provision for Taxation	282	109
Net Profit after Tax	675	403
Profit brought forward	4657	4,470
Profit available for Appropriation	5,332	4,873
Appropriations:		
Dividend	198	99
Corporate Tax on Dividend	40	17
Amount transferred to General Reserve	200	100
Profit carried to Balance Sheet	4894	4657



FINANCIAL PERFORMANCE

Indian economy witnessed another challenging year with nil / negative economic growth in the Industries where we operate in the financial year 2014-15. The sluggishness in economy, policy inertia and lacklustre infrastructure projects have all impacted the Indian economy as well as your Company.

Despite these tough conditions, Your Company delivered another year of steady performance.

Your Company's gross turnover stood at Rs. 61,681 lacs in the year 2014-15, as compared to Rs. 64,252 lacs in the year 2013-14. The profit before depreciation, interest and tax stood at Rs. 3,215 lacs in the year 2014-15, as against Rs. 3,080 lacs in the year 2013-14.

The profit after tax is Rs. 675 lacs in the year 2014-15 as against Rs. 403 lacs in the previous year i.e. an increase of 67.50 %. Your company has taken several steps to reduce cost and increase its market share in all products.

DIVIDEND

Your Directors are pleased to recommend 10% Dividend per Equity share on the Paid up Equity Share Capital of the Company for the year 2014-15. Total dividend (including dividend tax) will absorb Rs. 238 lacs out of the profits available for the year 2014-15. The payment of dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

INCREASE IN SHARE CAPITAL

Your Company has increased the Authorized Share Capital of the Company from Rs. 24,50,00,000/- (Rupees Twenty Four Crore Fifty Lacs) divided into 12,25,00,000 (Twelve Crore Twenty Five Lacs) Equity Shares of Rs. 2/- (Rupees Two) each to

Rs. 50,25,00,000/- (Rupees Fifty Crore Twenty Five Lacs Only) on 8th May, 2015. The increased authorised share capital was restructured to 10,00,00,000 (Ten Crore) Equity Shares of Rs. 2/- (Rupees Two) each and 3,02,50,000 (Three Crore Two Lacs Fifty Thousand) 8% Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten) each to enable the Company to allot shares, once the scheme becomes effective after all approvals, as proposed in the Scheme of Amalgamation between ACE TC Rentals Private Limited and your Company filed with the Hon'ble High Court of Punjab and Haryana.

CORPORATE DEVELOPMENT - MERGER

ACE TC Rentals Private Limited is proposed to be merged with the Company with effect from April 1, 2014 pursuant to a scheme of amalgamation ("the scheme"). The scheme has been filed in the High Court for the States of Punjab and Haryana. Once the Scheme is approved and becomes effective, which is expected to be effective in this financial year, the Company will issue 1,84,90,500 equity shares of Rs 2 each fully paid up and 3,02,19,380 Cumulative Non-Participating Redeemable Preference shares of Rs 10 each to the members of ACE TC Rentals Private Limited.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

Your Company has a wholly Owned Subsidiary and a Fellow Subsidiary, at the end of the current financial year ended on 31st March, 2015, namely:

1. Frested Limited, Cyprus- wholly Owned Subsidiary
2. SC Forma SA, Romania - Fellow Subsidiary

During the year under report, the only wholly Owned Indian Subsidiary Company, "Action Developers Limited" [CIN

U45200DL2008PLC177936] has opted for voluntary dissolution under Section 560 (5) of the Companies Act, 1956 under Fast track scheme vide SRN C32950198 dated 15/11/2014 and accordingly the name of "Action Developers Limited" is struck off in the records of Registrar of Companies and the said wholly Owned Indian Subsidiary Company stands dissolved.

The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. In accordance with section 129(3) of the Companies Act, 2013 and Accounting Standard (AS) – 21 on

Consolidated Financial Statements, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of this Annual Report.

A report on the performance and financial performance of the Subsidiary and Associate Companies as per Companies Act, 2013 is provided in the prescribed form AOC -1 alongwith the Consolidated Financial Statements and therefore not repeated here for the sake of brevity. The Policy for determining material subsidiaries may be accessed on the Company's website viz, www.ace-cranes.com

BOARD OF DIRECTORS

The Board consists of eight directors, out of which four are independent directors, namely:

Name of Directors	Position in the Company
Mr. Vijay Agarwal	Chairman & Managing Director
Mrs. Mona Agarwal	Whole-Time Director
Mr. Sorab Agarwal	Executive Director
Mrs. Surbhi Garg	Executive Director
Mr. Girish Narain Mehra	Independent Director
Mr. Subhash Chander Verma	Independent Director
Dr. Amar Singal	Independent Director
Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	Independent Director

The existing term of appointment of all the Independent Directors as mentioned in above table is upto the date of forthcoming Annual General Meeting (AGM) and are eligible and offer themselves for re-appointment as Independent Directors on the Board.

The Company has received notices alongwith the requisite deposit from the members pursuant to Section 160(1) of the Companies Act, 2013 signifying their intention to propose their candidature for appointment as Director of the Company at the forthcoming AGM.

The Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

In accordance with Article 88 (1) of the Articles of Association of the Company Mrs. Mona Agarwal is liable to retire by rotation in ensuing Annual General Meeting and being eligible offer herself for re-appointment at the forthcoming AGM.

Your Directors recommend for their re-appointment. None of the Directors of your Company is disqualified as per provisions of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL :

Pursuant to the Provisions of Section 203 of the Companies Act, 2013, Mr. Vijay Agarwal, Chairman & Managing Director, Mrs. Mona Agarwal, Mr. Sorab Agarwal & Mrs. Surbhi Garg, Whole Time Director Mr. Rajan Luthra, CFO and Mr. Neeraj Jain, Company Secretary were designated as Key Managerial Personnel of the Company.

Subsequently, Mr. Neeraj Jain resigned w.e.f. 4th February 2015 . Mr. Radhey Shyam Jhanwer has been appointed as Head–Corporate Affairs & Company Secretary w.e.f. 5th February , 2015.

COMMITTEES OF THE BOARD

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

Board and Audit Committee Meetings

Audit Committee

As at March 31, 2015, the Audit Committee comprised of three Independent Directors namely, Mr Subhash Chander Verma, Dr. Amar Singal & Mr Girish Narain Mehra and one Non-Independent Director namely, Mr Vijay Agarwal. All the recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Committee

As at March 31, 2015, the Nomination and Remuneration Committee comprised of three Independent Directors namely, Dr Amar Singal, Mr. Girish Narain Mehra and Mr Subhash Chander Verma.

Corporate Social Responsibility Committee (CSR Committee)

As at March 31, 2015, CSR Committee comprised of two Independent Directors namely, Dr Amar Singal & Maj. Gen. (Retd.) Dr Keshav Chandra Agrawal and one Non-Independent Director namely, Mrs. Mona Agarwal.

Stakeholders Relationship Committee

As at March 31, 2015, Stakeholders Relationship Committee comprised of two Independent Directors namely, Dr Amar Singal & Mr. Subhash Chander Verma and one Non-Independent Director namely, Mr. Sorab Agarwal.

NUMBER OF MEETINGS

During the year ended 31st March, 2015, five meetings of the Board were held.

During the year ended 31st March, 2015, five meetings of the Audit Committee were held.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013, your Directors hereby confirm that they:

- I) have followed in the preparation of Annual Accounts for the financial year 2014-15, the applicable Accounting Standards and no material departures have been made for the same;
- II) had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- III) had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding

the assets of the Company and for preventing and detecting fraud and other irregularities;

- IV) had prepared the annual accounts on a going concern basis.
- V) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and.
- VI) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year as stipulated under Clause 49 of the Listing Agreement is separately given and forms part of this Annual Report provides a more detailed analysis on the performance of individual businesses and their outlook.

REPORT ON CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement is separately given and forms part of this Annual Report. The requisite certificate from a Practicing Company Secretary confirming compliance of the conditions of Corporate Governance is attached to the Report on Corporate Governance.

RELATED PARTY TRANSACTIONS

All the contracts/ arrangements/ transactions that were entered into by the Company during the financial year with related parties were on an arm's length basis and in the ordinary course of business. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transaction. All Related Party Transactions are placed before the Audit Committee for approval.

The policy on Related Party Transactions as approved by the Board is available on website of the Company viz, www.ace-cranes.com

Details of Related Party Transactions are given at Note No. 27((B)(8)(e) to the Standalone Financial Statements. None of the Directors of the Company has any pecuniary relationships or transactions vis-a-vis the Company.

CORPORATE SOCIAL RESPONSIBILITY

The CSR Committee has framed and formulated a CSR Policy

indicating the activities to be undertaken by the Company, in accordance with schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued under the Act. The same has also been approved by the Board. The CSR policy is available at the website of the Company viz, www.ace-cranes.com. The Annual Report on CSR Activities, as stipulated under the Act and the Listing Agreement forms an integral part of this Report and is appended as Annexure-I

RISK MANAGEMENT

The Company has implemented a comprehensive and fully integrated 'Enterprise Risk Management' framework in order to anticipate, identify, measure, manage, mitigate, monitor and report the principal risks and uncertainties that can impact its ability to achieve its strategic business objectives.

The Company has introduced several improvements to Enterprise Risk Management and processes to drive a common integrated view of risks and optimal risk mitigation responses.

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

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

INTERNAL FINANCIAL CONTROLS

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

POLICIES

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a Whistle Blower Policy (the "WB Policy") with a view to provide vigil mechanism to Directors, employees and other stakeholders to disclose instances of wrongdoing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action. The WB Policy also provides mechanism for adequate safeguards against victimization of Director(s)/ Employees who avail of the mechanism and also provide for direct access

to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy has been posted on the website of the Company and the details of the same are explained in the Report on Corporate Governance forming part of this Annual Report. The Whistle Blower Policy is available at the website of the Company viz, www.ace-cranes.com

PREVENTION OF SEXUAL HARRASSMENT POLICY

The Company has a Prevention of Sexual Harassment Policy in force in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this Policy is to ensure a safe, secure and congenial work environment where employees will deliver their best without any inhibition, threat or fear. The Company has Zero tolerance to any form of harassment especially if it is sexual in nature.

No Complaints were received during the year.

REMUNERATION POLICY

The Board, on the recommendation of the Nomination & Remuneration Committee framed a Remuneration Policy for Non-Executive Directors (including Independent Directors) and a Remuneration Policy for Key Managerial Personnel and Other Employees of the Company. The Remuneration Policy for Non-Executive Directors, Key Managerial Personnel and Other employees of the Company is provided as Annexure-II to this Report.

RESEARCH AND DEVELOPMENT

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

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

AUDITORS AND AUDITORS' REPORT

M/s. Rajan Chhabra & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company at 20th Annual General Meeting of the Company to hold the office for the three consecutive years subject to ratification at every Annual General Meeting. Your Company has received confirmation from the above mentioned firm regarding

consent and eligibility under section(s) 139 & 141 of the Company Act, 2013, read with Company (Accounts) Rules, 2014 for ratification of appointment as the Statutory Auditors of the Company. As required under clause 41 of the listing agreement, the auditor has also confirmed that they hold a valid certificate issued by the Institute of Chartered Accountants of India.

The Audit Committee and the Board of Directors recommended the ratifications of the appointment of the M/s. Rajan Chhabra & Co., Chartered Accountants, as the Auditor of your Company for financial year 2015-16 till the conclusion of next AGM, at a remuneration to be decided by the Audit Committee of the Board of Directors.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not require any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

The Central Government has made it mandatory for the Company to conduct a cost audit and accordingly, your Directors have appointed M/s Vandana Bansal & Associates, Cost Accountants as the Cost Auditors to conduct the Cost Audit for the year 2015-16.

SECRETARIAL AUDITOR

The Board has appointed M/s. MZ & Associates, Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report is annexed to this Report as Annexure III. There is no qualification, reservation or adverse remark(s) in the Secretarial Audit Report.

DISCLOSURES:

EMPLOYEES

The total number of permanent employees as on 31st March, 2015 stood at 975 as compared to 906 as on March 31, 2014.

PARTICULARS OF THE EMPLOYEES AND RELATED DISCLOSURES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed as Annexure IV.

There are no employees who are drawing remuneration in excess of the limits as set out in provisions of Section 197(12) of the Act and the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014.

PUBLIC DEPOSITS

During the year, your Company has not accepted any deposits under Section 73 of the Companies Act, 2013 (herein after referred to as the "Act") and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2015.

PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES AND SECURITIES

Details of loans, investments, guarantees and securities provided as covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the standalone financial statements.

EMPLOYEES STOCK OPTION SCHEME

During the year under review, the Company has not allotted any shares under Employee Stock Option Scheme (ESOS) and hence no disclosure is required to be made in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 1999.

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

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

EXTRACT OF ANNUAL RETURN

Extract of the Annual Return in Form MGT- 9 is annexed herewith as Annexure-VI and forms part of this report.

THE FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company has put in place a system to familiarise its Independent Directors with the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of such familiarisation programmes are put up on the website of the Company viz, www.ace-cranes.com

FORMAL ANNUAL PERFORMANCE EVALUATION OF THE BOARD AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their separate meeting, without participation of the Non-

independent Directors and Management have considered and evaluated the Board's performance and performance of the Chairman and Non-independent Directors. The Independent Directors in the said meeting have also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

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

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

General

Your Directors state that no disclosure or reporting in respect of the following matters are made in the Directors' Report as there were no transactions on these matters in the financial year 2014-15.

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. The Managing Director and the Whole-time Directors

does not receive any remuneration or commission from any of its subsidiaries.

3. No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and the company's operations in future.

ACKNOWLEDGEMENTS

The Directors wish to place on record their sincere appreciation for the support and co-operation extended by all the customers, vendors, Dealers and business associates. The Company also expresses its gratitude to the Government authorities and the Company's Bankers for all the help and encouragement, they extend to the Company. The Board places on record its appreciation to all the employees for their dedicated and committed services. Your Directors deeply acknowledge the continued trust and confidence that the Shareholder place in the management and is confident that with their continued support, the Company will achieve its objectives and emerge stronger in the coming years.

For and on behalf of the Board of

Action Construction Equipment Limited

Vijay Agarwal
Chairman & Managing Director

Place: New Delhi
Dated: 30th May, 2015

Annexure I to Directors' Report

Annual Report on the Corporate Social Responsibility (CSR) activities for the financial year 2014-15

(Amount In Rs. lacs)

1.	A brief outline of the company's CSR Policy including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and the projects or programs and the composition of CSR committee.	a) The CSR Policy of the Company has been uploaded on the website of the Company and can be accessed at www.ace-cranes.com b) For the projects or programs undertaken by the Company, please refer to CSR section in this Annual Report.
2.	Average net profit of the company for the last three financial years	599.54
3.	Prescribed CSR expenditure (2% of the amount mentioned in item 2 above)	11.99
4.	Details of the CSR spent during the financial year	
	Total amount to be spent for the financial year	11.99
	-Amount unspent, if any	Nil
	-Manner in which the amount spent during the financial year	Details given below

Details of amount Spent on the CSR activities during the Financial Year 2014-15

(Amount In Rs. lacs)

Sl. No.	CSR project/activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project/ Program (1) Local area/ Other, (2) State and district where projects/ programs were undertaken	Amount outlay (Budget) Project / Program wise	Amount spent on the projects/ Programs Sub Heads: (1) Direct Expenditure, (2) Over-heads	Cumulative expenditure upto the reporting period i.e. FY 2014-15	Amount spent directly or through implementing agency
1.	Health outreach Programme "Static, Mobile medical units and camps for primary and preventive healthcare incl. diagnostics".	Clause (I) promoting-health care in -cluding preven -tive health care	District Palwal and Faridabad in the state of Haryana	130.00	125.50	125.50	Implementing agency – ACE Emergency Response Service Trust

Responsibility Statement by the CSR Committee

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

Place: New Delhi

Date : 30th May 2015

Vijay Agarwal

Chairman & Managing Director

Amar Singal

Chairman CSR Committee

Annexure II of Directors' Report

Remuneration Policy

Preamble

Section 178 of the Companies Act, 2013 and clause 49 (IV) of the Listing Agreement provides that the Nomination and Remuneration Committee ("NRC") shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel ("KMP") and other employees.

Objective

The Remuneration Policy of Action Construction Equipment Limited (the "Company") is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The Policy emphasize on promoting talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. While designing remuneration packages, industry practices and cost of living are also taken into consideration.

Applicability

This Remuneration Policy applies to Directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

Appointment criteria and qualifications

The NRC shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or at senior management personnel and recommend to the Board his/her appointment. A person should possess adequate qualifications, expertise and experience for the position only he/she is considered for appointment.

Directors

As per the Policy followed by the Company, the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the

Board of Directors from time to time subject to statutory provisions. Presently sitting fee is Rs. 10,000/- per Board/Committee meeting.

Remuneration of Whole Time Directors including Chairman & Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Whole Time Directors, the NRC considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, shareholders, Central Government, if required, and the limits laid down under the Companies Act, 2013. Remuneration packages for Whole Time Directors are designed to remunerate them fairly and responsibly. The Whole Time Directors' remuneration comprises of salary, perquisites, allowances apart from retirement benefits like P.F., Superannuation, Gratuity, etc. as per Rules of the Company.

The Whole Time Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc.

Evaluation

The NRC shall carry out evaluation of performance of all directors in every year. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Further, the Independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. The meeting shall:

- a) Review the performance of non-independent directors and the Board as a whole.
- b) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.

Key Managerial Personnel and Senior Management

Remuneration of KMP and other senior management personnel is decided by the Chairman & Managing Director. Total remuneration comprises of:

1. A fixed base salary - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. Perquisites – in the form of house rent allowance/ accommodation, reimbursement of medical expenses, conveyance, telephone, leave travel, Club Membership, Personal Medical Insurance etc.
3. Retirement benefits - contribution to PF, super-annuation, gratuity, etc. as per Company Rules.
4. Variable payments - performance linked variable pay reflecting short and long term performance.
5. Motivation /Reward - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by the Managing Director based on their annual performance.
6. Severance payments - in accordance with terms of employment, if any.

Other employees

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary, they are also provided perquisites, allowances and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments are applicable to this category of personnel as in the case of those in the management cadre.

Disclosure of information

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy

This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees. Any departure from the policy can be undertaken only with the approval of the Board of Directors.

Annexure III of Directors' Report**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Action Construction Equipment Limited
Dudhola Link Road, Dudhola
Palwal, Haryana 121102

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Action Construction Equipment Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter .

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (vi) The Employees State Insurance Act, 1948

- (vii) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (viii) Employers Liability Act, 1938
- (ix) Environment Protection Act, 1986 and other environmental laws
- (x) Air (Prevention and Control of pollution) Act, 1981
- (xi) Factories Act, 1948
- (xii) Industrial Dispute Act, 1947
- (xiii) Payment of Wages Act, 1936 and other applicable labour laws
- (xiv) Other laws as applicable to the Company other than taxation laws

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

- i. The Listing Agreements entered into by the Company with the BSE Limited and the National Stock Exchange of India Limited

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

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has filed the application for amalgamation of ACE TC Rentals Private Limited (Transferor Company) and Action Construction Equipment Limited (Transferee Company) with SEBI for its in principal approval and the same is under due consideration.

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

- i. Public/Right/Preferential issue of shares / debentures/sweat equity etc.
- ii. Redemption / buy-back of securities.
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv. Foreign technical collaborations.

Place: New Delhi
Date : 20th May, 2015

**For MZ & Associates
Company Secretaries**

**CS Mohd Zafar
Partner
Membership No: ACS 28165
CP: 13875**

Annexure IV of Directors' Report

Particulars of employees

a) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Remuneration paid to Whole Time Directors:

Name of the director	Title	Remuneration in fiscal 2015 (in lakhs)	Remuneration in fiscal 2014 (in lakhs)	% increase of remuneration in 2015 as Compared to 2014	Excl. WTD	Incl. WTD	Ratio of remuneration to	
					Ratio of remuneration to MRE	Ratio of remuneration to MRE and WTD	Revenues (fiscal 2015)	Net profit (fiscal 2015)
Mr. Vijay Agarwal*	Chairman & Managing Director	267.40	267.40	0.00	105.29	104.63	0.0043	0.39
Mrs. Mona Agarwal*	Whole-Time Director	134.60	134.60	0.00	53.00	52.66	0.0022	0.20
Mr. Sorab Agarwal	Executive Director	36.00	36.00	0.00	14.17	14.08	0.0006	0.05
Mrs. Surbhi Garg	Executive Director	17.80	17.80	0.00	7.00	6.96	0.0003	0.02

* Company has applied to Central Government for payment of the remuneration as it is excess of maximum permissible remuneration as determined under Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

Remuneration paid to Independent Directors \$:

Name of the director	Remuneration in fiscal 2015 (in lakhs)	Remuneration in fiscal 2014 (in lakhs)	% increase of remuneration (2015 over 2014)
Mr. Girish Narain Mehra	1.10	0.80	37.50
Mr. Subhash Chander Verma	1.30	1.00	30.00
Dr. Amar Singal	1.30	1.00	30.00
Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	0.50	0.30	66.67

\$ Independent Directors receive only sitting fees for attending the meeting of Board and Committees.

Remuneration of other Key Managerial Personnel (KMP):

Name of the KMP	Title	Remuneration in fiscal 2015 (in lakhs)	Remuneration in fiscal 2014 (in lakhs)	% increase of remuneration in 2015 as Compared to 2014	Excl. WTD	Incl. WTD	Ratio of remuneration to	
					Ratio of remuneration to MRE*(4)	Ratio of remuneration to MRE and WTD* (4)	Revenues (fiscal 2015)* (4)	Net profit (fiscal 2015)* (4)
Mr. Rajan Luthra *1	Chief Financial Officer	41.26	37.33	10.53	16.24	16.24	0.0006	0.06
Mr. RS Jhanwer *2	Head - Corporate Affairs & Company Secretary	2.61	N.A.	N.A.	6.82	6.78	0.0000	0.00
Mr. Neeraj Jain *3	Company Secretary	2.36	N.A.	N.A.	1.49	1.48	0.0000	0.00

- *1) For the period 1st April'14 to 31st March'15
- *2) For the period 5th Feb15 to 31st March, 2015
- *3) For the period 23rd June14 to 4th Feb, 2015
- *4) Based on Annualized Salary

The Median Remuneration of Employees (MRE) excluding Whole time directors (WTDs) was Rs. 253,956 and Rs. 249,756 in the fiscal 2015 and 2014 respectively. The increase in MRE (excluding WTDs) in fiscal 2015, as compared to fiscal 2014 is 1.68%.

The Median Remuneration of Employees (MRE) including Whole time directors (WTD's) was Rs. 255,564 and 249,876 in fiscal 2015 and 2014 respectively. The increase in MRE (including WTDs) in fiscal 2015, as compared to fiscal 2014 is 2.27 %.

The number of permanent employees on the rolls of the Company as of March 31, 2015 was 975 and March 31, 2014 was 906 respectively.

The revenue growth during fiscal 2015 over fiscal 2014 was -4 % and net profit growth was 67.49 %. The aggregate remuneration of employees excluding WTD as reduced by 4.63% over the previous fiscal. The aggregate increase in salary for WTD's and other KMP's was 1.89% in fiscal 2015 over fiscal 2014. This was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry benchmarks.

Our market capitalization increased by 182.57 % to Rs. 401.20 crore as of March 31, 2015 from Rs. 141.98 crore as of March 31, 2014. The Price Earning Ratio was 59.63 as of March 31, 2015 which was an increase of 70.37% as compared to March 31, 2014. The closing price of the Company's equity shares on the NSE and BSE as of March 31, 2015 was Rs. 40.55 and Rs.40.50 respectively, representing 55.96% (NSE price) increase over the IPO price, adjusted for stock splits to date.

Average remuneration of the employees excluding KMP's has increased by 9.59% in Fiscal 2015.

The Company's Variable compensation philosophy for its senior managerial personnel is to ensure it is competitive in global markets in which it operates for attracting and retaining the best talent.

Component of remuneration to directors and other KMP's	Fixed Salary	Bonus	Commission	Total
As a percentage of revenues for fiscal 2015	0.81%	0.01%	0	0.82%
As a percentage of net profit for fiscal 2015	74.26%	0.74%	0	75.00%

During Fiscal 2015, no employee received remuneration in excess of highest paid director.

The remuneration of the Directors, KMP and other employees is in accordance with the Remuneration Policy of the Company, provided as Annexure-II which forms part of the Directors' report.

Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

A. Employed throughout the Financial Year 2014-15 with a salary of Rupees Sixty lacs or more:

----- Nil-----

B. Employed for a part of the Financial Year 2014-15 with an average salary of Rupees Five lacs per month or more:

----- Nil-----

Annexure V to Directors' Report

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

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

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

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

b) Additional investment and proposal for reduction in energy consumption :

Solar power generation units are being installed in 2015-16.

c) Impact of above measures :

The above measures will result in lower energy consumption, significant reduction in Carbon emissions, and hedge against continuous energy rate increase.

RESEARCH AND DEVELOPMENT (R&D)

The company is having dedicated R&D centres at Jajru Road and Dudhola Link Road. Both the centres are engaged in Research and developments activities related to various products, to make them specific to the user's requirement. Our R&D efforts also enable us to achieve economy and efficiency and cost effectiveness in the manufacturing of products.

Specific areas in which R & D was carried out by the company during the year ended 2014-15:

Sl. No.	Projects
1	Development of 20 ton 2 Wheel Drive Pick-n-Carry crane (FX210)
2	Improved design of trumpet housing for SX Series Cranes
3	Development of AC option for FX150 N and SX 170 N
4	Development of 25 ton 4 Wheel Drive Pick-n-Carry crane (FX250)
5	Development of Skid Steer (SS75) for Commercial Market
6	Motor Grader & Wheel Loader with Indian Engine
7	Alternate engine in 3.5 Ton Mini Compactor
8	Rock breaker attachment for Backhoe Loader
9	Backhoe with improved performance and aesthetics
10	Truck mounted full slew crane of 10 T-m lift capacity
11	Development of TMC full slew crane AB213 & AB163
12	Straight Boom Truck mounted crane 15T(SBC-153)
13	Truck mounted crane 202L (Smerch)
14	Lorry Loader Crane AB-83
15	Development of Cell on Wheel 20 Mtrs & 40 Mtrs (Standard), 20 Mts Truck mounted
16	Development of TC 6040, TC 6552, TC 7052, TC 7053
17	Development of TC 6040, TC 7052, TC 7053, TC 6552 Inner climbing
18	Development of Crawler Crane 40 Ton & 25 Ton Capacity
19	Development of Crawler Crane 80/100 Ton Capacity

Sl. No.	Projects
20	Self propelled truck mounted crane 25 Ton Capacity (6x4) and 40 Ton Capacity (8x4)
21	Truck mounted crane 25 Ton with indigenous parts
22	AF20D – 2 TON Forklift with Mechanical Transmission – For Defence Project
23	Mast 3.6m Std. - For AF20D (Normal/Defence Project)
24	Development of Paper Roll Clamp (PRC) with Range 250~1300, 630~1300, 630~1600
25	Development of Bale Clamp (600~1900) – For AF30D/AF20D
26	Development of Brick Block Clamp (350~1600)
27	Load Stabilizer
28	All defence Attachments
29	Tilting Fork Attachment – AF30D
30	Ram Attachments of different Ranges
31	AF25E – 1.5 Ton & 2.5 Ton DC Operated Forklift
32	AF25E – 1.5 Ton & 2.5 Ton AC Operated Forklift
33	AF50D – 5 Ton (Automatic Transmission)
34	AF30D – 3 Ton (With ACE Engine /Simpson Engine)
35	Mast 3.0m FFL – AF30D, Mast 6.0m FFL – AF30D
36	Mast 4.5m FFL – AF25E/AF20D, Mast 4.5m FFL – AF15E & Mast 4.5m FFL – AF50D
37	Fork Rotator For AF30D
38	Bale Clamp new modified design -AF30D/AF20D
39	Design and Development of ACE Rotavator 5 FT, 42 Blades and 6 FT, 48 Blades
40	ACE Rotavator (7 FT, 54 BLADES) Design and Development
41	Design & Proto Development of ACE Wheel Harvester
42	Design and Development of New ACE Power Tiller Proto
43	Testing of ACE Rotavator (5 ,6,7 FT) at CFMTTI , Budhni
44	Development of ACE Wheel Harvester and its testing
45	Development and Testing of ACE Power tiller APT-15
46	Development of ACE Laser Leveller and its Testing
47	Value Engineering of ACT-60 , Wheel Harvester and Rotavator
48	60HP 4 Cyl engine implementation
49	Development of DI305NG/25HP/2Cyl with NG series engine of ACE
50	Design and development of constant mesh transmission
51	Development of neutral safety switch
52	Cost reduction in 3PL(point linkage) of 1800 CRE hyd
53	Development of 60HP tractor with sliding mesh transmission
54	Design and development of side gear shifting transmission
55	75hp- design and development
56	Development of Higher HP 4 Cylinder Turbocharged Engines with Intercooler (76HP & 90HP)
57	Development of New Transmission & Engine Test Rig
58	Design and development of DI350* with kirloskar engine
59	4WD- Tractor model 40HP,45HP,50HP, 60HP
60	Modification in existing Tractor Transmission to adopt Trench Digger attachment on tractor
61	Turbo charged 4cyl 65HP model -A70TC
62	Adoption of BOSCH FIEs on Fork Lift Engine –A490 BPG

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

- ✓ Upgraded technology to meet international standards of safety.
- ✓ Wide range of products to meet the requirements of each class of customer.
- ✓ Indigenisation of technology and products to reduce dependence on international market.
- ✓ Simulation evaluation to shorten introduction time of new products.
- ✓ Value engineering of products to remain competitive in quality & price.
- ✓ Removal of waste from design and manufacturing process.

c) Future plan of action

Sl. No.	Projects
1	Improved design of trumpet housing for SX Series Cranes
2	Developing new 15XWF - NX with reduced front overhang and better stability & aesthetics
3	Development of 25 ton 2 Wheel Drive Pick-n-Carry crane (FX250)
4	Development of 23 ton 2 Wheel Drive Pick-n-Carry crane (FX230)
5	Alternate 76hp TATA Engine driveline development for FX150
6	Alternate 101hp TATA Engine driveline development for 15XWF-NX, FX210 & FX230
7	Development of New-generation pasted glass cabin with Improved styling & aesthetics
8	Value Engineering & aesthetics improvement of Bonnet of all New Generation cranes
9	Adoption of Cluster in 12XW, 14XW, 15XW models
10	Alternate 60hp ACE Engine for SX170
11	Development of 30 ton 4 Wheel Drive Pick-n-Carry crane (FX300)
12	Pilot Batch Development of ACE Rotavator Harvester (5FT, 6FT, 7FT)
13	Design Freeze & Pilot Batch Development and Production of ACE Wheel Harvester
14	Design Freeze and Pilot Batch Development and Production of ACE Power Tiller
15	DI7070-70hp category tractor model 4WD+FEL application
16	New sheet metal
17	Multi speed Transmission 60HP to 90HP
18	75 HP and 90 HP tractor with multispeed transmission
19	Development of Flat Top Tower Crane TC-5040 T and TC-5540 T
20	Development of Fixed Tower Crane TC-7059
21	Development of COW (Cell on wheel) 40Mtrs.
22	AF20E – 2.0 Ton DC Operated Forklift
23	AF20E – 2.0 Ton AC Operated Forklift
24	AF20D and AF30D with Simpson Engine & Fluid Coupling
25	AF20D with Simpson Engine & Automatic Transmission
26	Mast 3.0m & 6.0m FFL – AF20D/ AF25E/ AF20E
27	Mast 3.0m and 3.6m STD – AF50D
28	Fabricated Counter Weight for AF30D
29	Cabin for Forklift AF30D
30	Front Axle Assembly - AF30D
31	Design & Development of Crawler Bulldozer

D) Future plan of action

Sl. No.	Projects
1	Improved design of trumpet housing for SX Series Cranes
2	Developing new 15XWF - NX with reduced front overhang and better stability & aesthetics
3	Development of 25 ton 2 Wheel Drive Pick-n-Carry crane (Fx250)
4	Development of 23 ton 2 Wheel Drive Pick-n-Carry crane (Fx230)
5	Alternate 76hp TATA Engine driveline development for Fx150
6	Alternate 101hp TATA Engine driveline development for 15XWF-NX, FX210 & Fx230
7	Development of New-generation pasted glass cabin with Improved styling & aesthetics
8	Value Engineering & aesthetics improvement of Bonnet of all New Generation cranes
9	Adoption of Cluster in 12XW, 14XW, 15XW models
10	Alternate 60hp ACE Engine for Sx170
11	Development of 30 ton 4 Wheel Drive Pick-n-Carry crane (Fx300)
12	Pilot Batch Development of ACE Rotavator Harvester (5FT, 6FT, 7FT)
13	Design Freeze & Pilot Batch Development and Production of ACE Wheel Harvester
14	Design Freeze and Pilot Batch Development and Production of ACE Power Tiller
15	DI7070-70hp category tractor model 4WD+FEL application
16	New sheet metal
17	Multi speed Transmission 60HP to 90HP
18	75 HP and 90 HP tractor with multispeed transmission
19	Development of Flat Top Tower Crane TC-5040 T and TC-5540 T
20	Development of Fixed Tower Crane TC-7059
21	Development of COW (Cell on wheel) 40Mtrs.
22	AF20E – 2.0 Ton DC Operated Forklift
23	AF20E – 2.0 Ton AC Operated Forklift
24	AF20D and AF30D with Simpson Engine & Fluid Coupling
25	AF20D with Simpson Engine & Automatic Transmission
26	Mast 3.0m & 6.0m FFL – AF20D/ AF25E/ AF20E
27	Mast 3.0m and 3.6m STD – AF50D
28	Fabricated Counter Weight for AF30D
29	Cabin for Forklift AF30D
30	Front Axle Assembly - AF30D
31	Design & Development of Crawler Bulldozer

d) Expenditure on Research & Development

Sl. No	Particulars	Amount (Rs. in lacs)
1	Capital Expenditure	5.25
2	Revenue expenditure (Incl. Salary to R&D Staff and other related expenditures)	524.83
	Total	530.08

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) Technology absorption measures taken by the company and benefits therefrom:

The company has successfully absorbed the technology for the development of various new models of the cranes, tractors and other agriculture equipment developed by the R&D team.

- b) During the year, the company has imported technology for the manufacturing of Inner climbing Frame and Tower Crane Model No. FTC 6520 and FTC-7030. Technology for FTC 6520 is fully absorbed whereas technology for FTC-7030 is under absorption.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO-

Sl. No.	Particulars	Amount (Rs. In lacs)
1	Foreign Exchange Earned	2120.44
2	Foreign Exchange Outgo	6161.94

Annexure VI of Director's Report**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on Financial Year Ended on 31.03.2015**

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

I.	REGISTRATION & OTHER DETAILS:	
i	CIN	L74899HR1995PLC053860
ii	Registration Date	13th January 1995
iii	Name of the Company	Action Construction Equipment Limited
iv	Category/Sub-category of the Company	Limited By Shares/Public Indian Non-Government Company
v	Address of the Registered office & contact details	Dudhola Link Road ,Dudhola,Palwal ,Haryana -121102, Phone: +911275-280111(50 Lines),Fax : +91-1275-280133, E-mail : cs@ace-cranes.com
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Serilingampally, Hyderabad - 500 008 Phone: +91 040 6716 2222 (Board), Fax: +91 2300 1153 Email: kishore.bv@karvy.com, einward.ris@karvy.com
II.	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
	All the business activities contributing 10% or more of the total turnover of the Company are given below :-	As per Attachment A
III.	PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES	As per Attachment B
IV.	SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PER PERCENTAGE OF TOTAL EQUITY)	
i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoters Shareholding	As per Attachment E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V.	INDEBTEDNESS	
	Indebtedness of the Company including interest out standing/accrued but not due for payment	As per Attachment H
VI.	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL	

	PERSONNEL	
A)	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment I
B)	Remuneration to other Directors	As per Attachment J
C)	Remuneration to Key Managerial Personnel (KMP) other than MD/MANAGER/WTD	As per Attachment K
VII	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	As per Attachment L

ATTACHMENT-A

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below :-

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company on the basis of Gross Turnover
1	Cranes	291- Manufacture of general purpose machinery	61.35
2	Material Handling/ Construction Equipment	291- Manufacture of general purpose machinery	11.28
3	Agri Equipment	292-Manufacture of special purpose machinery	27.37

ATTACHMENT-B

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/subsidiary/ Associate	% of Shares Held	Applicable Section
1	FRESTED Limited, Pyndarou 27, Alpha Business Centre, 2ndFloor, P.C. 1060,Nicosia , Cyprus	HE189137	Wholly Owned Subsidiary	100	2(87)
2	SC FORMA SA, Botosani (Romania)	NA	Fellow Subsidiary	89.5	2(87)(ii)(a)
3	Action Developers Limited*	U45200DL2008PLC177936	Wholly Owned Subsidiary	100	2(87)

* Name struck off during the year 2014-15 constituent of opt of the voluntary dissolution under section 560 (5) under the Company Act, 1956 Pursuant to Guidelines for Fast Track Exit Scheme.

ATTACHMENT-C

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

i) Category-wise Share Holding

	Category of Shareholder	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (As on 01/04/2014)				NO. OF SHARES HELD AT THE END OF THE YEAR (as on 31/03/2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	67512514	0	67512514	68.24	67523832	0	67523832	68.25	0.01
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	67512514	0	67512514	68.24	67523832	0	67523832	68.25	0.01
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	67512514	0	67512514	68.24	67523832	0	67523832	68.25	0.01
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	634958	0	634958	0.64	2005215	0	2005215	2.03	1.38
(b)	Financial Institutions /Banks	0	0	0	0.00	54868	0	54868	0.06	0.06
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00

(f)	Foreign Institutional Investors	0	0	0	0.00	750000	0	750000	0.76	0.76
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	634958	0	634958	0.64	2810083	0	2810083	2.84	2.20
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	8496186	0	8496186	8.59	6951127	0	6951127	7.03	(1.56)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	16839626	76703	16916329	17.10	15218310	72439	15290749	15.45	(1.64)
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	4309692	0	4309692	4.36	5172527	0	5172527	5.23	0.87
(c)	Others									
	Clearing Members	338292	0	338292	0.34	435228	0	435228	0.44	0.10
	Non Resident Indians	587689	0	587689	0.59	752454	0	752454	0.76	0.17
	Trusts	144340	0	144340	0.15	4000	0	4000	0.00	0.15
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	30715825	76703	30792528	31.12	28533646	72439	28606085	28.91	(2.21)
	Total B=B(1)+B(2) :	31350783	76703	31427486	31.76	31343729	72439	31416168	31.75	(0.01)
	Total (A+B) :	98863297	76703	98940000	100.00	98867561	72439	98940000	100.00	0.00
C	Shares held by custodians, against which depository Receipts have been issued									
1	Promoter and Promoter Group									
2	Public	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C) :	98863297	76703	98940000	100.00	98867561	72439	98940000	100.00	0.00

ATTACHMENT-D

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

ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03- 2015)			% Change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Vijay Agrawal	33988707	34.35	0	33988707	34.35	0	0
2	Mona Agrawal	26637807	26.93	0	26637807	26.93	0	0
3	Sorab Agarwal	3585350	3.62	0	3600150	3.64	0	0.02
4	Surbhi Garg	3250650	3.29	3.25	3247168	3.28	3.14	(0.01)
5	Anuradha Garg	50000	0.05	0	50000	0.05	0	0
	Total	67512514	68.24	3.25	67523832	68.25	3.14	0.01

ATTACHMENT-E

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

iii) Change in Promoters' Shareholding

Sl. No.	Name	Shareholding No. of shares at the beginning (01/04/2014/ end of the Year(31/03/2015)	% of total shares of the Company	Date	Increase / Decrease in share-holding	Reason	Cumulative Share holding during the year (01-04-14 to 31-03-15)	
							No of shares	% of total shares of the Company
1	Sorab Agarwal	3585350	3.62	4/4/2014	14800	Purchase	3,600,150	3.64
		3600150	3.64					
2	Surbhi Garg	3250650	3.29	19/9/2014	-951	Transfer	3249699	3.28
				31/12/2014	-1246	Transfer	3248453	3.28
				20/3/2015	-1285	Transfer	3247168	3.28
		3247168	3.28					
3	Vijay Agarwal	33988707	34.35		0		33988707	34.36
		33988707	34.35		0			
4	Mona Agarwal	26637807	26.93		0		26637807	26.93
		26637807	26.93		0			
5	Anuradha Garg	50000	0.05		0		50000	0.05
		50000	0.05		0			

ATTACHMENT-F

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

iv) Shareholding Pattern of top ten Shareholders (other than Directors,Promoters and Holders of GDRS and ADRS)

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Share holding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning (01/04/2014)/ end of the Year(31/03/2015)	% of total shares of the Company				No of shares	% of total shares of the company
1	SMC Global Securities Limited #	238833	0.24	1/04/2014				
				04/04/2014	-4500	Transfer	234333	0.24
				11/04/2014	7050	Purchase	241383	0.24
				18/04/2014	15800	Purchase	257183	0.26
				15/04/2014	-7850	Transfer	249333	0.25
				02/05/2014	6141	Purchase	255474	0.26
				09/05/2014	-11941	Transfer	243533	0.24
				16/05/2014	-2600	Transfer	240933	0.24
				23/05/2014	6250	Purchase	247183	0.25
				30/05/2014	5125	Purchase	252308	0.26
				06/06/2014	9805	Purchase	262113	0.26
				13/06/2014	12081	Purchase	274194	0.28
				20/06/2014	-2621	Transfer	271573	0.27
				30/06/2014	-17210	Transfer	254363	0.26
				04/07/2014	-7105	Transfer	247258	0.25
				11/07/2014	7625	Purchase	254883	0.26
				18/07/2014	-3373	Transfer	251510	0.25
				25/07/2014	-2903	Transfer	248607	0.25
				01/08/2014	-3222	Transfer	245385	0.25
				08/08/2014	6350	Purchase	251735	0.25
				15/08/2014	-4215	Transfer	247520	0.25
				22/08/2014	-5255	Transfer	242265	0.24
				29/08/2014	2800	Purchase	245065	0.25
				05/09/2014	-6950	Transfer	238115	0.24
				12/09/2014	1680	Purchase	239795	0.24
				19/09/2014	1719	Purchase	241514	0.24
				30/09/2014	-1445	Transfer	240069	0.24
				03/10/2014	240	Purchase	240309	0.24
				10/10/2014	2249	Purchase	242558	0.25
				17/10/2014	1313	Purchase	243871	0.25
				24/10/2014	-2861	Transfer	241010	0.24

				31/10/2014	600	Purchase	241610	0.24
				7/11/2014	-5151	Transfer	236459	0.24
				14/11/2014	4850	Purchase	241309	0.24
				21/11/2014	12527	Purchase	253836	0.26
				28/11/2014	-2720	Transfer	251116	0.25
				05/12/2014	-4490	Transfer	246626	0.25
				12/12/2014	-5130	Transfer	241496	0.24
				19/12/2014	4159	Purchase	245655	0.25
				31/12/2014	-108271	Transfer	137384	0.14
				02/01/2015	900	Purchase	138284	0.14
				09/01/2015	13002	Purchase	151286	0.15
				16/01/2015	917	Purchase	152203	0.15
				23/01/2015	3311	Purchase	155514	0.16
				30/01/2015	2725	Purchase	158239	0.16
				06/02/2015	81625	Purchase	239864	0.24
				13/02/2015	30673	Purchase	270537	0.27
				20/02/2015	-11475	Transfer	259062	0.26
				27/02/2015	2850	Purchase	261912	0.26
				06/03/2015	-49785	Transfer	212127	0.21
				13/03/2015	40023	Transfer	252150	0.25
				20/03/2015	-39578	Transfer	212572	0.21
				27/03/2015	-1940	Transfer	210632	0.21
		210632	0.21	31/03/2015				
2	Aadhar Securities Pvt LTD #	791165	0.80	01/04/2014				
				04/04/2014	95469	Purchase	886634	0.90
				11/04/2014	-624262	Transfer	262372	0.27
				18/04/2014	-262372	Transfer	0	0.00
		0		31/03/2015				
3	Sushma Daga #	258814	0.26	01/04/2014				
				30/09/2014	-140000	Transfer	118814	0.12
				31/10/2014	-100000	Transfer	18814	0.02
		18814	0.02	31/03/2015				
4	Vasundhara Apoorva Patni#	359949	0.36	01/04/2014				
				11/04/2014	-68476	Transfer	291473	0.29
				18/04/2014	-17122	Transfer	274351	0.28
				25/04/2014	-4751	Transfer	269600	0.27
				30/05/2014	-34686	Transfer	234914	0.24
				06/06/2014	-126458	Transfer	108456	0.11
				13/06/2014	-65394	Transfer	43062	0.04

				20/06/2014	-43062	Transfer	43062	0.04
		43062	0.04	31/03/2015				
5	Nitin Tandon #	240000	0.24	01/04/2014				
		240000	0.24	31/03/2015	0		240000	
6	Gopi Kishan Malani	309298	0.31	01/04/2014				
				12/09/2014	4000	Purchase	313298	0.32
				28/11/2014	20000	Purchase	333298	0.34
		333298	0.34	31/03/2015			333298	0.34
7	Netesoft India Limited #	675000	0.68	01/04/2014				
				04/04/2014	-100000	Transfer	575000	0.58
				11/04/2014	-75000	Transfer	500000	0.51
				18/04/2014	-100000	Transfer	400000	0.40
				23/05/2014	-200000	Transfer	200000	0.20
				05/09/2014	-200000	Transfer	0	0.00
		0	0.00	31/03/2015				
8	Jpmorgan India Smaller Companies Fund	634958	0.64	01/04/2014				
				06/06/2014	25057	Purchase	660015	0.67
				20/06/2014	43803	Purchase	703818	0.71
				30/06/2014	57666	Purchase	761484	0.77
				27/02/2015	211385	Purchase	972869	0.98
		972869	0.98	31/03/2015				
9	Religare Finvest Ltd	3001651	3.03	01/04/2014				
				31/06/2014	5000	Purchase	3006651	3.04
				25/07/2014	-3005000	Transfer	1651	0.00
				22/08/2014	-500	Transfer	1151	0.00
				19/09/2014	1000000	Purchase	1001151	1.01
				14/11/2014	600000	Purchase	1601151	1.62
				21/11/2014	5000	Purchase	1606151	1.62
				12/12/2014	535000	Purchase	2141151	2.16
				19/12/2014	435000	Purchase	2576151	2.60
				06/02/2015	125000	Purchase	2701151	2.73
				13/02/2015	143000	Purchase	2844151	2.87
				27/02/2015	-2500	Transfer	2841651	2.87
				06/03/2015	-2500	Transfer	2839151	2.87
				13/03/2015	-1652000	Transfer	1187151	1.20
				20/03/2015	204000	Purchase	1391151	1.41
				27/03/2015	957000	Purchase	2348151	2.37
		2348151	2.37	31/03/2015				

10	Nitin Kapil Tandon#	153000	0.15	01/04/2014				
		153000	0.15	31/03/2015	0			
11	Religare Securities Ltd*	15016	0.02	01/04/2014				
				05/09/2014	2995915	Purchase	3010931	3.04
				12/09/2014	-82	Transfer	3010849	3.04
				19/09/2014	-1002715	Transfer	2008134	2.03
				30/09/2014	10410	Purchase	2018544	2.04
				10/10/2014	-7967	Transfer	2010577	2.03
				17/10/2014	-217	Transfer	2010360	2.03
				24/10/2014	454	Purchase	2010814	2.03
				31/10/2014	-243	Transfer	2010571	2.03
				07/11/2014	4219	Purchase	2014790	2.04
				14/11/2014	-607162	Transfer	1407628	1.42
				21/11/2014	3316	Purchase	1410944	1.43
				28/11/2014	4336	Purchase	1415280	1.43
				05/12/2014	-6338	Transfer	1408942	1.42
				12/12/2014	-533197	Transfer	875745	0.89
				19/12/2014	-435972	Transfer	439773	0.44
				31/12/2014	-3997	Transfer	435776	0.44
				02/01/2015	-787	Transfer	434989	0.44
				09/01/2015	5095	Purchase	440084	0.44
				16/01/2015	1133	Purchase	441217	0.45
				23/01/2015	-2368	Transfer	438849	0.44
				30/01/2015	1116	Purchase	439965	0.44
				06/02/2015	-269779	Transfer	170186	0.17
				13/02/2015	7783	Purchase	177969	0.18
				20/02/2015	-6788	Transfer	171181	0.17
				27/02/2015	-3165	Transfer	168016	0.17
				06/03/2015	19541	Purchase	187557	0.19
				13/03/2015	1648553	Purchase	1836110	1.86
				20/03/2015	-1159418	Transfer	676692	0.68
				27/03/2015	-311273	Transfer	365419	0.37
		363753	0.37	31/03/2015	-1666	Transfer	363753	0.37
12	Dsp Blackrock Micro Cap Fund *	2082757	2.11	05/09/2014				
				24/10/2014	-111404	Transfer	1971353	1.99
				13/02/2015	-205774	Transfer	1765579	1.78

				20/02/2015	-97936	Transfer	1667643	1.69
				27/02/2015	-623565	Transfer	1044078	1.06
				06/03/2015	-69278	Transfer	974800	0.99
				31/03/2015	-151202	Transfer	823598	0.83
				20/03/2015	-168877	Transfer	654721	0.66
				27/03/2015	-19094	Transfer	635627	0.64
		435627	0.44	31/03/2015	-200000	Transfer	435627	0.44
13	Global Investment House Company A/C The Mayurhedge*	475000	0.48	05/09/2014				
				30/09/2014	75000	Purchase	550000	0.56
				21/11/2014	-150000	Transfer	400000	0.40
				31/03/2015	200000	Purchase	600000	0.61
				20/03/2015	100000	Purchase	700000	0.71
		700000	0.71	31/03/2015				
14	Madhavan Kunniyur *	945717	0.96	05/09/2014				
				19/09/2014	-144552	Transfer	801165	0.81
				30/09/2014	-41165	Transfer	760000	0.77
		625000	0.63	31/03/2015	-135000	Transfer	625000	0.63
15	Dileep Madgavkar	120000	0.12	05/09/2014				
				12/09/2014	10000	Purchase	130000	0.13
				30/09/2014	20000	Purchase	150000	0.15
				17/10/2014	20017	Purchase	170017	0.17
				24/10/2014	20000	Purchase	190017	0.19
				31/10/2014	49983	Purchase	240000	0.24
				07/11/2014	10000	Purchase	250000	0.25
				14/11/2014	20000	Purchase	270000	0.27
				05/12/2014	50000	Purchase	320000	0.32
				31/12/2014	15000	Purchase	335000	0.34
				09/01/2015	15000	Purchase	350000	0.35
				30/01/2015	10000	Purchase	360000	0.36
				06/02/2015	30000	Purchase	390000	0.39
				13/02/2015	20000	Purchase	410000	0.41
				20/02/2015	55000	Purchase	465000	0.47
				27/02/2015	25000	Purchase	490000	0.50
				06/03/2015	30000	Purchase	520000	0.53
				13/03/2015	16170	Purchase	536170	0.54
		540000	0.55	31/03/2015	3830	Purchase	540000	0.55
16	Chander Bhatia *	250000	0.25	05/09/2014				

				12/09/2014	25000	Purchase	275000	0.28
		375000	0.38	31/03/2015	100000	Purchase	375000	0.38
17	Pace Stock Broking Services Pvt Ltd *	500	0	01/04/2014				
				21/11/2014	109501	Purchase	110001	0.11
				28/11/2014	-75000	Transfer	35001	0.04
				05/12/2014	-17800	Transfer	17201	0.02
				12/12/2014	52800	Purchase	70001	0.07
				19/12/2014	-70000	Transfer	1	0.00
				09/01/2015	1	Purchase	2	0.00
				16/01/2015	-1	Transfer	1	0.00
				27/02/2015	114163	Purchase	114164	0.12
				06/03/2015	235000	Purchase	349164	0.35
		359164	0.36	31/03/2015	10000	Purchase	359164	0.36

* Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholder as on '01-04-2014.

ATTACHMENT-G

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

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning (01/04/2014)/end of the Year (31/03/2015)	% of total shares of the Company				No of shares	% of total shares of the Company
1	Keshav Chandra Agrawal	9171	0.01	12/12/2014	-9171	Transfer	0	0
		0	0					
2	Amar Singal	246485	0.2	13/3/2015	246485	Transfer	0	
		0	0					
3	Subhash Chander Verma	25000	0.02	2/1/02015	-5000	Transfer	20000	0.02
				6/03/2015	-5000	Transfer	15000	0.01
		15000	0.01					
4	Girish Narain Mehra	20240	0.02		0		20240	0.02
		20240	0.02					
5	Sorab Agarwal	3585350	3.62	4/04/2014	14800	Purchase	3600150	3.64
		3600150	3.64					
6	Surbhi Garg	3250650	3.29	19/09/2014	-951	Transfer	3249699	3.28
				31/12/2014	-1246	Transfer	3248453	3.28
				20/03/2015	-1285	Transfer	3247168	3.28
		3247168	3.28					
7	Vijay Agarwal	33988707	34.36		0		33988707	34.36
		33988707	34.36		0			
8	Mona Agarwal	26637807	26.93		0		26637807	26.93
		26637807	26.93		0			
9	Rajan Luthra*	5136	0.01	5/05/2014	-2000	Transfer	3136	0.01
		3136	0.01					

*(CFO)

ATTACHMENT-H

V. INDEBTEDNESS

(Amount In Rs. lacs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year (1st April, 2014)				
i) Principal Amount	14,961.39	-	-	14,961.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14,961.39	-	-	14,961.39
Change in Indebtedness during the financial year				
Additions	1,563.37	-	-	1,563.37
Reduction	(2,812.59)	-	-	(2,812.59)
Exchange Difference	59.57			59.57
Net Change	(1,189.65)	-	-	(1,189.65)
Indebtedness at the end of the financial year (31st March, 2015)				
i) Principal Amount	13,771.74	-	-	13,771.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	13,771.74	-	-	13,771.74

ATTACHMENT-I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole time director and/or Manager:

(Amount In Rs. lacs)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total
		Vijay Agarwal	Mona Agarwal	Sorab Agarwal	Surbhi Garg	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	252.00	126.00	33.60	16.80	428.40
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	15.40	8.60	2.40	1	27.40
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0
2	Stock option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	as % of profit	0	0	0	0	0
	others (specify)	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total (A)	267.40	134.60	36.00	17.80	455.80
	Ceiling as per the Act	Rs.76.94 Lacs (being 10 % of the net profits of the Company calculated as per Section 197 & 198 of the Companies Act, 2013)				

1. Company has applied for Central Govt. Approval for excess payment of Remunration to the MD and WTD of the Company due to inadequacy of Profit in Company.
2. Remuneration to Other Directors : Remuneration to directors other than WTD and MD within limit as per Companies Act, 2013 and given in form of sitting Fee.

ATTACHMENT-J

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B) Remuneration to other directors:

(Amount In Rs. lacs)

Sl. No.	Particulars of Remuneration	NON EXECUTIVE DIRECTORS				Total
		Girish Narain Mehra	Keshav Chandra Agrawal	Subhash Chander Verma	Amar Singal	
1	Independent Directors					
	(a) Fee for attending board committee meetings	1.10	0.50	1.30	1.30	4.20
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	Total 1	1.10	0.50	1.30	1.30	4.20
2	Other Non Executive Directors	0	0	0	0	0
	(a) Fees	0	0	0	0	0
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	1.10	0.50	1.30	1.30	4.20
	Total Managerial Remuneration					
	Overall Ceiling as per the Act.	Rs.7.69 Lac (being 1 % of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

ATTACHMENT-K

VI. REMUNERATION TO DIRECTOR & KEY MANAGERIAL PERSONNEL

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

(Amount In Rs. lacs)

Sl. No.	Particulars of Remuneration	Name of the KMP				Total
		CEO	Company Secretary (Neeraj Jain *)	Company Secretary (Radhey Shyam Jhanwer \$)	CFO (Rajan Luthra)	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NA	2.36	2.61	40.86	45.83
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.		0	0	0.40	0.40
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.		0	0	0	0
2	Stock Option		0	0	0	0
3	Sweat Equity		0	0	0	0
4	Commission		0	0	0	0
	as % of profit		0	0	0	0
	others, specify		0	0	0	0
5	Others, please specify		0	0	0	0
	Total		2.36	2.61	41.26	46.23

* For the period from 23th June, 2014 to 4th February, 2015

\$ For the period from 5th February, 2015 to 31st March, 2015

ATTACHMENT-L

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

(Amount In Rs. lacs)

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



Report on Corporate Governance

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and the National Stock Exchange of India (NSE), the report containing the details of Corporate Governance Systems and processes at Action Construction Equipment Ltd (ACE) is as follows :

At ACE, Corporate Governance is not merely the compliance of a set of regulatory laws and regulations but is a set of good and transparent practices that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. It goes beyond building and strengthening the trust and integrity of the Company by ensuring conformity with the globally accepted best governance practices.

THE COMPANY'S PHILOSOPHY

At ACE, ('the Company'), the adherence to the Corporate Governance practices not only justifies the legal obedience of the laws but dwells deeper, conforming to the ethical leadership and stability. It is the sense of good governance that our leaders portray which trickles down to the wider management and is further maintained across the entire functioning of the Company. Your Company envisages the importance of building trust and integrity through transparent and accountable communication with the internal and external stakeholders as well as the customers of the Company. This involves keeping the stakeholders of the Company updated on a timely basis about the development, the plans and the performance of the Company with a view to establish the long term affiliations. The Company keeps itself abreast with the best governance practices on the global front, at the same time conforming to the recent amendments.

The Board of Directors fully supports and endorses the Corporate Governance practices in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and the Voluntary Corporate Governance Guidelines to ensure good Corporate Governance practices across the Company in letter and in spirit. The Company has complied with all the mandatory requirements of the said clause and listed below is the status with regard to the same.

The Management and decision taking of the Company is done at three levels:-



1. **Shareholders of the Company:** The Shareholders of the Company are the ultimate authority. This body is responsible for selecting the overall management of the Company. The crucial decisions taken by Board of Directors of the Company has to be passed through the filter test from the Shareholders. Approval of Shareholders is taken at Annual General Meeting, at Extra-Ordinary General Meeting and through Postal Ballot. Details of resolutions passed by Shareholders of the Company are covered under the upcoming section of the report.
2. **Board of Directors of the Company:** The Board of the Directors are elected by the Shareholders of the Company, to look after overall Management of the Company, on behalf of the Shareholders of the Company. Here, the Ownership and Management are segregated.

The Board of Directors of the Company are authorised to take all the Decisions on behalf of the Company, except such decisions as are mandated by Law, Rules and Regulation of the Land. The respective details of Board and its Meetings as specified under the Listing agreement are produced at the respective upcoming section.

3. **Sub-Committees of the Board:** There are certain issues and tasks which needs careful and specific attention. Thus, the Formation of various Committees is required. These Committees work under the supervision of Board. The working and decisions taken by the Committees are regularly updated to Board of Directors of the Company through minutes.

BOARD OF DIRECTORS

The Board of Directors ("the Board") of your Company provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board plays a crucial role of piloting the Company towards enhancement of the short and long term value interests of the stakeholders. The Board comprises of the members distinguished in various fields such as management, finance, law, marketing, technology and strategic planning. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management across the globe. The Company has an optimum combination of Directors on the Board and is in conformity with Clause 49 of the Listing Agreement.

There are four Executive and four Non-executive directors on the Board of the Company. All Non-executive directors are independent directors. The Executive Directors are authorized for conducting the general business of the Company, but all the other crucial decisions are taken at the Board Level. The Chairman and Managing Director (CMD) provided overall direction and guidance to the Board. The Board of directors of the Company meets at timely intervals and takes the crucial decisions of the Company. The Independent Directors appointed are as per the definition of Independent Directors provided in the Listing Agreement.

The necessary disclosures regarding other directorships and committee positions have been made by the Directors.

Agenda papers of the Boards and its Committee meetings are circulated to the Directors well in advance of the meetings, supported with significant information including that as enumerated in Annexure X to Clause 49 of the Listing Agreement for an effective and well-informed decision making during the meetings. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting. Important decisions taken at the Board / Board Committee meetings are communicated promptly to the concerned departments.

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business. The Board of Directors of the Company met five times during the financial year 2014-15 i.e. on 21st May, 2014, 7th June, 2014, 31st July, 2014, 8th November, 2014 and 5th February, 2015. Details of the composition, category of the Directors, their attendance at the Board Meetings held during the year & Annual General Meeting (AGM) held on July 31, 2014, Directorships and Committee Memberships are as under:

Name of Directors	Position in the Company	Attendance at Board Meeting out of five and at/last AGM	Directorship in other Indian public Companies	Position on Audit & Stakeholders Relationship Committee in Indian Companies including ACE	
				As Chairman	As Member
Mr. Vijay Agarwal	Chairman & Managing Director	5/Yes	–	–	1
Mrs. Mona Agarwal	Whole-Time Director	5/Yes	–	–	–
Mr. Sorab Agarwal	Executive Director	4/No	–	–	1
Mrs. Surbhi Garg	Executive Director	4/Yes	–	–	–
Mr. Girish Narain Mehra	Independent Director	5/Yes	5	4	2
Mr. Subhash Chander Verma	Independent Director	5/Yes	–	1	1
Dr. Amar Singal	Independent Director	5/Yes	–	1	1
Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	Independent Director	5/No	–	–	–

Mr. Vijay Agarwal, Chairman & Managing Director is husband of Mrs. Mona Agarwal, Whole-time Director and Father of Mr. Sorab Agarwal and Mrs. Surbhi Garg, Executive Directors of the Company. All other Directors of the Company act in their Independent capacities and do not have any inter-se relationship among them.

The Board periodically reviews the compliance report of all laws applicable to the Company.

All the Directors have made necessary disclosures about the directorships and committee positions, they occupy in other Companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are Directors.

The particulars of Directors, who are proposed to be re-appointed at the ensuing AGM, are given in the Notice convening the AGM.

Details of Committees of Board of Directors

(I) Audit Committee

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

S. No.	Name of the Directors	Designation	Category	Total meetings held during year	Number of meeting Attended
1.	Mr. Subhash Chander Verma	Chairman	Independent	5	5
2.	Mr. Girish Narain Mehra	Member	Independent	5	5
3.	Dr. Amar Singal	Member	Independent	5	5
4.	Mr. Vijay Agarwal	Member	Executive	5	5

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial/accounting expertise/exposure.

The terms of reference of the Audit Committee were enlarged by the Board on May 21, 2014. This Committee has now the following powers, roles and terms of reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment, terms of appointment and, if required, the replacement or removal of the statutory auditors, and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other non-audit services rendered by them.
4. Reviewing, with the management, the quarterly/ annual standalone and consolidated financial statements and auditors' report thereon, before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the audit report.
 - h. The investments made by unlisted subsidiary companies.
5. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.
6. To mandatorily review the following information:
 - (i) Management discussion and analysis of financial condition and results of operations.
 - (ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management.
 - (iii) Management letters/ letters of internal control weaknesses issued by the statutory auditors.
 - (iv) Internal audit reports relating to internal control weaknesses.
7. Invite such of the executives, as it considers appropriate (and particularly the CFO) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the Company. The Managing Director, CFO, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the Audit Committee.
8. To secure attendance of outsiders at the meetings of Audit Committee, with relevant expertise, if it considers necessary.
9. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control system.
10. Evaluation of internal financial controls and risk management system.
11. Reviewing and monitoring of the auditor's independence and performance and effectiveness of audit process.

12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and reviewing appointment, removal and terms of remuneration of the Chief Internal Auditor.
13. Discussion with internal auditors, any significant findings and follow up thereon.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
17. To direct the Company to establish a vigil mechanism for directors and employees to report genuine concerns to the Audit Committee and to ensure that the vigil mechanism provides adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.
18. To ensure that the details of establishment of vigil mechanism is disclosed by the Company on its website and in Board's report.
19. To review the functioning of the Whistle Blower/Vigil mechanism.
20. Approval of appointment of CFO after assessing the qualifications, experience & background etc. of the candidate.
21. Scrutiny of inter-corporate loans and investments.
22. Approval or any subsequent modification of transactions of the Company with related parties.
23. Valuation of undertakings or assets of the company, wherever it is necessary.
24. To investigate into any matter or activity within its terms of reference or referred to it by the Board and for this purpose, board shall have power to obtain legal or other professional advice from external sources and have full access to information contained in the records of the Company.
25. To seek information from any officer or employee of the Company.
26. To call for the comments of the Auditors about internal control systems, the scope of audit, including the observations of the Auditors and also discuss any related issues with the internal and Statutory Auditors and the Management of the Company.
27. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as enumerated in section 177 of the Companies Act, 2013 or clause 49 of the Listing Agreement with Stock Exchanges or in any subsequent amendment thereto.
28. Exercise any other power or perform any other function as enumerated in the Companies Act, 2013 or the Listing Agreement with the Stock Exchanges or in any subsequent amendment thereto.

Generally, the Committee oversees the financial reporting process, recommendation of appointment/ removal/fee etc. of external auditors, review of the adequacy of Internal Control System for financial reporting, review of quarterly/half-yearly/ annual financial statements before submission to the Board, discussion with external auditors etc.

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

The Chairman of the Audit Committee was present in the last Annual General Meeting held on 31st July, 2014.

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

(II) Nomination and Remuneration Committee

The Board of Directors in its meeting held on 21.05.2014 changed the name of Remuneration Committee to Nomination and Remuneration Committee in alignment with the Companies Act, 2013.

The detail of Composition and Attendance of the Nomination and Remuneration Committee is given below:-

S. No.	Name of the Directors	Designation	Category	Total meetings held during year	Number of meeting Attended
1.	Dr. Amar Singal	Chairman	Independent	1	1
2.	Mr. Subhash Chander Verma	Member	Independent	1	1
3.	Mr. Girish Narain Mehra	Member	Independent	1	1

The Committee's constitution and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Clause 49 of the Listing Agreement and the Securities and Exchange Board of India (Share Based Employee Benefits Regulations) 2014, as amended from time to time.

Terms of reference of the Committee inter alia include determination of the Company's policy on specific remuneration packages for Directors, key managerial personnel and Senior Management. Senior Management means the person holding the designation of President or CEO.

This Committee is entrusted with the following powers:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
2. To formulate the criteria for evaluation of Independent Directors and the Board.
3. To formulate the criteria for determining qualification, positive attributes and independence of Directors.
4. To recommend/ approve remuneration of the Executive Directors and any increase therein from time to time, within the limit approved by the members of the Company.
5. To recommend/ approve remuneration of Non Executive Directors in the form of sitting fees for attending meetings of Board and its Committees, remuneration for other services, commission on profits, grant of stock options or payment of any other amount.
6. To decide the overall compensation structure/ policy for the employees, senior management and the Directors of the Company including ratio of fixed and performance pay, performance parameters etc.
7. To approve rating of Company's performance for the purpose of payment of annual bonus/ performance incentive to employees and Executive Director(s) of the Company.
8. To approve Management Incentive Plan or any other Incentive Plan for the purpose of payment of performance Incentive to the employees and Executive Director(s) of the Company.
9. To engage the services of any consulting/ professional or other agency at the cost of the Company for the purpose of recommending to the Committee on compensation structure/ policy including Stock Option Scheme.
10. To recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
11. To recommend amendment to Employees Stock Option Scheme of the Company or to recommend any such new Scheme for

approval of members of the Company.

12. To exercise all the powers as mentioned in the Employees Stock Option Scheme of the Company to be exercised by the Compensation Committee of the Company.
13. To approve grant of stock options to Directors and employees of the Company.
14. To invite any executive or outsider, at its discretion at the meetings of the Committee.
15. To devise a policy on Board diversity.
16. To exercise such other powers as may be delegated to it by the Board from time to time.

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

(III) Stakeholders Relationship Committee

The Shareholders / Investors Grievance Committee was renamed and reconstituted as Stakeholders Relationship Committee at the Board meeting held on 21.05.2014.

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

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

The composition and the terms of Reference of the Stakeholders' Relationship Committee are in line with Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

The Committee reviews Shareholders' / Investors' complaints like non-allotment of shares under IPO, non-receipt/ short receipt of IPO refund, non-receipt of Annual Report, physical transfer/ transmission/ transposition, split/ consolidation of share certificates, issue-of duplicate share certificates, Oversee the performance of the Company's Registrar and Transfer agents, Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading etc.

The total numbers of complaints received during the year were 7, all of which were resolved and there was no pending complaint as on March 31, 2015. The Company did not receive any transfer requests directly and hence no request was pending for approval as on March 31, 2015.

Compliance Officer

Mr. R.S. Jhanwer, Head-Corporate Affairs & Company Secretary is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreement with the Stock Exchanges.

(IV) Corporate Social Responsibility (CSR) Committee

The Board had constituted Corporate Social Responsibility Committee on May 2, 2014 in terms of section 135 of the Companies Act, 2013.

The detail of Composition and Attendance of the Corporate Social Responsibility (CSR) Committee is given below:-

S. No.	Name of the Directors	Designation	Category	Total meetings held during year	Number of meeting Attended
1.	Dr. Amar Singal	Chairman	Independent	1	1
2.	Mrs. Mona Agarwal	Member	Executive	1	1
3.	Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	Member	Independent	1	1

The Committee is entrusted with the following powers:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the activities referred in clause (a) above and
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

(V) Compensation (ESOS) Committee

The Compensation Committee of the Company is empowered to formulate Employee Stock Option Scheme (ESOP) for the Company and is also authorized to allot Options to the employees of the Company.

The Composition and other details of Compensation Committee of Directors of the Company are as follows:-

S. No.	Name of the Directors	Designation	Category
1.	Mr. Subhash Chander Verma	Chairman	Independent
2.	Mr. Girish Narain Mehra	Member	Independent
3.	Mr. Vijay Agarwal	Member	Independent

However, no options have been allotted by the Company in the financial year 2014-15. The Company is yet to implement the ESOS Scheme-2010.

- **No Compensation Committee meeting was held during the year 2014-15.**

(VI) Share Allotment Committee

Share Allotment Committee is authorized to allot warrants and equity shares to prospective shareholders.

The Composition and other details of Share allotment Committee of Directors of the Company were as follows:-

S. No.	Name of the Directors	Designation	Category
1.	Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	Chairman	Independent
2.	Mr. Subhash Chandra Verma	Member	Independent
3.	Mr. Girish Narain Mehra	Member	Independent

- **No Share Allotment Committee meeting was held during the year 2014-15.**

Company Secretary of the Company acts as the Secretary to all the Committees of the Board.

Director's Remuneration

Remuneration Policy

The terms of reference/role of the Nomination and Remuneration Committee is to determine the Company's policy on the remuneration package of its Directors, Key Managerial Personnel and Senior Management and to determine and approve the terms & conditions and remuneration package of its Executive Directors including revision thereof from time to time, and to deliberate on and decide matters incidental thereto or consequential thereof.

The Remuneration policy of the Company is to ensure that Executive Directors, Key Managerial Personnel and Senior Management of the Company are rewarded in a fair and responsible manner, for their individual contributions to the success of the Company and are provided with appropriate incentives to encourage enhanced performance. The remuneration paid to the Executive Director is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in the Board meeting, subject to the subsequent approval by the shareholders at the General Meeting and such other authorities as and when required.

Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and Executive Directors.

Remuneration of Directors

(i) Remuneration paid to CMD/WTD/ED of the Company during the year 2014-15.

(Amount in Rs.lacs)

S. No.	Names of the Directors	Salary & Allowances	Other benefits and perquisites	Total
1.	Mr. Vijay Agarwal*, Chairman & Managing Director	252.00	15.40	267.40
2.	Mrs. Mona Agarwal*, Whole- time Director	126.00	8.60	134.60
3.	Mr. Sorab Agarwal, Executive Director	33.60	2.40	36.00
4.	Mrs. Surbhi Garg, Executive Director	16.80	1.00	17.80
	Total	428.40	27.40	455.80

* The above remuneration is in excess of maximum permissible remuneration as determined under Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013. The Company has applied for approval of the Central Government for payment of above remuneration to Mr. Vijay Agarwal, Chairman & Managing Director and Mrs. Mona Agarwal, Whole-time Director.

(ii) Sitting Fee paid to Non-Executive Directors:-

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

S. No.	Names of the Directors	Amount Paid (In Rs.)
1.	Mr. Girish Narain Mehra	1,10,000
2.	Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	50,000
3.	Mr. Subhash Chander Verma	1,30,000
4.	Dr. Amar Singal	1,30,000

Remuneration Policy for Key Managerial Personnel and other Employees of Company

The Company's Remuneration Policy for Key Managerial Personnel and Other employees is driven by the success and the performance of the Company and the individual & industry benchmarks and is decided by the Nomination and Remuneration Committee. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a mix of fixed/ variable pay, benefits and performance related pay.

The Remuneration Policy for Key Managerial Personnel and Other employees of the Company is attached as Annexure II to the Directors' Report forming part of this Annual Report.

General Body Meetings:

The location and time of last three AGMs are as follows:

For the Year	2011-12	2012-13	2013-14
AGM	18th	19th	20th
Date & Time	28.09.2012 11:00 a.m	24.08.2013 11:00 a.m	31.07.2014 11:00 a.m.
Venue	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Delhi-110054.	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Delhi-110054.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Delhi-110 003

Special Resolutions passed in the past three years:-

Year	Special Resolution Passed
2011-2012	Appointment of Mrs. Surbhi Garg, as Executive Director of the Company.
2012-2013	None
2013-2014	(a) Ratify the Remuneration paid to Mr. Vijay Agarwal, Chairman & Managing Director and Mrs. Mona Agarwal, Whole Time Director as per approval received from Central Government. (b) Adoption of New Articles of Association of company containing regulations in conformity with the Companies Act, 2013.

Special Resolution (s) passed through Postal Ballot:-

During the year under review, following Special Resolutions were passed through Postal Ballot.

- (i) Limits of Borrowings u/s 180(1)(c) of the Companies Act, 2013
- (ii) Providing Security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company.
- (iii) Transactions with Related Parties u/s 188 of the Companies Act, 2013.
- (iv) Shifting of Registered Office from State of Delhi to State of Haryana.

The Board had appointed Mr. Amit Agarwal, Proprietor M/s. B.K. Agrawal & Co as Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner. The result of the polling is given here under :

SPECIAL RESOLUTION No. 1	In Favour	Against	Total
Limits of Borrowing u/s 180(1)(c) of the Companies Act, 2013			
No. of Equity shares embodying the votes cast	65496400	41533	65583010
% to total no. of equity shares for which votes have been cast	99.87%	0.06%	100%

Votes representing 44578 equity shares were invalid and 499 equity shares partially not voted.

SPECIAL RESOLUTION No. 2	In Favour	Against	Total
Providing Security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company			
No. of Equity shares embodying the votes cast	65493310	41533	65583010
% to total no. of equity shares for which votes have been cast	99.86%	0.06%	100%

Votes representing 44578 equity shares were invalid and 499 equity shares partially not voted.

SPECIAL RESOLUTION No. 3	In Favour	Against	Total
Transactions with Related Parties u/s 188 of the Companies Act, 2013			
No. of Equity shares embodying the votes cast	4647758	109571	65583010
% to total no. of equity shares for which votes have been cast	7.09%	0.17%	100%

Votes representing 6,08,25,182 equity shares were invalid and 499 equity shares partially not voted.

SPECIAL RESOLUTION No. 4	In Favour	Against	Total
Shifting of Registered office from State of Delhi to State of Haryana			
No. of Equity shares embodying the votes cast	65508904	29039	65583010
% to total no. of equity shares for which votes have been cast	99.89%	0.04%	100%

Votes representing 44578 equity shares were invalid and 499 equity shares partially not voted.

Further, the shareholders of the Company have passed the special resolutions through Postal ballot on 8th May, 2015 for the following items:

1. Increase in Authorised Share Capital.
2. Re-classification of the Authorized Share Capital and amendment in the Memorandum of Association.
3. Ratification of Managerial Remuneration of Mr. Vijay Agarwal, Chairman & Managing Director.
4. Ratification of Managerial Remuneration of Mrs. Mona Agarwal, Whole-time Director.
5. Re-appointment of Mr. Vijay Agarwal as Chairman & Managing Director for a period of 3 years w.e.f 1st October, 2015 and fixation of his remuneration.

6. Re-appointment of Mrs. Mona Agarwal as Whole-time Director for a period of 3 years w.e.f 1st October, 2015 and fixation of her remuneration.
7. Re-appointment of Mr. Sorab Agarwal as Executive Director for a period of 3 years w.e.f 1st October, 2015 and fixation of his remuneration.
8. Transactions with Related Parties under section 188 of the Companies Act, 2013.

The Board had appointed Ms. Anjali Yadav, a Praticing Company Secretary as Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner. The result of the polling as given under:

Item Nos	Brief Particulars of the Resolutions	Number of Total valid votes received by the Scrutinizer and Percentage		Number of shares and Percentage of Total votes cast IN FAVOUR of the Resolutions		Number of shares and Percentage of Total votes cast AGAINST the Resolutions	
		Total number of valid votes	% of votes polled to total shares held	Number of Shares	% of total votes polled	Number of Shares	% of total votes polled
1.	Approval for increase in Authorized Share Capital	71937048	72.70	70962332	98.65	974716	1.35
2.	Approval for Re-classification of the Authorized Share Capital and amendment in Memorandum of Association	71937048	72.70	70962332	98.65	974716	1.35
3.	Approval for Ratification of Managerial Remuneration of Mr. Vijay Agarwal	4463216	4.51	3487029	78.13	976187	21.87
4.	Approval for Ratification of Managerial Remuneration of Mrs. Mona Agarwal	4463216	4.51	3485830	78.10	977386	21.90
5.	Approval for re-appointment of Mr. Vijay Agarwal as Chairman & Managing Director	4463216	4.51	4459622	99.92	3594	0.08
6.	Approval for re-appointment of Mrs. Mona Agarwal, Whole-time Director	4463216	4.51	4458223	99.89	4993	0.11
7.	Approval for re-appointment of Mr. Sorab Agarwal, Executive Director	4463216	4.51	4459622	99.92	3594	0.08
8.	Approval for transactions with Related Parties	4253216	4.51	3277084	77.05	976132	22.95

In addition to above, it is proposed to pass the special resolution through postal ballot as per the SEBI Circulars for the approval of the Scheme of Amalgamation (the "Scheme"), between ACE TC Rentals Private Limited (the "Transferor Company") and Action Construction Equipment Limited (the "Transferee Company").

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

Governance Policies:

ACE has adopted various codes and policies to conduct our business in ethical manner. Some of these codes and policies are :

- Policy for Selection and Appointment of Non-Executive Directors.
- Training of Independent Directors and Board Member.
- Performance Evaluation for Board and Directors'.
- Code of Conduct for Directors and Senior Management.
- Anti-Sexual Harassment Policy.
- Code of conduct for Prohibition of Insider Trading.
- Vigil Mechanism and Whistle Blower Policy.
- Policy for determining Material Subsidiaries.
- Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions.
- Corporate Social Responsibility Policy.
- Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Disclosures

i. Basis of Related Party Transactions:

All transactions entered into with Related Parties as defined under Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis. None of the transactions with any of the related parties were in conflict with the Company's interest. Suitable disclosures as required by the Accounting Standard (AS-18) have been made in the notes to the Financial Statements. Attention of members is drawn to the disclosures of transactions with related parties set out in Note No. 27(B) (8) (E) of Standalone Financial statements, forming part of the Annual Accounts.

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

ii. Disclosures from Senior Management

In Compliance with Clause 49 (VIII)(D)(2) of the Listing Agreement, disclosures from Senior Management are obtained on quarterly basis to the effect that they have not entered into any material, financial and commercial transactions, where they have personal interest that may have potential conflict with the interest of the Company at large.

iii. Compliances by the Company

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

iv. Whistle Blower Policy/ Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to directors, employees, agents, consultants, vendors and business partners to disclose instances of wrongdoing in the workplace. The object of this Whistle Blower Policy is to encourage individuals to disclose and protect such individuals in the event of a disclosure. The Company is keen on demonstrating the right values and ethical, moral and legal business practices in every field of activity within the scope of its work. The objective of this policy is to provide a vigil mechanism and framework to promote responsible whistle blowing and ensure effective remedial action and also protect the interest of the whistle blower as guided by legal principles. This policy is intended to:

- a) Encourage and enable directors, employees, agents, consultants, vendors and business partners to raise issues or concerns, which are either unacceptable or patently against the stated objectives, law or ethics, within the Company.
- b) Ensure that directors, employees, agents, consultants, vendors and business partners can raise issues or concerns without fear of victimisation, subsequent discrimination or disadvantage thereof.
- c) Reassure the whistle blower(s) that they will be protected from possible reprisals or victimisation if they have made disclosure/s in good faith.
- d) Ensure that where any wrong doing by the Company or any of its directors, employees, agents, consultants, vendors or business partners is identified and reported to the Company under this policy, it will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine the means of ensuring how such wrong doing can be prevented in future and will take corrective action accordingly.

The policy also provides adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee.

v. Corporate Social Responsibility Activities

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee, details of which are given earlier in this Report. An Annual Report on CSR Activities forms part of Directors' Report. The Company has also formulated Corporate Social Responsibility Policy and same is available at the website of the Company.

vi Code of Conduct for Prohibition of Insider Trading

The Company has framed 'Code of Conduct for Prohibition of Insider Trading' pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, which is applicable to its Directors, Officers, and Designated Employees. The Code includes provisions relating to disclosures, opening and closure of Trading Window and Pre-Clearance of trades procedure. In compliance with SEBI Regulations the Company send intimations to Stock Exchanges from time to time.

vii. Subsidiary Companies

As on March 31, 2015, the Company had one foreign subsidiary and one fellow subsidiary. The Company has no material non-listed Indian Subsidiary Company as defined in Clause 49(V) of the Listing Agreement.

During the year, Action Developers Limited had gone for voluntary liquidation as there was no activity in the company since inception.

The minutes of the meetings of the subsidiary companies are placed at the Board Meetings of the Company. The consolidated financial statements of the Company and its subsidiaries are reviewed by the Audit Committee.

Risk Management & Internal Control

The Company has implemented a comprehensive 'Enterprise Risk Management' framework in order to anticipate, identify, measure, mitigate, monitor and report the risks to meet the strategic business objectives, details of which are given in the Risk Management section under 'Management Discussion and Analysis Report' which forms part of this Annual Report.

The Company has a In-House Internal Audit team, which reports to the Chairman of the Audit Committee. Internal Auditors prepares and executes a vigorous Audit Plan covering various functions such as operations, finance, human resources, administration, legal and business development etc. The team presents their key audit findings of every quarter to the Audit Committee. The management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee members are vigilantly incorporated and executed by the Company.

Disclosure of Accounting Treatment:

The Company has followed all relevant Accounting Standards while preparing the financial statements.

Means of Communication

- (a) **Quarterly Results:** The Company's quarterly financial results are generally published in Financial Express, Rashtriya Sahara, Hari Bhoomi, PN Times and Naya India and are displayed on its website (www.ace-cranes.com).
- (b) **Website www.ace-cranes.com:** Detailed information on the Company's business and products; quarterly/half yearly/nine months and annual financial results are displayed on the Company's website www.ace-cranes.com.
- (c) **Annual Report:** The Annual Report contains inter-alia Audited Annual Accounts, consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to the members and others entitled thereto.
- (d) **The Management Discussion & Analysis:** The Management Discussion & Analysis Report forms part of the Annual Report.
- (e) **Intimation to Stock Exchanges:** The Company is timely submitting the required information, statement and report to the BSE Limited and National Stock Exchange of India Limited. The Company intimates BSE Limited and National Stock Exchange of India Limited, all the price sensitive information which in its opinion are material and of relevance to the shareholders.

National Electronic Application Processing System (NEAPS):

The NEAPS is web based system designed by NSE for corporates. All periodical compliance filings like shareholding pattern, Corporate Governance Report etc. are also filed electronically on NEAPS.

SEBI Complaints Redress System (SCORES) :

The investors complaints are processed in a centralized web-based complaints redress system. The salient features of the system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company regularly reviews and take actions on the complaints lodged in this system.

Designated Exclusive email-id :

The Company has provided an exclusive email ID i.e. ir@ace-cranes.com for better investor servicing.

General Shareholder Information

Corporate Identity Number (CIN):

The Company is registered in the State of Haryana, India. The Corporate Identity Number (CIN), allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74899HR1995PLC053860.

Forthcoming AGM: DAY Date, Time and Venue

The 21st Annual General Meeting of the Company is scheduled for Friday 25th September 2015 at 11.00 a.m. Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001

Financial Year

The financial year of the Company is from 1st April to 31st March of every year.

Financial Calendar (Tentative)

Results for the Quarter ending	Tentative date of Reporting
June 2015	1st Week of August, 2015
September 2015	1st Week of November, 2015
December 2015	1st Week of February, 2016
March 2016	4th week of May, 2016
Annual General Meeting for the year ending 31st March, 2016	Last Week of September, 2016

Book Closure Date

The register of members and share transfer books of the company will remain closed from Friday, 18th September 2015 to Friday, 25th September, 2015 (both days inclusive), for the purpose of Annual General Meeting and payment of dividend, if declared.

Dividend Payment Date

The Board has recommended a dividend of 10% on the paid up share capital of the Company to be considered by the members in the forthcoming Annual General Meeting. The said dividend, if declared, by the shareholders shall be paid to all the members as on the date of Annual General Meeting within the statutory limit of 30 days from the date of declaration.

Listing on Stock Exchanges

The Company's equity shares are actively traded on the following stock exchanges:

1. BSE Limited (BSE)
2. The National Stock Exchange of India Limited (NSE)

Stock Codes

The stock codes of the Company's securities are as follows:

Stock Exchanges	Security Code	Type of Security
BSE Limited	532762	Equity Shares
National Stock Exchange of India Limited (NSE)	ACE	Equity Shares

Listing Fees for the financial year 2015 -2016 has been paid to both, BSE Limited and National Stock Exchange of India Limited. Annual custodian charges of Depository have also been paid to NSDL and CDSL for the same period.

MARKET PRICE DATA: HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR

MONTH(S) 2014-15	NSE		BSE		MONTH END	
	HIGH (in Rs.)	LOW (in Rs.)	HIGH (in Rs.)	LOW (in Rs.)	BSE SENSEX	NIFTY
APRIL 14	22.25	14.00	22.35	14.01	22,417.80	6696.40
MAY 14	32.10	18.20	32.00	18.30	24,217.34	7229.95
JUNE 14	31.95	23.55	31.95	23.60	25,413.78	7611.35
JULY 14	34.95	27.45	34.95	27.40	25,894.97	7721.30
AUGUST 14	33.00	26.05	33.00	26.25	26,638.11	7954.35
SEPTEMBER 14	38.40	28.60	38.60	29.55	26,630.51	7964.80
OCTOBER 14	36.90	27.30	37.00	27.20	27,865.83	8322.20
NOVEMBER 14	45.90	34.00	45.80	34.00	28,693.99	8588.25
DECEMBER 14	43.40	32.10	43.40	32.35	27,499.42	8282.70
JANUARY 15	42.10	36.50	42.00	37.00	29,182.95	8808.90
FEBRUARY 15	42.95	36.50	42.85	36.05	29,361.50	8901.85
MARCH 15	48.70	36.00	48.85	36.15	27,957.49	8491.00

Registrar and Share Transfer Agent

For Shares held in Physical as well as in Electronic Mode:

Karvy Computershare Private Limited

Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District,
Gachibowli Nanakramguda, Serilingampally, Hyderabad - 500 008

Phone: +91 040 6716 2222 (Board)

Toll Free No 18004258998, Fax: +91 040 2300 1153

Email: kishore.bv@karvy.com, einward.ris@karvy.com, Website : www.karvy.com

Share Transfer System

The share Transfer requests which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being in order and complete in all aspects.

The Company has taken various steps to ensure that the shareholder-related matters are given due priority and the matters/issues raised are resolved at the earliest.

Distribution of Shareholding As On 31.03.2015

I. [On the Basis of Category]

Category of Shareholding	Number of Shareholders	No. of shares held	% of Shareholding
Promoter & Promoter Group	5	67523832	68.25
Resident individuals & Others	26837	20463276	20.67
Mutual Funds/ UTI	5	2005215	2.03
Non-residents/FII/OCB	382	1941682	1.96
Bodies Corporate	516	6951127	7.03
Financial Institutions /Banks	2	54868	0.06
TOTAL	27747	98940000	100.00

Shareholding Pattern by Size as on March 31, 2015

ii. On the Basis of Shares held

No. of Shareholders	% to Total	Category (Shares)	No. of Shares	% to Total
26356	94.97	Up to 1 to 5000	7590670	7.67
726	2.62	5001 to 10000	2735514	2.76
345	1.24	10001 to 20000	2619414	2.65
116	0.42	20001 to 30000	1473887	1.49
55	0.20	30001 to 40000	999256	1.01
28	0.10	40001 to 50000	640981	0.65
64	0.23	50001 to 100000	2240395	2.26
57	0.22	100001 and above	80639883	81.50
27747	100.00	Total	98940000	100.00

Dematerialization of Shares and Liquidity

As on 31st March, 2015, 99.93% of the shareholding is held in dematerialized form as per details mentioned below:- Trading in Equity Shares of the Company is permitted only in dematerialized form.

Mode of holding	No. of Holders	No. of Shares	% of Total Issued Capital
Physical System	3697	72439	0.07
NSDL	15644	84288590	85.19
CDSL	8409	14578971	14.74
Total	27750	98940000	100.00

The DEMAT ISIN of the Company's equity shares is INE731H01025.

Outstanding Stock Option

There are no outstanding warrants or any convertible instruments as on March 31, 2015.

Plants Locations

The following are the locations of the Company:-

Jajru Road, 25th Mile Stone, Delhi Mathura Road. Ballabgarh- 121 004 Distt. Faridabad, Haryana	Dhudhola Village Dudhola Link Road, Dhudhola, Distt. Palwal- 121102 Haryana	Plot no.40 & 41, Nand Nagar Industrial Estate Phase-1,Mahuakhera ganj, Kashipur, Uttrakhand	45th Mile Stone, Delhi Mathura Road, Prithla, District Palwal, Haryana
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Research & Development (R&D) Centres

Jajru Road, 25th Mile Stone, Delhi Mathura Road, Ballabgarh- 121 004, Distt. Faridabad, Haryana	Dhudhola Village, Dudhola Link Road, Dhudhola, Distt. Palwal- 121102 Haryana
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Address for Correspondence

Registered & Corporate Office:

Action Construction Equipment Limited

Dhudhola Link Road, Dhudhola

Dist. Palwal – 121102, Haryana

Phone: + 91-1275-280111

Fax No.: + 91-1275-280133

Email Id: cs@ace-cranes.com

Investor Correspondence

For Shares held in Physical form

Karvy Computershare Private Limited

Karvy Selenium Tower-B,

Plot No. 31 & 32, Financial District,

Gachibowli Nanakramguda,

Serilingampally, Hyderabad - 500 008

Phone: +91 040 6716 2222 (Board)

Toll Free No 18004258998

Fax: +91 2300 1153

Email: kishore.bv@karvy.com, einward.ris@karvy.com

Website : www.karvy.com

For Shares held in Demat form

Investors concerned Depository Participants and / or Karvy Computershare Private Limited

For all matters relating to investor relations please contact:

Head-Corporate Affairs & Company Secretary

Action Construction Equipment Limited

Dhudhola Link Road, Dhudhola

Dist. Palwal – 121102, Haryana

Phone: + 91-1275-280111

Fax No.: + 91-1275-280133

Email Id: rs.jhanwer@ace-cranes.com, cs@ace-cranes.com, ir@ace-cranes.com

Transfer of Unclaimed Dividend amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 123 of the Companies Act, 2013, the dividend which remains unclaimed/ unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

Members who have not so far encashed their dividend warrant(s) are requested to seek revalidation of dividend warrants in writing to the Company's Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited, immediately. Members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

Members are also advised to update their correspondence address in their demat accounts in case of their holdings in electronic form or inform their latest correspondence address to the Registrars in case of holdings in physical form. Information in respect of such unclaimed dividends due for transfer to the Investor Education and Protection Fund (IEPF) is as follows:

1.	Final Dividend 2007-08	11.09.2015
2.	Final Dividend 2008-09	17.09.2016
3.	Interim Dividend 2009-10	28.05.2017
4.	Interim Dividend 2010-11	28.03.2018
5.	Final Dividend 2010-11	31.10.2018
6.	Final Dividend 2011-12	15.11.2019
7.	Final Dividend 2012-13	24.09.2020
8.	Dividend 2013-14	02.09.2021

During the year, the Company has sent reminders to those Members who had not claimed their dividend so far. The following unclaimed amounts were transferred to IEPF:

Particulars	Amount (Rs.)
Amount transferred during Financial Year 2014-15	
Final Dividend 2006-07 Date of transfer- 19.09.2014	11,001.00
Interim Dividend 2006-07 Date of transfer- 19.12.2014	1,52,665.00
Total amount transferred to the IEPF of the Central Government during the year	1,63,666.00

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2013, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st July, 2014 (Last Annual General Meeting) on the Company's website (www.ace-cranes.com) and on the website of the Ministry of Corporate Affairs.

ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENT OF CLAUSE 49

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

CEO AND CFO CERTIFICATION

Annual Certification on financial statements pursuant to Clause 49(V) of the Listing Agreement has been obtained from the Managing Director & CEO and the CFO of the Company. The same is given at the end of this Report. The Chairman and Managing Director and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

DECLARATION FOR CODE OF CONDUCT

As provided under clause 49 of the Listing agreement with the BSE Limited and National Stock Exchange of India Limited, the Board Members, Key Managerial Personnel and Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2015.

For Action Construction Equipment Limited

Place: New Delhi
Date: 30th May, 2015

Sd/-
Vijay Agarwal
[Chairman & Managing Director]
DIN No. 00057634

CERTIFICATION FROM THE CHAIRMAN AND MANAGING DIRECTOR/ AND THE CFO

To,
The Board of Directors,
Action Construction Equipment Limited

In terms of clause 49 IX of the Listing Agreements with the NSE and BSE, we hereby certify as under:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

We have indicated to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) There have been no
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year;
 - iii. Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Action Construction Equipment Limited

Sd/-
Vijay Agarwal
[Chairman & Managing Director]
DIN No. 00057634

Sd/-
Rajan Luthra
[CFO]

Place: New Delhi
Date: 30th May, 2015

REPORT ON CORPORATE GOVERNANCE

To The Members of Action Construction Equipment Limited

We have examined the compliance of conditions of corporate governance by Action Construction Equipment Limited, for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Savita Trehan
Company Secretary in Whole Time Practice

Savita Trehan
Company Secretary
FCS No. 4374
C.P.No. 2569

Place: New Delhi

Date: 30th May, 2015

Independent Auditor's Report

To the Members of Action Construction Equipment Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Action Construction Equipment Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- (g) The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Additional Notes to the financial

statements 27(b), other notes S. no 5 Contingent Liability;

- (h) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- (i) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Rajan Chhabra & Co.
Chartered Accountants
Firm Registration No. 009520N

Rajan Chhabra
Partner
Membership No. 088276

Place : Faridabad
Date : 30th May, 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i). (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified on regular basis. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) Physical verification of inventory was conducted by the management at reasonable interval during the year.

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

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

- (iii) (a) The Company has granted loan to subsidiary company FRESTED LIMITED CYPRUS Worth Rs 2621.11 Lacs
- (b) In this case of the loan granted to the body corporate listed in the register maintained under section 189 of the Act, the company has made a provision of Rs. 3 Crores being doubtful for recovery. The Board of Directors have also informed that the necessary steps are being taken for the recovery of the loan amount. There are no overdue amounts of more than rupees one lakh other than mentioned above. Interest amounting to Rs 171.64 lacs has not been provided on the mentioned loan and hence profit is understated by this amount. No principal amount has been received during the year.

- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory & fixed assets and sale of goods & services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Company has maintained books of accounts pursuant to the rules made by the central government for the maintenance of cost records under section 148 of the Companies Act 2013 and in our the opinion the prescribed accounts and records have been properly maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, amounts required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act have been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, term loans have been applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Rajan Chhabra & Co.
Chartered Accountants
Firm Registration No. 009520N

Rajan Chhabra
Partner
Membership No. 088276

Place : Faridabad
Date : 30th May, 2015

Balance Sheet as at 31st March, 2015

		Rs. in Lacs	
Particulars	Notes	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	1	1,978.80	1,978.80
Reserves and Surplus	2	29,314.36	28,822.98
		31,293.16	30,801.78
Non-Current Liabilities			
Long Term Borrowings	3	3,173.19	3,946.08
Deferred Tax Liabilities (Net)	4	863.10	453.28
Other Long Term Liabilities	5	399.12	317.18
Long Term Provisions	6	128.11	120.78
		4,563.52	4,837.32
Current Liabilities			
Short Term Borrowings	7	8,582.53	10,203.07
Trade Payables		11,469.51	11,407.87
Other Current Liabilities	8	6,172.48	4,714.96
Short Term Provisions	9	732.81	221.96
		26,957.33	26,547.86
TOTAL		62,814.01	62,186.96
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		27,245.25	26,617.02
Intangible Assets		141.10	200.50
Capital Work in Progress		579.49	210.92
		27,965.84	27,028.44
Non Current Investments	11	398.22	297.28
Long Term Loans and Advances	12	7,352.34	6,439.87
Other Non-Current Assets	13	248.45	105.84
		7,999.01	6,842.99
Current Assets			
Current Investments	14	1,396.73	1,164.78
Inventories	15	14,124.48	16,054.48
Trade Receivables	16	8,061.20	6,827.81
Cash and Cash Equivalents	17	1,134.37	1,365.49
Short Term Loans and Advances	18	2,132.38	2,902.97
		26,849.16	28,315.53
TOTAL		62,814.01	62,186.96

Additional Notes to the Financial Statements

27

The accompanying Notes are an integral part of Financial Statements

In terms of our report of even date
For Rajan Chhabra & Co.
Chartered Accountants
Firm Registration No. 009520N

For and on behalf of the Board of Directors

Vijay Agarwal
Chairman & Managing Director

Rajan Chhabra
Partner
Membership No. 088276

Subhash Chander Verma
Independent Director

Place : New Delhi
Date : 30th May, 2015

Rajan Luthra
Chief Financial Officer

Radhey Shyam Jhanwer
Company Secretary

Sorab Agarwal
Executive Director

Statement of Profit & Loss for the Year Ended 31st March, 2015

		Rs. in Lacs	
Particulars	Notes	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Revenue from Operations (Net)	19	59,765.49	61,493.42
Other Income	20	1,119.18	665.68
Total Revenue		60,884.67	62,159.10
Expenses			
Cost of Materials Consumed	21	41,842.87	46,411.82
Purchase of Stock-in-Trade		414.10	114.64
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	942.39	(2,036.35)
Employee Benefit Expenses	23	4,714.08	4,645.14
Selling & Distribution Expenses	24	1,683.92	1,590.13
Financial Costs	25	1,300.64	1,041.49
Depreciation and Amortization Expenses	10	957.09	1,527.00
Other Expenses	26	8,072.78	8,353.51
Total Expenses		59,927.87	61,647.38
Profit Before Tax		956.80	511.72
Tax Expenses			
Current tax		195.37	106.21
Deferred tax		409.81	3.21
MAT credit entitlement		(323.32)	-
Profit for the year		674.94	402.30
Earning per equity share (Face Value Rs 2.00 each)			
Basic (Rs.)		0.68	0.41
Diluted (Rs.)		0.68	0.41
Additional Notes to the Financial Statements		27	
The accompanying Notes are an integral part of Financial Statements			
In terms of our report of even date For Rajan Chhabra & Co. Chartered Accountants Firm Registration No. 009520N		For and on behalf of the Board of Directors	
		Vijay Agarwal Chairman & Managing Director	
Rajan Chhabra Partner Membership No. 088276		Subhash Chander Verma Independent Director	
Place : New Delhi Date : 30th May, 2015	Rajan Luthra Chief Financial Officer	Radhey Shyam Jhanwer Company Secretary	Sorab Agarwal Executive Director

Cash Flow Statement for the year ended 31st March, 2015

Rs. in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax as per Statement of Profit & Loss	956.80	511.72
Adjustments For :		
Depreciation and Amortization Expenses	957.09	1,527.00
Interest Expenses	1,300.64	1,041.49
Interest Income	(183.87)	(322.67)
Profit on Sale of Fixed Assets	(658.53)	(17.41)
Loss on Sale of Fixed Assets	15.37	16.88
Revaluation Reserve Income	(1.34)	(4.27)
Foreign Currency Translation Reserve	55.22	178.88
Miscellaneous Expenditure Written Off	1.01	1.01
	1,485.59	2,420.91
Operating Profit Before Working Capital Changes	2,442.39	2,932.63
Adjustments For :		
Trade & Other Receivable	(1,233.39)	1,506.19
Inventories	1,930.01	(1,719.25)
Trade & Other Payable	402.31	477.57
Loans & Advances	647.11	628.61
	1,746.04	893.12
Cash Generated from Operations	4,188.43	3,825.75
Direct Taxes Paid	(269.54)	(139.47)
NET CASH FLOW FROM OPERATING ACTIVITIES	3,918.89	3,686.28
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets Including CWIP	(3,155.06)	(2,795.88)
Sale of Fixed Assets	1,903.73	307.05
(Purchase)/ Sale of Investments	(332.89)	174.29
Interest Income	183.87	322.67
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,400.35)	(1,991.87)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From Secured Loans	(1,189.65)	(659.90)
Interest Paid	(1,300.64)	(1,041.49)
Dividend & Tax thereon	(115.75)	(231.50)
NET CASH FLOW FROM FINANCING ACTIVITIES	(2,606.04)	(1,932.89)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(87.50)	(238.48)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,468.29	1,706.77
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,380.79	1,468.29

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method"
2. Cash and Cash equivalents consists of Cash in hand and balances with banks

The accompanying Notes are an integral part of Financial Statements

In terms of our report of even date
For Rajan Chhabra & Co.
Chartered Accountants
Firm Registration No. 009520N

For and on behalf of the Board of Directors

Rajan Chhabra
Partner
Membership No. 088276

Vijay Agarwal
Chairman & Managing Director

Subhash Chander Verma
Independent Director

Place : New Delhi
Date : 30th May, 2015

Rajan Luthra
Chief Financial Officer

Radhey Shyam Jhanwer
Company Secretary

Sorab Agarwal
Executive Director

Notes to the Financial Statements

1. Share Capital

Particulars	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (Rs. in Lacs)	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 (Rs. in Lacs)
Authorised Capital : Equity Shares of Rs. 2/- Each	12,25,00,000	2,450.00	12,25,00,000	2,450.00
Issued, Subscribed and Paid up Capital : Equity Shares of Rs.2/- Each fully paid up	9,89,40,000	1,978.80	9,89,40,000	1,978.80
A) Reconciliation of number of Equity Shares outstanding At the beginning and at the end of the year	9,89,40,000	1,978.80	9,89,40,000	1,978.80

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

Particulars	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (%age)	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 (%age)
Mr. Vijay Agarwal / Mrs. Mona Agarwal	3,39,88,707	34.35%	3,39,88,707	34.35%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	2,66,37,807	26.92%	2,66,37,807	26.92%

C) Rights, preferences and restrictions attached to the Equity Shares

The Equity Shares of the Company, having par value of Rs 2.00 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

Note:

The Company has increased and reclassified it's Authorised Capital on 8th May 2015.

The Present Authorised Capital is as under:

Particulars	Rs. In Lacs
10,00,00,000 - Equity Shares of Rs 2/- each	2000.00
3,02,50,000 - 8% Redeemable Cumulative Preference Shares of Rs 10/- each	3025.00
Total	5025.00

Notes to the Financial Statements

2. Reserves and Surplus

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Capital Reserves		
At the beginning and at the end of the year	571.96	571.96
Revaluation Reserve		
At the beginning of the year	5,731.28	5,735.55
Less: Depreciation	1.34	4.27
At the end of the year	5,729.94	5,731.28
Securities Premium Account		
At the beginning and at the end of the year	8,532.73	8,532.73
Foreign Currency Translation Reserve		
At the beginning of the year	515.35	336.47
Add: Translation of foreign currency loans	112.80	214.97
Less: Transferred to Statement of Profit & Loss	57.58	36.09
At the end of the year	570.57	515.35
General Reserves		
At the beginning of the year	8,815.00	8,715.00
Add: Transfer from Surplus in Statement of Profit & Loss	200.00	100.00
At the end of the year	9,015.00	8,815.00
Surplus in Statement of Profit & Loss		
At the beginning of the year	4,656.66	4,470.11
Add: Profit for the year	674.94	402.30
Less: Appropriation of profit		
Proposed Dividend	197.88	98.94
Tax on Dividend	39.56	16.81
Transfer to General Reserve	200.00	100.00
At the end of the year	4,894.16	4,656.66
TOTAL	29,314.36	28,822.98

Notes to the Financial Statements

3. Long Term Borrowings

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Secured		
Term Loans from Banks		
Foreign Currency Loan	958.42	1,591.09
Rupee Term Loan	4,230.79	3,167.23
	5,189.21	4,758.32
Less : Current Maturity of Long Term Borrowings	2,016.02	812.24
TOTAL	3,173.19	3,946.08

Terms of Repayment

- a) Foreign Currency Loan - Repayable in 16 equal instalments of USD 156250 & USD 125000 each, starting after 15 months from the date of disbursement i.e. 30th June 2011 & 1st Sep 2011 respectively with interest rate of USD LIBOR + 2.65%
- b) i. Rupee Loan from ICICI Bank Ltd. - Repayable in 118 equated monthly instalments, (including interest @ 10.20%) starting from 10.04.2012
- ii. Rupee Loan from Axis Bank Ltd. - Repayable in 12 quarterly instalments of Rs. 2.08 crores each, last being Rs. 2.12 crores starting after one year from the date of first disbursement and carry an interest of 10.90% p.a.
- iii. Commercial Equipment Loan from ICICI & HDFC Bank - Repayable in 47 equated monthly instalments (including interest @ 10.05%)

Security Offered

- a) i) Exclusive charge on assets financed out of this Loan.
- ii) Exclusive charge on Immovable assets at industrial unit at Plant IV, Prithla Dhatir Road, Village Dudholla, Palwal.
- b) i) Exclusive charge on the assets financed out of this loan.
- ii) a) Exclusive charge on the assets financed out of this loan.
- b) Exclusive charge by way of equitable mortgage over factory land situated at Kashipur, Uttarakhand.
- iii) Exclusive hypothecation on the Commercial Equipment financed out of these loan.

4. Deferred Tax Liabilities (Net)

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Deferred Tax Liability		
Difference between Book and Tax Depreciation	911.13	499.08
	911.13	499.08
Deferred Tax Assets		
Expenditure disallowed U/s 43B	48.03	45.80
	48.03	45.80
TOTAL	863.10	453.28

5. Other Long Term Liabilities

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Security Deposits	399.12	317.18
TOTAL	399.12	317.18

Notes to the Financial Statements

6. Long Term Provisions

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Provision for Employee Benefits	128.11	120.78
TOTAL	128.11	120.78

7. Short Term Borrowings

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Secured Loans from Banks		
Cash Credit	1,256.54	2,498.81
Buyers Credit	3,350.99	4,704.26
Working Capital Demand Loan	3,975.00	3,000.00
TOTAL	8,582.53	10,203.07

All Credit Facilities from Banks are secured by way of hypothecation of the Company's entire inventory and such other movable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present & future and Plant & Machinery (Except Plant & Machinery financed out of foreign currency loan and rupee term loan) on pari passu basis and First charge by the way of equitable mortgage of property situated at Mumbai on pari passu basis.

8. Other Current Liabilities

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Current Maturities of Long Term Borrowings	2,016.02	812.24
Unpaid Dividends	10.77	12.18
Advances from Customers	1,371.38	1,160.72
Advances against Property	63.15	-
Other payables		
- Statutory Liabilities	334.91	359.30
- Other Payable*	2,376.25	2,370.52
TOTAL	6,172.48	4,714.96

*Other payable includes credit balances of employees, expenses payable etc.

9. Short Term Provisions

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Provision for Taxation	195.37	106.21
Proposed Dividend	197.88	98.94
Provision for Dividend Distribution Tax	39.56	16.81
Provision for Doubtful Loan and Advances	300.00	-
TOTAL	732.81	221.96

Notes to the Financial Statements

10. Fixed Assets

Rs. in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2014	Additions	Sale/adjustment during the year	As at 31.03.2015	As at 01.04.2014	For the Year	On Deletions/ Adjustments	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets										
Land	11,258.26	-	-	11,258.26	-	-	-	-	11,258.26	11,258.26
Factory Building	5,849.87	119.82	-	5,969.69	1,700.58	169.97	-	1,870.55	4,099.14	4,149.29
Office Building	6,485.47	97.46	1,285.60	5,297.33	898.53	70.69	171.71	797.51	4,499.82	5,586.94
Plant and Machinery	6,496.07	2,263.84	146.47	8,613.44	2,036.43	395.31	27.03	2,404.71	6,208.73	4,459.64
Furniture & Fixtures	612.25	179.52	1.79	789.98	330.92	47.46	1.45	376.93	413.05	281.33
Office Equipment	269.00	9.51	11.90	266.61	116.77	33.01	6.41	143.37	123.24	152.23
Motor Vehicles	1,152.51	60.47	134.26	1,078.72	603.42	88.96	114.86	577.52	501.20	549.09
Computer	310.40	10.70	0.10	321.00	262.28	31.17	0.04	293.41	27.59	48.12
Electric Equipment & Fittings	243.97	4.53	0.47	248.03	111.85	22.22	0.26	133.81	114.22	132.12
	32,677.80	2,745.85	1,580.59	33,843.06	6,060.78	858.79	321.76	6,597.81	27,245.25	26,617.02
Capital Work-in-Progress	210.92	551.03	182.46	579.49	-	-	-	-	579.49	210.92
	32,888.72	3,296.88	1,763.05	34,422.55	6,060.78	858.79	321.76	6,597.81	27,824.74	26,827.94
Intangible Assets										
Computer Software	554.16	0.98	7.29	547.85	422.81	63.98	5.55	481.24	66.61	131.35
Technical Know how	108.94	39.66	-	148.60	39.79	34.32	-	74.11	74.49	69.15
	663.10	40.64	7.29	696.45	462.60	98.30	5.55	555.35	141.10	200.50
Total	33,551.82	3,337.52	1,770.34	35,119.00	6,523.38	957.09	327.31	7,153.16	27,965.84	27,028.44
Previous Year	31,166.43	3,925.58	1,540.19	33,551.82	5,100.33	1,527.00	103.95	6,523.38	27,028.44	26,066.10

Notes:

- During the financial year ended on 31st March 2011, Land & Building was revalued by Rs.5,697.05 Lacs on the basis of valuation carried out by an approved valuer.
- Addition during the year includes Rs. 59.57 lacs (Previous year Rs.146.38 lacs) on account of foreign exchange fluctuation in the value of foreign currency loan taken to finance these assets.

11. Non Current Investments

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Investment in Equity Instruments (Non quoted)		
Wholly owned subsidiaries		
1000 Equity Shares of Euro 1 Each in Frested Ltd. Cyprus (at cost)	0.58	0.58
999,999 Equity Shares of Rs. 10 Each (Rs.1 per Equity Share paid up) in Action Developers Ltd (at cost)#	-	10.00
Other Investments		
6 Year National Saving Certificates	0.10	0.10
Investment in Partnership Firm*	397.54	286.60
TOTAL	398.22	297.28

During the year Action Developers Limited, 100% subsidiary of the Company has gone for voluntary winding up as there was no activity since inception. Accordingly investment of Rs. 10 lacs has been written off.

* Company has 90% share in the partnership firm M/s Namo Matels and balance 10% share is held by Mrs. Mona Agarwal.

Notes to the Financial Statements

12. Long Term Loans and Advances

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Unsecured Considered Good		
Capital Advances	3,217.92	2,895.65
Loans and Advances to Related Parties		
- Frested Ltd	2,621.11	2,502.44
Other Loans and Advances		
- Advance Tax	1,161.57	998.25
- Mat credit entitlement	323.32	-
- Advance to Employees	28.42	43.53
TOTAL	7,352.34	6,439.87

13. Other Non Current Assets

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Misc. Expenditure to the extent not Written Off	2.03	3.04
Non Current Fixed Deposits (Refer Note 17)	246.42	102.80
TOTAL	248.45	105.84

14. Current Investments

(Carried at lower of Cost/Fair value)

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
3000000 - Units (P.Y. - Nil) - Reliance Fixed Horizon Fund XXVI Series 13 - Growth Plan of Rs. 10/- each	326.02	-
Nil - (P.Y. 5524000 - Units) - Reliance Fixed Horizon Fund XXIII Series 4 - Growth Plan of Rs. 10/- each	-	605.87
Nil - (P.Y. 2500000 - Units) - 779- Kotak FMP Series 98 - Growth of Rs. 10/-each	-	277.48
4000000- Units (P.Y. - Nil) - Reliance Fixed Horizon Fund - XXVI Series 8 - Growth Plan of Rs. 10/- each	436.22	-
2750000 - Units (P.Y. 2750000 -Units) - Reliance Fixed Horizon Fund XXV Series 12 - Growth Plan of Rs. 10/- each	307.02	281.43
3000000 - Units (P.Y. - Nil) ICICI Prudential FMP Series 73 - 369 Days Plan of Rs. 10/- each	327.47	-
TOTAL	1,396.73	1,164.78

15. Inventories (At lower of cost or net realisable value)

(As Verified, Valued and Certified by the Management)

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Raw Material and Components	11,745.42	12,367.49
Work in Progress	1,183.02	2,018.36
Finished Goods	1,052.98	1,160.03
Raw Material in Transit	143.06	508.60
TOTAL	14,124.48	16,054.48

Notes to the Financial Statements

16. Trade Receivables

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, Considered Good	1,169.65	1,847.68
Doubtful	-	-
	<u>1,169.65</u>	<u>1,847.68</u>
Less: Provisions for Doubtful Debts	-	-
	<u>1,169.65</u>	<u>1,847.68</u>
Others		
Unsecured, Considered Good	6,891.55	4,980.13
TOTAL	8,061.20	6,827.81

17. Cash and Cash Equivalents

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Balance with Scheduled Banks		
Current Account	13.96	43.88
Unpaid Dividend Account	10.77	12.18
Cash in Hand	23.92	73.33
Fixed Deposit		
Fixed Deposit Receipts	1,332.14	1,338.90
Less : Fixed Deposit Receipts - having maturity over 12 months	246.42	102.80
Fixed deposits having maturity period with in 12 months	<u>1,085.72</u>	<u>1,236.10</u>
TOTAL	1,134.37	1,365.49

18. Short Term Loans and Advances (Unsecured and Considered Good)

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Balance with Excise Authorities	497.56	465.28
Sales Tax Recoverable	73.31	90.07
Advance to Suppliers	1,198.04	1,984.42
Security Deposits	203.71	214.90
Others	159.76	148.30
TOTAL	2,132.38	2,902.97

Notes to the Financial Statements

19. Revenue from Operations

Rs. in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Sale of Products	61,680.78	64,251.62
Other Operating Revenues	970.18	605.71
	62,650.96	64,857.33
Less: Excise Duty	2,885.47	3,363.91
TOTAL	59,765.49	61,493.42

Other Operating Revenues :

Rs. in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Service Charges Received	131.58	81.56
Hiring Charges Received	776.55	497.88
Duty Draw Back Received	62.05	26.27
TOTAL	970.18	605.71

20. Other Income

Rs. in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Interest Received	183.87	322.67
Rent Received	92.51	121.56
Profit on Sale of Assets	658.53	17.41
Revaluation Reserve Income	1.34	4.27
Return on Investment	116.70	99.44
Other Non-operating Income	66.23	100.33
TOTAL	1,119.18	665.68

21. Cost of Material Consumed

Rs. in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Opening Stock	12,876.09	13,193.19
Add: Purchases (Net of Return)	41,269.36	46,209.36
	54,145.45	59,402.55
Less: Closing Stock	11,888.48	12,876.09
Less: Purchase of Stock-in-Trade	414.10	114.64
TOTAL	41,842.87	46,411.82

Notes to the Financial Statements

22. Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Finished Goods		
Opening Stock	1,160.03	1,072.32
Closing Stock	1,052.98	1,160.03
	107.05	(87.71)
Work in Progress		
Opening Stock	2,018.36	69.72
Closing Stock	1,183.02	2,018.36
	835.34	(1,948.64)
TOTAL	942.39	(2,036.35)

23. Employee Benefit Expenses

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Salaries, Wages & Bonus	3,811.60	3,884.34
Contribution to Provident and Other Funds	185.55	130.36
Staff Welfare Expenses	263.03	208.88
Director's Remuneration	453.90	421.56
TOTAL	4,714.08	4,645.14

24. Selling & Distribution Expenses

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Selling Expenses	1,307.03	1,151.06
Commission on Sales	376.89	439.07
TOTAL	1,683.92	1,590.13

25. Financial Costs

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Interest on Working Capital Facilities	887.22	744.43
Interest on Term Loans	349.21	93.99
Interest on Other Loans	64.21	203.07
TOTAL	1,300.64	1,041.49

Notes to the Financial Statements

26. Other Expenses

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Manufacturing Expenses		
Manufacturing Expenses	2,399.31	2,525.61
Power & Fuel	464.47	442.32
Repair & Maintenance		
- Plant & Machinery	291.22	168.07
- Building	81.50	59.26
Freight & Forwarding Charges	1,570.65	1,535.09
SUB TOTAL	4,807.15	4,730.35
Other Administrative Expenses		
Rent	149.05	165.15
Rate Fees & Taxes	36.77	76.11
Insurance	35.74	23.38
Travelling & Conveyance	953.01	973.39
Communication Expenses	176.50	177.85
Auditor's Remuneration	10.99	12.70
Vehicle Expenses	77.40	73.25
Exchange Rate Difference (Net)	132.02	961.43
Miscellaneous Expenses	1,384.15	1,159.90
Provision For Doubtful Loan & Advances	300.00	-
Investment Written Off	10.00	-
TOTAL	8,072.78	8,353.51

Auditor's Remuneration Includes

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Audit Fee	9.40	9.60
Taxation Matters	-	1.00
Certification	1.59	2.10
TOTAL	10.99	12.70

Notes to the Financial Statements

27. Additional Notes to the Financial Statements

27(A) Significant Accounting Policies

1. System of Accounting :

The Financial Statement has been prepared to comply with the mandatory Accounting Standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013. The financial statements are prepared on going concern assumptions and under the historical cost convention on accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the company unless otherwise stated.

2. Fixed Assets :

All Fixed Assets are valued at historical costs less accumulated depreciation. Cost of assets comprise of purchase price and any attributable cost of bringing the asset to its working condition except in case of assets for which revaluation is carried out.

3. Depreciation :

Depreciation is systematically allocated over the useful life of an asset as specified in part C of schedule II of Companies Act, 2013.

4. Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision made for diminution in the value of the investments is made to recognise a decline other than temporary.

5. Inventories:

(a) **Raw Material** - Lower of cost or net realisable value. However, materials and other items held for use in the production of finished goods are not written down below cost, if finished product in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

(b) **Work in Progress and Finished Goods** - Lower of cost or net realisable value. Cost includes direct materials, labour and proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis. Net Realisable value is the estimated selling price in ordinary course of business, less estimated costs necessary to make the sale.

6. Revenue Recognition:

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

(a) **Sale of Goods:** Revenue in respect of sale of products is recognised at the time of dispatch of the goods, when significant risks and rewards of ownership of the goods is passed to the buyers.

(b) **Rendering of Services:** Revenue from service is recognised when the service is performed, as per the terms of contract, and the performance of service is regarding as achieved when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

(c) **Interest:** Revenue is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.

(d) **Insurance Claims :** Receivable on account of insurance are accounted for to the extent the company is reasonably certain of their ultimate collection.

(e) **Export Benefits :** Export benefits under Duty Drawback Scheme are accounted for in the year of Export of Goods.

7. Foreign Currency Transactions:

a) **Initial recognition:** Foreign currency transactions are recorded in the reporting currency, by applying the foreign currency amount the exchange rate prevailing at the date of transaction.

b) **Conversion :** Foreign currency monetary items are reported using the closing rate, Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the value is determined.

c) **Exchange Differences :** Exchange differences arising on reporting monetary items of company at the rate different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arises. However, exchange difference arising on reporting of "Long Term Foreign Currency Monetary Item (LTFCMI)" in so far as they relate to acquisition of capital assets are added to that assets and in other cases, such difference are accumulated in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)."

Notes to the Financial Statements

27. Additional Notes to the Financial Statement (Contd.)

8. Benefits to Employees:

a) Short term Employee Benefit:

All employees benefits payable within twelve months of rendering of the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex gratia etc. and are recognised in the period in which the employee renders the related service.

b) Post Employment benefits:

(i) Defined Contribution Plans:

The Company's State government Provident Fund Scheme and Employee State Insurance Scheme are defined contribution plans. The contribution paid/ payable under the scheme is recognised during the period in which the employee renders the related service.

(ii) Defined Benefits Plans:

The employee's gratuity fund scheme, long term compensated absences are Company's defined benefit plans. The present value of the obligation under such defined benefit plans are determined based on the actuarial valuation on the date of the balance sheet. Gratuity Liability is funded through a Group Gratuity Scheme with Life Insurance Corporation of India wherein contributions are made and charged to revenue on annual basis.

9. Accounting for Taxes on Income :

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and has been accounted as per provisions of the Accounting Standard-22 issued by The Institute of Chartered Accountants of India. In accordance with the guidance note issued by ICAI, the company will review the outstanding MAT credit entitlements at each balance sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

10. Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised, wherever carrying amount of an asset exceeds its recoverable value. The recoverable value is greater of the asset's net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

11. Borrowing Costs:

Borrowing costs that are attributable to the acquisition and construction of an assets that necessarily takes substantial period of time to get ready for its intended use are capitalised as part of cost of respective assets. All other borrowing costs are recognised as an expenses in the year in which they are incurred. Borrowing Cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

12. Expenditure during Construction Period:

In case of new projects/substantial expansions of existing factories, expenditure incurred, including trial production expenses net of revenue earned and attributable interest and financing costs prior to commencement of commercial production are capitalized.

13. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of a past event;
- b) a probable outflow of resources is expected to settle the obligation and;
- c) the amount of obligation can be reliably estimated;

Reimbursements expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in case of

- a) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) a possible obligation, of which the probability of outflow of resources is remote.

Contingent Assets are neither recognised nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Notes to the Financial Statements

27. Additional Notes to the Financial Statement (Contd.)

14 Merger

ACE TC Rentals Pvt. Limited is proposed to be merged with the Company with effect from April 1st, 2014 pursuant to a scheme of amalgamation ("the scheme"). The scheme has been filed in the High Court for the States of Punjab and Haryana and Hon'able High Court has directed to convene the meeting of the members of the Company and unsecured creditors having net balance of more than Rs. 1 lacs on July 4th, 2015. Accordingly, these financial statements do not include the assets and liabilities of ACE TC Rentals Pvt. Limited as at March 31st, 2015 and the results of operations for the year ended March 31st, 2015.

27(B) Other Notes

- The Board of Director's has recommended a final dividend of Rs. 0.20/- (10%) per Equity Share, subject to approval of the Share Holders in the forthcoming Annual General Meeting.
- The Ministry of Science & Technology (Department of Scientific and Industrial Research) vide its letter no. TU/IV-RD/3115/2013 dated 26.11.2013 has renewed the recognition already provided to our In-House R&D centres. The expenditure incurred towards In-House Research & Development activity is as under:

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
(a) Capital Expenditure	5.25	72.19
(b) Revenue Expenditure	524.83	573.19
Total	530.08	645.38

- Miscellaneous Expenditure to the extent not written off, includes Life Time Club Membership, to be amortized over a period of ten years, commencing from 2007-08, in accordance with Accounting Standard 26 issued by The Institute of Chartered Accountants of India.
- In absence of any information received from the vendors with regards to their registration (filing of Memorandum) under "The Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)", liability at the close of the year cannot be ascertained and during the year no interest is paid to any such enterprises.
- Contingent Liabilities, not provided for:**

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Bank Guarantees	1,557.75	1,220.95
Letter of Credits	783.32	1,900.71
Claim against the Company, not acknowledge as Debts*	442.24	558.98
Sales Tax, Excise & Income Tax Matters, pending before Assessing / Appellate Authorities*	2,922.28	5,363.61
Total	5,705.59	9,044.25

* The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

Capital Commitment: Estimated amount of contracts pending to be executed on capital account and not provided for Rs. 177.27 lacs (Previous Year Rs.703.71 lacs).

Notes to the Financial Statements

27. Additional Notes to the Financial Statement (Contd.)

6. a) Remuneration paid to Whole-time Directors:

					Rs. in Lacs
S. No.	Names of the Directors	Salary & Allowances	Contribution to PF, Gratuity and Other Funds	Other Benefits and Perquisites	Total
1.	Sh. Vijay Agarwal, Chairman & Managing Director	252.00	-	15.40	267.40
2.	Smt. Mona Agarwal, Whole-time Director	126.00	-	8.60	134.60
3.	Sh. Sorab Agarwal, Executive Director	33.60	-	2.40	36.00
4.	Smt. Surbhi Garg, Executive Director	16.80	-	1.00	17.80
Total		428.40	-	27.40	455.80

- b) The above mentioned remuneration of Rs. 455.80 Lacs is in excess of Maximum permissible remuneration as determined under Schedule V of the Companies Act, 2013. However the company has filed an application with the Central Government on dated 3rd February 2015 for grant of approval for payment of same remuneration as paid in the past to Mr. Vijay Agarwal, Chairman & Managing Director and Mrs. Mona Agarwal, Whole time Director of the Company. Pending approval from the government, management has taken confirmation from both the directors that they shall refund the excess remuneration in the event of refusal of such approval.

Notes to the Financial Statements

27. Additional Notes to the Financial Statement (Contd.)

7. Segment Reporting in terms of Accounting Standard -17 - issued by The Institute of Chartered Accountants of India.

Information about the primary business segments of the Company:

		Rs. in Lacs	
Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014	
1. Segment Revenue			
A) Cranes	36,069.11	36,023.56	
B) Material Handling/Construction Equipment	6,629.29	6,917.42	
C) Agri Equipment	16,096.91	17,946.73	
Total	58,795.31	60,887.71	
Less: Inter Segment Revenue	-	-	
Net Sales / Income from Operations	58,795.31	60,887.71	
2. Segment Results			
A) Cranes	2,962.29	2,462.27	
B) Material Handling/Construction Equipment	121.47	(459.41)	
C) Agri Equipment	268.25	800.67	
Total	3,352.01	2,803.53	
Less: Interest	1,300.64	1,041.49	
Less: Other Unallocable Expenditure	1,094.57	1,250.32	
Profit Before Tax	956.80	511.72	
3. Capital Employed			
A) Cranes	31,507.39	34,464.42	
B) Material Handling/Construction Equipment	7,538.82	5,300.92	
C) Agri Equipment	286.71	263.50	
Total	39,332.92	40,028.84	

8. As per Accounting Standard 18, "Related Party Disclosure" issued by The Institute of Chartered Accountants of India, the disclosures of transactions with the Related Parties as defined in the Accounting Standard are given below :

a. Associate Companies / Entities

ACE TC Rentals Pvt. Ltd.
Namo Matels
VMS Holdings Pvt. Ltd.
VMS Equipment

b. Subsidiary Companies

FRESTED Limited, Cyprus - Wholly Owned Subsidiary
SC FORMA SA, Romania - Fellow Subsidiary
Action Developers Ltd., India - Wholly Owned Subsidiary (Ceased to exist on 23-02-2015)

c. Key Management Personnel

Sh. Vijay Agarwal
Smt. Mona Agarwal
Sh. Sorab Agarwal
Smt. Surbhi Garg

d. Relatives of Key Management Personnel and Enterprises, over which Relatives of Key Management Personnel exercise significant influence

N.A.

Notes to the Financial Statements

27. Additional Notes to the Financial Statement (Contd.)

e. Related Party Transactions

Rs. in Lacs

Nature of Transaction	Period	Associate Companies/Firm				Subsidiary Company		Key Management Personnel	Total
		ACE TC Rentals Pvt Ltd.	Namo Matels	VMS Equipment (Firm)	VMS Equipment Pvt. Ltd.	Frested Ltd, Cyprus	SC Forma SA, Romania		
Purchase of Goods	2014-15	120.00	–	–	17.40	–	–	–	137.40
	2013-14	–	–	–	–	–	–	–	–
Sale of Goods	2014-15	76.66	–	–	2,366.18	–	–	–	2,442.84
	2013-14	598.66	–	1,013.83	1,678.74	–	–	–	3,291.23
Remuneration Paid	2014-15	–	–	–	–	–	–	455.80	455.80
	2013-14	–	–	–	–	–	–	455.80	455.80
Licence Fee Paid	2014-15	–	–	–	–	–	–	68.82	68.82
	2013-14	–	–	–	–	–	–	57.42	57.42
Rent Received	2014-15	0.96	–	–	0.60	–	–	–	1.56
	2013-14	0.96	–	0.40	0.19	–	–	–	1.55
Interest Received	2014-15	–	–	–	–	–	–	–	–
	2013-14	–	–	–	–	163.61	–	–	163.61
Investment in Equity	2014-15	–	110.94	–	–	–	–	–	110.94
	2013-14	–	0.04	–	–	–	–	–	0.04
Loan to Subsidiary	2014-15	–	–	–	–	118.67	–	–	118.67
	2013-14	–	–	–	–	223.32	–	–	223.32

9. Disclosure as required by clause 32 of the listing agreement:

Rs. in Lacs

Particulars	Amount at the end of Financial Year		Maximum amount outstanding during the Financial Year	
	2014-15	2013-14	2014-15	2013-14
1. Loan and Advances in the nature of loans:				
a. To Subsidiary Companies :				
FRESTED LIMITED, CYPRUS	2,621.11	2,502.44	2,621.11	2,502.44
SC FORMA SA, ROMANIA	–	–	–	–
ACTION DEVELOPERS LTD., INDIA	–	–	–	–
b. To Companies in which Directors are interested	FRESTED LIMITED, CYPRUS			
c. Where there is no repayment schedule or repayment beyond seven years or no interest or interest below Section 186 of Companies Act.	NIL	NIL	NIL	NIL
2. Investment by the Subsidiary Companies in the shares of Action Construction Equipment Ltd.	NIL	NIL	NIL	NIL

Notes to the Financial Statements

27. Additional Notes to the Financial Statement (Contd.)

10. The Company has entered into agreements in the nature of Lease/ Leave and Licence agreement with different Lessors/ Licensors for the purpose of establishment of office premises/ residential accommodations. These are generally in nature of operating Lease/leave and Licence and disclosure required as per Accounting Standard-19 issued by The Institute of Chartered Accountants of India with regard to the above is as under-

a)	Particulars	Rs. in Lacs	
		Minimum Lease Payments	
		2014-15	2013-14
	Payable within one year	128.45	108.58
	Payable after one year but within 5 years	25.90	101.37

- b) There are no transactions in the nature of Sub Lease.
- c) Payments recognised in the Statement of Profit & Loss for the year ended 31st March, 2015 is Rs. 149.05 Lacs (P.Y. Rs. 165.15 Lacs).

11. Disclosure pursuant to Accounting Standard -15 (Revised), issued by The Institute of Chartered Accountants of India

EMPLOYEE BENEFITS

a)	Expenses recognised in the Statement of Profit & Loss	Rs. in Lacs	
	Particulars	2014-15	2013-14
a)	Current Service Cost	55.02	45.82
b)	Interest Cost	16.11	16.94
c)	Employee Contribution	—	—
d)	Actuarial (Gain)/Loss	6.80	(31.37)
e)	Past Service Cost	—	—
f)	Settlement Cost	(18.14)	(15.23)
	Total Expenses, debited to Statement of Profit & Loss	59.79	16.16

b)	Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2015	Rs. in Lacs	
	Particulars	2014-15	2013-14
a)	Present Value of defined Benefit Obligation at the end of the year	279.86	206.94
b)	Fair Market Value of Plan Assets with LIC at the end of the year	236.74	197.25
	Net Asset/(Liability)	(43.12)	(9.69)

c)	Change in the obligation during the year ended 31st March, 2015	Rs. in Lacs	
	Particulars	2014-15	2013-14
a)	Present Value of Defined benefit obligation at the beginning of the year	206.94	198.19
b)	Current Service Cost	55.02	45.82
c)	Interest Cost	16.10	16.94
d)	Settlement Cost	—	—
e)	Actuarial (Gain)/Loss	7.96	(29.90)
f)	Benefit Payment	(6.16)	(24.11)
	Present Value of Defined benefit obligation at the end of the year	279.86	206.94

Notes to the Financial Statements

27. Additional Notes to the Financial Statement (Contd.)

d) Change in the Plan Assets during the year ended 31st March, 2015

Rs. in Lacs

Particulars	2014-15	2013-14
a) Plan assets at the beginning of the year	197.25	167.56
b) Actuarial (Gain)/Loss	1.16	1.47
c) Contribution	26.89	37.10
d) Benefit Payment	(6.70)	(24.11)
e) Return on the Plan Assets	18.14	15.23
Plan assets at the end of the year	236.74	197.25

e) Actuarial Assumption

a) Discounted Rate	7.90% p.a.
b) Mortality Rate	IAL (2006-08) Ultimate
c) Withdrawal Rate	1% to 3% depending on Age.
d) Salary Escalation	11.00%
e) Retirement Age	58

Liability in respect of unavailed privileged leave was hitherto valued at the salary rates prevailing on the balance sheet date. During the year, the company has valued the compensated absences, specified in AS 15 (Revised) on actuarial basis. Further para 132 of AS 15 (Revised 2005) does not require any specific disclosure except where the expense resulting from compensated absences is of such size, nature of incidence that its disclosure is relevant under other accounting standards. In the opinion of the management, the expense resulting from compensated absences is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (Revised 2005).

12. CIF Value of Imports

Rs. in Lacs

Particulars	2014-15	2013-14
Raw Materials, Spare Parts & Finished Products	6,736.44	10,459.80

13. I) Capacity & Production:

Particulars	Unit	Licensed Capacity		Installed Capacity		Production No. of Equipment	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
a) Cranes	Nos.	N.A	N.A	7500	7500	2486	2474
b) Material Handling/ Construction Equipment	Nos.	N.A	N.A	1300	1300	684	632
c) Agri Equipments	Nos.	N.A	N.A	6000	6000	3459	4242
Total				14800	14800	6629	7348

Notes to the Financial Statements

27. Additional Notes to the Financial Statement (Contd.)

II) Turnover:

Particulars	2014-15		2013-14	
	Qty. in Nos.	Rs. in Lacs	Qty. in Nos.	Rs. in Lacs
a) Cranes	2445	36,069.11	2473	36,023.56
b) Material Handling / Construction Equipment	668	6,629.29	637	6,917.42
c) Agri Equipment	3483	16,096.91	4217	17,946.73
d) Excise Duty		2,885.47		3,363.91
Total	6596	61,680.78	7327	64,251.62

14. Details of Raw Material Consumed:

S.No.	Items	Qty. in Nos.		Value (Rs. in Lacs)	
		2014-15	2013-14	2014-15	2013-14
1	Engine	6,050	6,363	5,666.81	5,715.61
2	Others			36,590.16	40,810.85
Total				42,256.97	46,526.46

15. Raw Material Consumed - Imported & Indigenous:

Rs. in Lacs

Particulars	2014-15		2013-14	
	Value	%age	Value	%age
Imported	5,012.86	12%	9,749.84	21%
Indigenous	37,244.11	88%	36,776.62	79%
Total	42,256.97	100%	46,526.46	100%

16. Earning in Foreign Exchange:

Rs. in Lacs

Particulars	2014-15	2013-14
Export of Goods (F.O.B. Value)	1,464.44	1,111.14
Profit on Sale of Asset	656.00	-
Total	2,120.44	1,111.14

17. Expenditure in Foreign Currency:

Rs. in Lacs

Particulars	2014-15	2013-14
Foreign Travelling Expenses	45.49	70.01
Subscription	-	0.58
Sales Promotion	0.31	-
Freight	136.40	179.72
Retainership	28.87	30.71
Interest on ECB Loan/Buyers Credit	87.07	181.05
Commission Paid	-	1.34
Office Maintenance	24.88	13.42
Exhibition Expenses	6.60	33.79
Advertisement & Publication	1.73	1.02
Electricity Expenses	3.42	-
Brokerage Expenses	58.57	-
Other Expenses	1.05	-
Total	394.39	511.64

Notes to the Financial Statements

27. Additional Notes to the Financial Statement (Contd.)

18. Earning Per Share (Basic & Diluted):

EPS is calculated by dividing the profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the year. Numbers used for calculating basic & diluted earnings per equity share are as stated below:

Particulars	2014-15	2013-14
Profit attributable to Equity Shareholders of the Company - (Rs in Lacs)	674.94	402.30
Weighted average no. of Equity Shares of Rs. 2 each (Basic)	9,89,40,000	9,89,40,000
Weighted average no. of Equity Shares of Rs. 2 each (Diluted)	9,89,40,000	9,89,40,000
EPS (In Rupees)- Basic	0.68	0.41
EPS (In Rupees)- Diluted	0.68	0.41

- 19 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof : Rs 125.50 Lacs.
- 20 Balance of some of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation and reconciliation by the parties and adjustment, if any, required on reconciliation, will be done in the year in which the same is reconciled. Further, Management does not expect any material difference in the financial Statements for the year.
- 21 The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS-3) issued by The Institute of Chartered Accountants of India.
- 22 The Trade Receivables includes an amount of Rs. 649.43 lacs (Previous year Rs. 444.28 lacs) due from Companies in which Directors are interested.
- 23 Previous years figures have been regrouped to make them comparable with current year figures wherever necessary.
- 24 Note 1 to 27 form integral part of the accounts and are duly authenticated.

In terms of our report of even date For Rajan Chhabra & Co. Chartered Accountants Firm Registration No. 009520N		For and on behalf of the Board of Directors	
Rajan Chhabra Partner Membership No. 088276		Vijay Agarwal Chairman & Managing Director	
Place : New Delhi Date : 30th May, 2015		Subhash Chander Verma Independent Director	
Rajan Luthra Chief Financial Officer		Radhey Shyam Jhanwer Company Secretary	
		Sorab Agarwal Executive Director	

INDEPENDENT AUDITOR'S REPORT

To the Members of Action Construction Equipment Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Action Construction Equipment Limited ('the Company') and its subsidiaries ('the Group') which comprise the consolidated balance sheet as at March 31, 2015, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; for selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

- We have not audited the financial statements of foreign subsidiaries namely FRESTED LIMITED, CYPRUS and SC FORMA, SA, ROMANIA whose financial statements reflect total assets of Rs.147.04 lacs and Rs.518.34 lacs as at March 31, 2015, total Revenue/(Expenditure) of Rs. Nil/(64.76) lacs and Rs 230.70 lacs/(307.98) lacs respectively and Cash inflows/(outflows) Rs. 118.67 lacs/(Rs. 118.40) lacs and Rs. 549.73 lacs/(537.65) lacs respectively for the year ended on March 31, 2015 respectively. These statements have been audited by other auditors and our report in so far as it relates to the amounts included in respect of the subsidiaries is based solely

on these statements submitted to us by the management.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified opinion paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2015;
- b) In the case of the consolidated statement of profit and loss, of the profit of the group for the year ended on that date; and
- c) In the case of the consolidated cash flow statement, of the cash flows of the group for the year ended on that date.

For Rajan Chhabra & Co.
Chartered Accountants
Firm Registration No. 009520N

Rajan Chhabra
Partner
Membership No.088276

Place: Faridabad

Date : 30th May, 2015

Consolidated Balance Sheet as at 31st March, 2015

Rs. in Lacs

Particulars	Notes	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	1	1,978.80	1,978.80
Reserves and Surplus	2	27,173.92	26,738.56
Minority Interest		41.30	40.03
		29,194.02	28,757.39
Non-Current Liabilities			
Long Term Borrowings	3	3,173.19	3,946.08
Deferred Tax Liabilities (Net)	4	863.10	453.28
Other Long Term Liabilities	5	399.12	317.18
Long Term Provisions	6	128.11	120.78
		4,563.52	4,837.32
Current Liabilities			
Short Term Borrowings	7	8,582.53	10,203.07
Trade Payables		11,686.81	11,699.06
Other Current Liabilities	8	6,179.17	4,731.95
Short Term Provisions	9	732.81	221.96
		27,181.32	26,856.04
TOTAL		60,938.86	60,450.75
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		27,947.75	26,988.22
Intangible Assets		371.63	431.03
Capital Work in Progress		693.60	425.78
		29,012.98	27,845.03
Non-Current Investments	11	0.10	0.10
Long Term Loans and Advances	12	4,731.23	3,937.43
Other Non-Current Assets	13	248.45	119.08
		4,979.78	4,056.61
Current Assets			
Current Investments	14	1,396.73	1,164.78
Inventories	15	14,181.79	16,250.18
Trade Receivables	16	8,091.03	6,851.06
Cash and Cash Equivalents	17	1,140.87	1,376.70
Short Term Loans and Advances	18	2,135.68	2,906.39
		26,946.10	28,549.11
TOTAL		60,938.86	60,450.75

Additional Notes to the Financial Statements 27
The accompanying Notes are an integral part of Financial Statements

In terms of our report of even date
For Rajan Chhabra & Co.
Chartered Accountants
Firm Registration No. 009520N

For and on behalf of the Board of Directors

Vijay Agarwal
Chairman & Managing Director

Rajan Chhabra
Partner
Membership No. 088276

Subhash Chander Verma
Independent Director

Place : New Delhi
Date : 30th May, 2015

Rajan Luthra
Chief Financial Officer

Radhey Shyam Jhanwer
Company Secretary

Sorab Agarwal
Executive Director

Consolidated Statement of Profit & Loss for the Year Ended 31st March, 2015

		Rs. in Lacs	
Particulars	Notes	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Revenue from Operations (Net)	19	59,923.21	61,631.81
Other Income	20	1,192.16	530.54
Total Revenue		61,115.37	62,162.35
Expenses			
Cost of Materials Consumed	21	42,032.11	46,418.34
Purchase of Stock-in-Trade		414.10	114.64
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	942.39	(2,036.35)
Employee Benefit Expenses	23	4,723.63	4,653.40
Selling & Distribution Expenses	24	1,684.02	1,590.14
Financial Costs	25	1,300.64	1,041.49
Depreciation and Amortization Expenses	10	958.39	1,527.90
Other Expenses	26	8,252.75	8,405.56
Total Expenses		60,308.03	61,715.12
Profit Before Tax		807.34	447.23
Tax Expenses			
Current tax		195.37	106.21
Deferred tax		409.81	3.21
MAT credit entitlement		(323.32)	-
Profit After Tax before Minority Interest & Share in Result of Associates		525.48	337.81
Minority Interest		128.41	120.30
Share of Loss of Associates		10.69	0.03
Profit for the year		664.58	458.14
Earning per equity share (Face Value Rs 2.00 each)			
Basic (Rs.)		0.53	0.34
Diluted (Rs.)		0.53	0.34

Additional Notes to the Financial Statements

27

The accompanying Notes are an integral part of Financial Statements

In terms of our report of even date
For Rajan Chhabra & Co.
Chartered Accountants
Firm Registration No. 009520N

For and on behalf of the Board of Directors

Rajan Chhabra
Partner
Membership No. 088276

Vijay Agarwal
Chairman & Managing Director

Subhash Chander Verma
Independent Director

Place : New Delhi
Date : 30th May, 2015

Rajan Luthra
Chief Financial Officer

Radhey Shyam Jhanwer
Company Secretary

Sorab Agarwal
Executive Director

Consolidated Cash Flow Statement for the year ended 31st March, 2015

Rs. in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax as per Statement of Profit & Loss	807.34	447.23
Adjustments For :		
Depreciation and Amortization Expenses	958.39	1,527.90
Interest Expenses	1,300.64	1,041.49
Interest Income	(183.87)	(159.27)
Profit on Sale of Fixed Assets	(730.79)	(45.67)
Loss on Sale of Fixed Assets	15.37	16.88
Foreign Currency Translation Reserve	135.61	(62.27)
Miscellaneous Expenditure Written Off	14.26	1.01
	1,509.61	2,320.07
Operating Profit Before Working Capital Changes	2,316.95	2,767.30
Adjustments For :		
Trade & Other Receivable	(1,239.97)	1,497.28
Inventories	2,068.40	(1,748.73)
Trade & Other Payable	318.10	422.78
Loans & Advances	765.92	1,015.49
	1,912.45	1,186.82
Cash Generated from Operations	4,229.40	3,954.12
Direct Taxes Paid	(269.54)	(139.47)
NET CASH FLOW FROM OPERATING ACTIVITIES	3,959.86	3,814.65
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets Including CWIP	(3,565.62)	(2,811.56)
Sale of Fixed Assets	2,166.40	335.31
(Purchase)/Sale of Investments	(231.95)	174.33
Interest Income	183.87	159.27
Change in Minority Interest	1.27	9.46
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,446.03)	(2,133.19)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From Secured Loans	(1,189.65)	(659.90)
Interest Paid	(1,300.64)	(1,041.49)
Dividend & Tax thereon	(115.75)	(231.50)
NET CASH FLOW FROM FINANCING ACTIVITIES	(2,606.04)	(1,932.89)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(92.21)	(251.43)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,479.50	1,730.93
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,387.29	1,479.50

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method"
- Cash and Cash equivalents consists of Cash in hand and balances with banks

The accompanying Notes are an integral part of Financial Statements

In terms of our report of even date
For Rajan Chhabra & Co.
Chartered Accountants
Firm Registration No. 009520N

For and on behalf of the Board of Directors

Rajan Chhabra
Partner
Membership No. 088276

Vijay Agarwal
Chairman & Managing Director

Subhash Chander Verma
Independent Director

Place : New Delhi
Date : 30th May, 2015

Rajan Luthra
Chief Financial Officer

Radhey Shyam Jhanwer
Company Secretary

Sorab Agarwal
Executive Director

Notes to the Consolidated Financial Statement

1. Share Capital

Particulars	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (Rs. in Lacs)	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 (Rs. in Lacs)
Authorised Capital				
Equity Shares of Rs. 2/- each	12,25,00,000	2,450.00	12,25,00,000	2,450.00
Issued, Subscribed And Paid Up Capital				
Equity Shares of Rs. 2/- each, fully paid up	9,89,40,000	1,978.80	9,89,40,000	1,978.80
A) Reconciliation of number of Shares outstanding				
At the beginning and at the end of the year	9,89,40,000	1,978.80	9,89,40,000	1,978.80

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

Particulars	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (%age)	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 (%age)
Mr. Vijay Agarwal / Mrs. Mona Agarwal	3,39,88,707	34.35%	3,39,88,707	34.35%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	2,66,37,807	26.92%	2,66,37,807	26.92%

C) Rights, preferences and restrictions attached to the Equity Shares

The Equity Shares of the Company, having par value of Rs. 2.00 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

Note:

The Company has increased and reclassified it's Authorised Capital on 8th May 2015.

The Present Authorised Capital is as under:

Particulars	Rs. In Lacs
10,00,00,000 - Equity Shares of Rs 2/- each	2000.00
3,02,50,000 - 8% Redeemable Cumulative Preference Shares of Rs 10/- each	3025.00
Total	5025.00

Notes to the Consolidated Financial Statement

2. Reserves and Surplus

Rs. in Lacs

Particulars	As At		As At	
	31st March, 2015		31st March, 2014	
Capital Reserves				
At the beginning and at the end of the year		571.96		571.96
Revaluation Reserve				
At the beginning of the year	6,046.31		6,050.58	
Less: Depreciation	1.34		4.27	
At the end of the year		6,044.97		6,046.31
Securities Premium Account				
At the beginning and at the end of the year		8,532.73		8,532.73
Foreign Currency Translation Reserve				
At the beginning of the year	(489.75)		(313.43)	
Add: Translation of foreign currency loans	67.14		(140.23)	
Less: Transferred to Statement of Profit & Loss	57.58		36.09	
At the end of the year		(480.19)		(489.75)
General Reserves				
At the beginning of the year	8,815.00		8,715.00	
Add: Transfer from Surplus in Statement of Profit & Loss	200.00		100.00	
At the end of the year		9,015.00		8,815.00
Surplus in Statement of Profit & Loss				
At the beginning of the year	3,262.31		3,019.92	
Add: Profit for the year	664.58		458.14	
Less: Appropriation of profit				
Proposed Dividend	197.88		98.94	
Tax on Dividend	39.56		16.81	
Transfer to General Reserve	200.00		100.00	
At the end of the year		3,489.45		3,262.31
TOTAL		27,173.92		26,738.56

Notes to the Consolidated Financial Statement

3. Long Term Borrowings

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Secured		
Term loans from Banks		
Foreign Currency Loan	958.42	1,591.09
Rupee Term Loan	4,230.79	3,167.23
	5189.21	4,758.32
Less: Current Maturity of Long Term Borrowings	2016.02	812.24
TOTAL	3,173.19	3,946.08

Terms of Repayment

- a) Foreign Currency Loan - Repayable in 16 equal instalments of USD 156250 & USD 125000 each, starting after 15 months from the date of disbursement i.e. 30th June 2011 & 1st Sep 2011 respectively with interest rate of USD LIBOR + 2.65%.
- b) i. Rupee Loan from ICICI Bank Ltd. - Repayable in 118 equated monthly instalments, (including interest @ 10.20%) starting from 10.04.2012
- ii. Rupee Loan from Axis Bank Ltd. - Repayable in 12 quarterly instalments of Rs. 2.08 crores each, last being Rs. 2.12 crores starting after one year from the date of first disbursement and carry an interest of 10.90% p.a.
- iii. Commercial Equipment Loan from ICICI & HDFC Bank - Repayable in 47 equated monthly instalments (including interest @ 10.05%)

Security Offered

- a) i. Exclusive charge on assets financed out of this Loan.
- ii. Exclusive charge on Immovable assets at industrial unit at Plant IV, Prithla Dhatir Road, Village Dudholla, Palwal.
- b) i. Exclusive charge on the assets financed out of this loan.
- ii. a) Exclusive charge on the assets financed out of this loan.
- b) Exclusive charge by way of equitable mortgage over factory land situated at Kashipur, Uttarakhand.
- iii) Exclusive hypothecation on the commercial equipment financed out of these loans.

4. Deferred Tax Liabilities (Net)

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Deferred Tax Liability		
Difference between Book and Tax Depreciation	911.13	499.08
	911.13	499.08
Deferred Tax Assets		
Expenditure disallowed U/s 43B	48.03	45.80
	48.03	45.80
TOTAL	863.10	453.28

5. Other Long Term Liabilities

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Security Deposits	399.12	317.18
TOTAL	399.12	317.18

Notes to the Consolidated Financial Statement

6. Long Term Provisions

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Provision for Employee Benefits	128.11	120.78
TOTAL	128.11	120.78

7. Short Term Borrowings

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Secured Loans from Banks		
Cash Credit	1,256.54	2,498.81
Buyers Credit	3,350.99	4,704.26
Working Capital Demand Loan	3,975.00	3,000.00
TOTAL	8,582.53	10,203.07

All Credit Facilities from Banks are secured by way of hypothecation of the Company's entire inventory and such other movable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present & future and Plant & Machinery (Except Plant & Machinery financed out of foreign currency loan and rupee term loan) on pari passu basis and First charge by way of equitable mortgage of property situated at Mumbai on pari passu basis.

8. Other Current Liabilities

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Current Maturities of Long Term Borrowings	2,016.02	812.24
Unpaid Dividends	10.77	12.18
Advance from Customers	1,371.38	1,160.72
Advance against Property	63.15	-
Other payables		
- Statutory Liabilities	333.60	365.94
- Other Payable*	2,384.25	2,380.87
TOTAL	6,179.17	4,731.95

*Other payable include credit balances of employees, expenses payable etc.

9. Short Term Provisions

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Provision for Taxation	195.37	106.21
Proposed Dividend	197.88	98.94
Provision for Dividend Distribution Tax	39.56	16.81
Provision for Doubtful Loan and Advances	300.00	-
TOTAL	732.81	221.96

Notes to the Consolidated Financial Statement

10. Fixed Assets

Rs. in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2014	Additions	Sale/Adjustment during the year	As at 31.03.2015	As at 01.04.2014	For the Year	On Deletions/ Adjustments	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets										
Land	11,461.80	458.56	-	11,920.36	-	-	-	-	11,920.36	11,455.24
Factory Building	7,238.64	119.82	1,388.77	5,969.69	2,898.94	169.97	1,198.36	1,870.55	4,099.14	4,305.85
Office Building	6,507.98	150.21	1,285.60	5,372.59	932.09	71.99	171.71	832.37	4,540.22	5,604.60
Plant and Machinery	7,118.77	2,263.84	767.22	8,615.39	2,659.13	395.31	647.78	2,406.66	6,208.73	4,459.64
Furniture & Fixtures	612.44	179.52	1.84	790.12	331.11	47.46	1.50	377.07	413.05	281.33
Office Equipment	269.00	9.51	11.90	266.61	116.77	33.01	6.41	143.37	123.24	152.23
Motor Vehicles	1,152.51	60.47	134.26	1,078.72	603.42	88.96	114.86	577.52	501.20	549.09
Computer	310.40	10.70	0.10	321.00	262.28	31.17	0.04	293.41	27.59	48.12
Electric Equipment & Fittings	243.97	4.53	0.47	248.03	111.85	22.22	0.26	133.81	114.22	132.12
	34,915.51	3,257.16	3,590.16	34,582.51	7,915.59	860.09	2,140.92	6,634.76	27,947.75	26,988.22
Capital Work-in-Progress	425.78	553.95	286.13	693.60	-	-	-	-	693.60	425.78
	35,341.29	3,811.11	3,876.29	35,276.11	7,915.59	860.09	2,140.92	6,634.76	28,641.35	27,414.00
Intangible Assets										
Computer Software	554.16	0.98	7.29	547.85	422.81	63.98	5.55	481.24	66.61	131.35
Technical Know how	108.94	39.66	-	148.60	39.79	34.32	-	74.11	74.49	69.15
Goodwill	230.53	-	-	230.53	-	-	-	-	230.53	230.53
	893.63	40.64	7.29	926.98	462.60	98.30	5.55	555.35	371.63	431.03
Total	36,234.92	3,851.75	3,883.58	36,203.09	8,378.19	958.39	2,146.47	7,190.11	29,012.98	27,845.03
Previous Year	33,478.10	3,941.26	1,590.48	35,828.88	6,610.19	1,527.90	154.24	7,983.85	27,845.03	26,867.91

Notes:

- During the financial year ended on 31st March 2011, Land & Building was revalued by Rs.5,697.05 Lacs on the basis of valuation carried out by an approved valuer.
- Addition during the year includes Rs. 59.57 lacs (Previous year Rs.146.38 lacs) on account of foreign exchange fluctuation in the value of foreign currency loan taken to finance these assets.

11. Non-Current Investments

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Investment in Government Securities		
6 Year National Saving Certificates	0.10	0.10
TOTAL	0.10	0.10

12. Long Term Loans and Advances

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Unsecured Considered Good		
Capital Advances	3,217.92	2,895.65
Other Loans and Advances		
- Advance Tax	1,161.57	998.25
- MAT credit entitlement	323.32	-
- Advance to Employees	28.42	43.53
TOTAL	4,731.23	3,937.43

Notes to the Consolidated Financial Statement

13. Other Non-Current Assets

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Misc. Expenditure to the extent not Written Off	2.03	16.28
Non Current Fixed Deposits (Refer Note 17)	246.42	102.80
TOTAL	248.45	119.08

14. Current Investments

(Carried at lower of Cost/Fair value)

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
3000000 - Units (P.Y. - Nil) - Reliance Fixed Horizon Fund XXVI Series 13 - Growth Plan of Rs. 10/- each	326.02	-
Nil - (P.Y. 5524000 - Units) - Reliance Fixed Horizon Fund XXIII Series 4 - Growth Plan of Rs. 10/- each	-	605.87
Nil - (P.Y. 2500000 - Units) - 779- Kotak FMP Series 98 - Growth of Rs. 10/-each	-	277.48
4000000- Units (P.Y. - Nil) - Reliance Fixed Horizon Fund - XXVI Series 8 - Growth Plan of Rs. 10/- each	436.22	-
2750000 - Units (P.Y. 2750000 -Units) - Reliance Fixed Horizon Fund XXV Series 12 - Growth Plan of Rs. 10/- each	307.02	281.43
3000000 - Units (P.Y. - Nil) ICICI Prudential FMP Series 73 - 369 Days Plan of Rs. 10/- each	327.47	-
TOTAL	1,396.73	1,164.78

15. Inventories (At lower of cost or net realisable value)

(As Verified, Valued and Certified by the Management)

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Raw Material and Components	11,802.73	12,563.19
Work in Progress	1,183.02	2,018.36
Finished Goods	1,052.98	1,160.03
Raw Material in Transit	143.06	508.60
TOTAL	14,181.79	16,250.18

16. Trade Receivables

Rs. in Lacs

Particulars	As At 31st March, 2015	As At 31st March, 2014
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, Considered Good	1,187.29	1,864.92
Doubtful	-	-
	1,187.29	1,864.92
Less: Provisions for Doubtful Debts	-	-
	1,187.29	1,864.92
Others		
Unsecured, Considered Good	6,903.74	4,986.14
TOTAL	8,091.03	6,851.06

Notes to the Consolidated Financial Statement

17. Cash and Cash Equivalents

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Balance with Scheduled Banks		
Current Account	14.14	54.96
Unpaid Dividend Account	10.77	12.18
Cash in Hand	30.24	73.46
Fixed Deposit		
Fixed Deposit Receipts	1,332.14	1,338.90
Less : Fixed Deposit Receipts - having maturity over 12 months	246.42	102.80
Fixed deposits having maturity period with in 12 months	1,085.72	1,236.10
TOTAL	1,140.87	1,376.70

18. Short Term Loans and Advances

(Unsecured and Considered Good)

Particulars	Rs. in Lacs	
	As At 31st March, 2015	As At 31st March, 2014
Balance with Excise Authorities	497.56	465.28
Sales Tax Recoverable	73.31	90.07
Advance to Suppliers	1,198.04	1,984.42
Security Deposits	204.49	215.77
Others	162.28	150.85
TOTAL	2,135.68	2,906.39

19. Revenue from Operations

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Sale of Products	61,838.50	64,390.01
Other Operating Revenues	970.18	605.71
	62,808.68	64,995.72
Less: Excise Duty	2,885.47	3,363.91
TOTAL	59,923.21	61,631.81

Other Operating Revenues:

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Service Charges Received	131.58	81.56
Hiring Charges Received	776.55	497.88
Duty Draw Back Received	62.05	26.27
TOTAL	970.18	605.71

Notes to the Consolidated Financial Statement

20. Other Income

Rs. in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Interest Received	183.87	159.27
Rent Received	92.51	121.56
Profit on Sale of Assets	730.79	45.67
Revaluation Reserve Income	1.34	4.27
Return on Long Term Investment	116.70	99.44
Other Non-operating Income	66.95	100.33
TOTAL	1,192.16	530.54

21. Cost of Material Consumed

Rs. in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Opening Stock	13,071.79	13,359.41
Add: Purchases (Net of Return)	41,320.21	46,245.36
	54,392.00	59,604.77
Less: Closing Stock	11,945.79	13,071.79
Less: Purchase of Stock-in-Trade	414.10	114.64
TOTAL	42,032.11	46,418.34

22. Changes In Inventories of Finished Goods, Work-In-Progress, Stock-in-Trade

Rs. in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Finished Goods		
Opening Stock	1,160.03	1,072.32
Closing Stock	1,052.98	1,160.03
	107.05	(87.71)
Work-in-Progress		
Opening Stock	2,018.36	69.72
Closing Stock	1,183.02	2,018.36
	835.34	(1,948.64)
TOTAL	942.39	(2,036.35)

23. Employee Benefit Expenses

Rs. in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Salaries, Wages & Bonus	3,818.58	3,890.46
Contribution to Provident and other Funds	188.12	132.50
Staff Welfare Expenses	263.03	208.88
Director's Remuneration	453.90	421.56
TOTAL	4,723.63	4,653.40

Notes to the Consolidated Financial Statement

24. Selling & Distribution Expenses

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Selling Expenses	1,307.13	1,151.07
Commission on Sales	376.89	439.07
TOTAL	1,684.02	1,590.14

25. Financial Costs

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Interest on Working Capital Facilities	887.22	744.43
Interest on Term Loans	349.21	93.99
Interest on Other Loans	64.21	203.07
TOTAL	1,300.64	1,041.49

26. Other Expenses

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Manufacturing Expenses		
Manufacturing Expenses	2,399.31	2,525.61
Power & Fuel	466.13	445.55
Repair & Maintenance		
- Plant & Machinery	291.22	168.07
- Building	81.50	59.26
Freight & Forwarding Charges	1,570.65	1,535.09
SUB TOTAL	4,808.81	4,733.58
Other Administrative Expenses		
Rent	149.05	165.15
Rate Fees & Taxes	37.46	76.11
Insurance	35.82	23.41
Travelling & Conveyance	953.03	974.26
Communication Expenses	178.17	179.01
Auditor's Remuneration	15.94	16.84
Vehicle Expenses	77.40	73.25
Exchange Rate Difference (Net)	130.72	962.85
Penalties to State Budget & Others	67.39	1.88
Miscellaneous Expenses	1,498.96	1,199.22
Provision for Doubtful Loan & Advances	300.00	-
TOTAL	8,252.75	8,405.56

Auditor's Remuneration includes

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Audit Fee	14.35	13.74
Taxation Matters	-	1.00
Certification	1.59	2.10
TOTAL	15.94	16.84

Notes to the Consolidated Financial Statement

27. Additional Notes To The Consolidated Financial Statements

A) BACKGROUND

Action Construction Equipment Limited (Company) was incorporated at New Delhi (India) on 13th January, 1995, to manufacture and supply of Hydraulic Mobile Cranes, Mobile Tower Cranes, Material Handling and Construction Equipment.

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

In December 2006, the Company incorporated its wholly owned subsidiary (WOS) in CYPRUS in the name of FRESTED LIMITED, for overseas Investments. The Company acquired 73.90% stake in SC FORMA SA, a Romanian Company through its wholly owned subsidiary (WOS), FRESTED LIMITED, Cyprus, in the line of its "Object of the Issue" mentioned in the Prospectus of its IPO. The Company, further, acquired 15.60% stake in SC FORMA SA, Romania in the year 2007-08, increasing the total stake to 89.50%.

In May 2008, the company incorporated a wholly owned Subsidiary, namely Action Developers Ltd., During the year Action Developers Limited, 100% subsidiary of the Company has gone for voluntary winding up as there was no activity since inception. Accordingly investment of Rs. 10 lacs has been written off.

Pursuant to the order No.9885 dated 21st July 2012 passed by Hon'ble High Court of Delhi, M/s ACE Steel Fab Pvt. Ltd. has merged with M/s Action Construction Equipment Limited w.e.f. 1st Oct, 2011. Company has issued and allotted to the members of ACE Steelfab Private Ltd 24.22 equity shares of Rs. 2/- each at par for every 1 fully paid equity share of Rs. 10 each held by the members whose names appear in the register of members as on the record date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the board. Thus a total of 60,55,000 Equity shares has been issued to shareholders of M/s ACE Steelfab Pvt Ltd to effect the amalgamation.

Merger - ACE TC Rentals Pvt. Limited is proposed to be merged with the Company with effect from April 1st, 2014 pursuant to a scheme of amalgamation ("the scheme"). The scheme has been filed in the High Court for the States of Punjab and Haryana and Hon'able High Court has directed to convene the meeting of the members of the Company and unsecured creditors having net balance of more than Rs. 1 lacs on July 4th, 2015. Accordingly, these financial statements do not include the assets and liabilities of ACE TC Rentals Pvt. Limited as at March 31st, 2015 and the results of operations for the year ended March 31st, 2015.

B) SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting :

The Consolidated Financial Statements (CFS) have been prepared to comply with the Accounting Standards Notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements are prepared on going concern assumption and under the historical cost convention on accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the company unless otherwise stated.

The CFS relates to Action Construction Equipment Ltd. (hereinafter referred as the "Company") and its Subsidiaries (hereinafter referred as the "Group").

2. Principles of Consolidation:

In the preparation of these Consolidated Financial Statements, investment in Subsidiaries have been accounted for in accordance with Accounting Standards (AS) 21. The Consolidated Financial Statements have been prepared on the following basis;

The Financial Statements of the Company and its Subsidiary Companies, are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all intra-group balances and intra-group transactions resulting in unrealized profits or losses.

Notes to the Consolidated Financial Statement

27. Additional Notes To The Consolidated Financial Statement (Contd.)

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements except as otherwise disclosed in the Notes to Accounts.

The excess of cost to the Company of its investment in the Subsidiary Company is recognised in the financial statements as Goodwill, which is tested for impairment on every balance sheet date. The excess of Company's share of equity and reserves of the Subsidiary Company over the cost of acquisition is recognised as Capital Reserve.

The Consolidated Financial Statements are prepared in Indian Rupees, which is the functional currency for Action Construction Equipment Limited, However, the USD & RON are the functional currencies for its foreign subsidiaries located in Cyprus and Romania, respectively. The translation of the functional currencies into the reporting currency is performed for assets & liabilities of the foreign subsidiaries currency using the current exchange rates in effect at the balance sheet date. The resultant translation exchange gain/loss has been adjusted in Reserves and Surplus.

The Consolidated Financial Statements represent consolidation of following accounts other than the Company (Action Construction Equipment Limited), as detailed below:

Name of Company	Country of Incorporation	Relation	% age of ownership as at	
			31st March, 2015	31st March, 2014
Frested Ltd.	Cyprus	Subsidiary	100.00%	100.00%
SC Forma SA	Romania	Fellow Subsidiary	89.50%	89.50%
Action Developers Ltd.*	India	Subsidiary	-	100.00%
Namo Matels	India	Partnership Firm	90.00%	90.00%

* Ceased to exist on 23-02-2015

3. Fixed Assets :

All Fixed Assets are valued at historical costs less accumulated depreciation. Cost of assets comprise of purchase price and any attributable cost of bringing the asset to its working condition except in case of assets for which revaluation is carried out.

4. Depreciation :

Depreciation is systematically allocated over the useful life of an asset as specified in part C of schedule II of Companies Act, 2013.

5. Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in the value of investments is made to recognise a decline other than temporary.

6. Inventory Valuation :

(a) **Raw Material-** Lower of cost or net realisable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

(b) **Work in Progress and Finished Goods-** Lower of cost or net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Notes to the Consolidated Financial Statement

27. Additional Notes To The Consolidated Financial Statement (Contd.)

7. Revenue Recognition:

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- (a) **Sale of Goods:** Revenue in respect of sale of products is recognised at the time of dispatch of the goods, when the significant risks and rewards of ownership of the goods is passed to the buyer.
- (b) **Rendering of Services:** Revenue from service is recognised when the service is performed, as per the terms of contract, and the performance of service is regarded as achieved when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the service.
- (c) **Interest :** Revenue is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.
- (d) **Insurance Claims :** Claims receivable on account of insurance are accounted for to the extent the company is reasonably certain of their ultimate collection.
- (e) **Export Benefits :** Export benefits under Duty Drawback Scheme are accounted for in the year of export of goods.

8. Foreign Currency Transactions:

- a) **Initial recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate prevailing at the date of transaction.
- b) **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- c) **Exchange Differences:** Exchange differences arising on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. However, exchange difference arising on reporting of "**Long Term Foreign Currency Monetary Item (LTFCMI)**" in so far as they relate to acquisition of capital assets are added to that assets and in other cases, such difference are accumulated in "**Foreign Currency Monetary Item Translation Difference Account (FCMITDA)**."

9. Benefits to Employees:

a) Short term Employee Benefit:

All employee benefits payable within twelve months of rendering of the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, exgratia etc. and are recognised in the period in which the employee renders the related service.

b) Post Employment benefits;

(i) Defined Contribution Plans:

The Company's State government provident fund scheme and employee state insurance scheme are defined contribution plans. The contribution paid/payable under the scheme is recognised during the period in which the employee renders the related service.

(ii) Defined Benefits Plans:

The employee's gratuity fund scheme, long term compensated absences are company's defined benefit plans. The present value of the obligation under such defined benefit plans are determined based on the actuarial valuation on the date of the balance sheet. Gratuity liability is funded through a Group Gratuity Scheme with Life Insurance Corporation of India wherein contributions are made and charged to revenue on annual basis.

Notes to the Consolidated Financial Statement

27. Additional Notes To The Consolidated Financial Statement (Contd.)

10. Accounting for Taxes on Income :

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and has been accounted as per provisions of the Accounting Standard-22 issued by The Institute of Chartered Accountants of India.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In accordance with the guidance note issued by ICAI, the company will review the outstanding MAT credit entitlements at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

11. Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised, wherever the carrying amount of an asset exceeds its recoverable value. The recoverable amount is greater of the assets net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

12. Borrowing Costs :

Borrowing costs that are attributable to the acquisition and construction of an assets that necessarily takes substantial period of time to get ready for its intended use are capitalised as part of cost of the respective asset. All other borrowing costs are recognised as an expenses in the year in which they are incurred. Borrowing Cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

13. Expenditure during Construction Period :

In case of new projects/substantial expansions of existing factories, expenditure incurred, including trial production expenses net of revenue earned and attributable interest and financing costs prior to commencement of commercial production are capitalized.

14. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of a past event;
- b) a probable outflow of resources is expected to settle the obligation and;
- c) the amount of obligation can be reliably estimated;

Reimbursements expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in case of

- a) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) a possible obligation, of which the probability of outflow of resources is remote.

Contingent Assets are neither recognised nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Notes to the Consolidated Financial Statement

27. Additional Notes To The Consolidated Financial Statement (Contd.)

C) OTHER NOTES

1. Contingent Liabilities, not provided for:

Particulars	Rs. in Lacs	
	As at 31st March, 2015	As at 31st March, 2014
Bank Guarantees	1,557.75	1,220.95
Letter of Credits	783.32	1,900.71
Claim against the Company, not acknowledge as Debts*	442.24	558.98
Sales Tax, Excise & Income Tax Matters, pending before Assessing / Appellate Authorities*	2,922.28	5,363.61
Total	5,705.59	9,044.25

* The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

2. a) Remuneration paid to Whole-time Directors :

S.No.	Names of the Directors	Salary & Allowances	Contribution to PF, Gratuity and Other Funds	Rs. in Lacs	
				Other Benefits and Perquisites	Total
1.	Sh. Vijay Agarwal, Chairman & Managing Director	252.00	–	15.40	267.40
2.	Smt. Mona Agarwal, Whole-time Director	126.00	–	8.60	134.60
3.	Sh. Sorab Agarwal, Executive Director	33.60	–	2.40	36.00
4.	Smt. Surbhi Garg, Executive Director	16.80	–	1.00	17.80
	Total	428.40	–	27.40	455.80

- b) The above mentioned remuneration of Rs. 455.80 Lacs is in excess of maximum permissible remuneration as determined under Schedule V of the Companies Act, 2013. However the company has filed an application with the Central Government on dated 3rd February 2015 for grant of approval for payment of same remuneration as paid in the past to Mr. Vijay Agarwal, Chairman & Managing Director and Mrs. Mona Agarwal, Whole time Director of the Company. Pending approval from the government, management has taken confirmation from both the directors that they shall refund the excess remuneration in the event of refusal of such approval.

Notes to the Consolidated Financial Statement

27. Additional Notes To The Consolidated Financial Statement (Contd.)

3. Segment Reporting in terms of Accounting Standard-17 - Issued by The Institute of Chartered Accountants of India.

Information about the Primary Business Segments of the Company

		Rs. in Lacs	
Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014	
1. Segment Revenue			
a) Cranes	36,069.11	36,023.56	
b) Material Handling/Construction Equipment	6,629.29	6,917.42	
c) Agri Equipment	16,096.91	17,946.73	
d) Subsidiaries Business	157.72	138.39	
Total	58,953.03	61,026.10	
Less: Inter Segment Revenue	—	—	
Net Sales/Income from Operations	58,953.03	61,026.10	
2. Segment Results			
a) Cranes	2,962.29	2,462.27	
b) Material Handling/Construction Equipment	121.47	(459.41)	
c) Agri Equipment	268.25	800.67	
d) Subsidiaries Business	(149.46)	(64.49)	
Total	3,202.55	2,739.04	
Less: Interest	1,300.64	1,041.49	
Less: Other Unallocable Expenditure	1,094.57	1,250.32	
Profit Before Tax	807.34	447.23	
3. Capital Employed			
a) Cranes	31,507.39	34,464.42	
b) Material Handling / Construction Equipment	7,538.82	5,300.92	
c) Agri Equipment	286.71	263.50	
d) Subsidiaries Business	(2,455.46)	(2,412.68)	
Total	36,877.46	37,616.16	

Since Segment Revenues from external customers are not more than 10% of enterprise revenue, hence, Secondary Segment reporting is not required to be provided as per Accounting Standard - 17 "Segment Reporting" issued by The Institute of Chartered Accountants of India.

4. As per Accounting Standard 18, "Related Party Disclosure" issued by The Institute of Chartered Accountants of India, the disclosures of transactions with the Related Parties as defined in the Accounting Standard are given below :

a. Associate Companies / Entities

ACE TC Rentals Pvt. Ltd.
Namo Matels
VMS Holdings Pvt. Ltd.
VMS Equipment

b. Subsidiary Companies

FRESTED Limited, Cyprus - Wholly Owned Subsidiary
SC FORMA SA, Romania - Fellow Subsidiary
Action Developers Ltd., India - Wholly Owned Subsidiary (Ceased to exist on 23-02-2015)

c. Key Management Personnel

Sh. Vijay Agarwal
Smt. Mona Agarwal
Sh. Sorab Agarwal
Smt. Surbhi Garg

d. Relatives of Key Management Personnel and Enterprises, over which Relatives of Key Management Personnel exercise significant influence

N.A.

Notes to the Consolidated Financial Statement

27. Additional Notes To The Consolidated Financial Statement (Contd.)

e. Related Party Transactions

Rs. in Lacs

Nature of Transaction	Period	Associate Companies/Firm				Subsidiary Company		Key Management Personnel	Total
		ACE TC Rentals Pvt Ltd.	Namo Matels	VMS Equipment (Firm)	VMS Equipment Pvt. Ltd.	FRESTED Ltd, CYPRUS	SC FORMA SA, Romania		
Purchase of Goods	2014-15	120.00	–	–	17.40	–	–	–	137.40
	2013-14	–	–	–	–	–	–	–	–
Sale of Goods	2014-15	76.66	–	–	2,366.18	–	–	–	2,442.84
	2013-14	598.66	–	1,013.83	1,678.74	–	–	–	3,291.23
Remuneration Paid	2014-15	–	–	–	–	–	–	455.80	455.80
	2013-14	–	–	–	–	–	–	455.80	455.80
Licence Fee Paid	2014-15	–	–	–	–	–	–	68.82	68.82
	2013-14	–	–	–	–	–	–	57.42	57.42
Rent Received	2014-15	0.96	–	–	0.60	–	–	–	1.56
	2013-14	0.96	–	0.40	0.19	–	–	–	1.55
Interest Received	2014-15	–	–	–	–	–	–	–	–
	2013-14	–	–	–	–	163.61	–	–	163.61
Investment in Equity	2014-15	–	110.94	–	–	–	–	–	110.94
	2013-14	–	0.04	–	–	–	–	–	0.04
Loan to Subsidiary	2014-15	–	–	–	–	118.67	–	–	118.67
	2013-14	–	–	–	–	223.32	–	–	223.32

5. The Company has entered into agreements in the nature of Lease/ Leave and Licence agreement with different Lessors/ Licensors for the purpose of establishment of office premises/ residential accommodations. These are generally in nature of operating Lease/leave and Licence and disclosure required as per Accounting Standard-19 issued by The Institute of Chartered Accountants of India with regard to the above is as under-

Rs. in Lacs

a) Particulars	Minimum Lease Payments	
	2014-15	2013-14
Payable within one year	128.45	108.58
Payable after one year but within 5 years	25.90	101.37

- b) There are no transactions in the nature of Sub Lease.
- c) Payments recognised in the consolidated statement of profit and loss for the year ended 31st March, 2015 is Rs. 149.05 Lacs (P.Y. Rs. 165.15 Lacs).

Notes to the Consolidated Financial Statement

27. Additional Notes To The Consolidated Financial Statement (Contd.)

6. Disclosure pursuant to Accounting Standard -15 (Revised), issued by The Institute of Chartered Accountants of India -

EMPLOYEE BENEFITS

a) Expenses recognised in the Statement of Profit & Loss

Rs. in Lacs

Particulars	2014-15	2013-14
a) Current Service Cost	55.02	45.82
b) Interest Cost	16.11	16.94
c) Employee Contribution	–	–
d) Actuarial (Gain)/Loss	6.80	(31.37)
e) Past Service Cost	–	–
f) Settlement Cost	(18.14)	(15.23)
Total Expenses, debited to Statement of Profit & Loss	59.79	16.16

b) Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2015

Rs. in Lacs

Particulars	2014-15	2013-14
a) Present Value of defined Benefit Obligation at the end of year	279.86	206.94
b) Fair Market Value of Plan Assets with LIC at the end of year	236.74	197.25
Net Asset/(Liability)	(43.12)	(9.69)

c) Change in the obligation during the year ended 31st March, 2015

Rs. in Lacs

Particulars	2014-15	2013-14
a) Present Value of Defined benefit obligation at the beginning of year	206.94	198.19
b) Current Service Cost	55.02	45.82
c) Interest Cost	16.10	16.94
d) Settlement Cost	–	–
e) Actuarial (Gain)/Loss	7.96	(29.90)
f) Benefit Payment	(6.16)	(24.11)
Present Value of Defined benefit obligation at the end of the year	279.86	206.94

d) Change in the Plan Assets during the year ended 31st March, 2015

Rs. in Lacs

Particulars	2014-15	2013-14
a) Plan assets at the beginning of year	197.25	167.56
b) Actuarial (Gain)/Loss	1.16	1.47
c) Contribution	26.89	37.10
d) Benefit Payment	(6.70)	(24.11)
e) Return on the Plan Assets	18.14	15.23
Plan Assets at the end of the year	236.74	197.25

e) Actuarial Assumption

a) Discounted Rate	7.90% p.a.
b) Mortality Rate	IAL (2006-08) Ultimate
c) Withdrawal Rate	1% to 3% depending on Age.
d) Salary Escalation	11.00%
e) Retirement Age	58

Notes to the Consolidated Financial Statement

27. Additional Notes To The Consolidated Financial Statement (Contd.)

Liability in respect of unavailed privileged leave was hitherto valued at the salary rates prevailing on the balance sheet date. During the year, the company has valued the compensated absences, specified in AS 15 (Revised) on actuarial basis. Further para 132 of AS 15 (Revised 2005) does not require any specific disclosure except where the expense resulting from compensated absences is of such size, nature of incidence that its disclosure is relevant under other accounting standards. In the opinion of the management, the expense resulting from compensated absences is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (Revised 2005).

7. Earning Per Share (Basic & Diluted):

EPS is calculated by dividing the profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the year. Numbers used for calculating basic & diluted earnings per equity share are as stated below:

Particulars	2014-15	2013-14
Profit attributable to Equity Shareholders of the Company - (Rs in Lac)	525.48	337.81
Weighted average no. of Equity Shares of Rs. 2 each (Basic)	9,89,40,000	9,89,40,000
Weighted average no. of Equity Shares of Rs. 2 each (Diluted)	9,89,40,000	9,89,40,000
EPS (In Rupees)- Basic	0.53	0.34
EPS (In Rupees)- Diluted	0.53	0.34

8. Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof : Rs 125.50 Lacs.

9. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (in lacs)	As % of consolidated profit or loss	Amount (in lacs)
Parent: Action Construction Equipment Limited	107.35	31,291.13	118.51	956.80
Subsidiaries / Associates: Action Developers Ltd. (Indian)	-	-	(0.82)	(6.65)
Namo Matels (Indian)	-	(0.08)	(0.10)	(0.77)
Frested Limited, Cyprus (Foreign)	(6.96)	(2,027.75)	(8.02)	(64.76)
SC Forma SA, Romania (Foreign)	(0.39)	(112.61)	(9.57)	(77.28)

Salient Features of Financial Statements of Subsidiary / Associates / Joint Ventures as per Companies Act, 2013

PART "A" : SUBSIDIARIES

Particulars	Frested Limited Cyprus Rs. in lacs	SC Forma SA Romania Rs. in lacs	Namo Matels Rs. in lacs
a Share Capital/ Capital*	0.81	207.80	395.19*
b Reserves & Surplus	(2482.71)	(429.22)	-
c Total Assets (Fixed Assets + Current Assets)	147.04	518.32	395.19
d Total Liabilities (Debts+Current Liabilities)	2,628.94	216.00	-
e Investments	-	-	-
f Turnover/Total Income (Including other Income)	-	230.70	-
g Profit/(Loss) Before Taxation	(64.76)	(77.28)	(0.77)
h Provision for Taxation	-	-	-
i Profit/(Loss) After Taxation	(64.76)	(77.28)	(0.77)
j Proposed Dividend	-	-	-
k Exchange rate used (in Rs.)	62.59	19.32	1.00
l Reporting Currency	USD	RON	INR
m % of Shareholding	100%	89.50%	90%
n Relation	Subsidiary	Fellow Subsidiary	Partnership Firm

Note : *Action Developers Ltd. ceased to exist w.e.f. 23-02-2015

The Financial Statements of Foreign Subsidiaries have been converted into Rupees on the basis of appropriate exchange rates as on 31st March, 2015.

PART "B" : ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures - NA

10. Miscellaneous expenditure (to the extent not written off or adjusted) represents:

Life Time Club Membership - Rs. 2.03 Lacs (being amortized over a period of ten years, commencing from 2007-08)

- Balance of some of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation and reconciliation by the parties and adjustment, if any, required on reconciliation, will be done in the year in which the same is reconciled. Further, Management does not expect any material difference in the financial statements for the year.
- The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS-3) issued by The Institute of Chartered Accountants of India.
- The Trade Receivables includes an amount of Rs. 649.43 lacs (Previous year Rs. 444.28 lacs) due from Companies in which Directors are interested.
- Previous years figures have been regrouped to make them comparable with current year figures wherever necessary.
- Note 1 to 27 form integral part of the accounts and are duly authenticated.

In terms of our report of even date For Rajan Chhabra & Co. Chartered Accountants Firm Registration No. 009520N		For and on behalf of the Board of Directors	
Rajan Chhabra Partner Membership No. 088276		Vijay Agarwal Chairman & Managing Director	
Place : New Delhi Date : 30th May, 2015		Subhash Chander Verma Independent Director	
Rajan Luthra Chief Financial Officer		Sorab Agarwal Executive Director	
		Radhey Shyam Jhanwer Company Secretary	

Action Construction Equipment Ltd.

CIN : L74899HR1995PLC053860

Registered & Corporate Office : Dudhola Link Road, Dudhola, Distt. Palwal - 121102, Haryana, India
Email : cs@ace-cranes.com, website : www.ace-cranes.com, Phone : +91-1275-280111, Fax : +91-1275-280133

ANNUAL GENERAL MEETING NOTICE

Day	Friday
Date	September 25, 2015
Time	11:00 A.M.
Venue	Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001, (Route Map Attached)

NOTICE

NOTICE is hereby given that the **Twenty First Annual General Meeting** of the Members of **Action Construction Equipment Limited** will be held to transact the following businesses:-

ORDINARY BUSINESS

- To receive, consider and adopt:
 - the audited financial statements of the Company for the financial year ended 31st March, 2015 and the reports of Board of Directors and Auditors' thereon.; and
 - the audited consolidated financial statements of the Company for the financial year ended 31st March, 2015.
- To reappoint a Director in place of Mrs. Mona Agarwal (DIN: 00057653), who retires by rotation, and being eligible, offers herself for re-appointment.
- To declare dividend on equity shares for the financial year ended on 31st March, 2015.
- To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 the reappointment of the statutory auditors of Company M/s Rajan Chhabra & Co. (Firm registration No: 009520N), Chartered Accountants, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company be and is hereby ratified by the members of the Company for the financial year 2015-2016 at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

- To appoint Mr. Girish Narain Mehra (DIN: 00059311) as an Independent Director and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (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 Clause 49 of the Listing Agreement, Mr. Girish Narain Mehra (DIN: 00059311), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from this Annual General Meeting."

6. To appoint Mr. Subhash Chander Verma (DIN: 00098019) as an Independent Director and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (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 Clause 49 of the Listing Agreement, Mr. Subhash Chander Verma (DIN: 00098019), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from this Annual General Meeting.”
7. To appoint Mr. Keshav Chandra Agrawal (DIN: 00098143) as an Independent Director and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (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 Clause 49 of the Listing Agreement, Mr. Keshav Chandra Agrawal (DIN: 00098143), who qualifies for being appointed as an independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from this Annual General Meeting.”
8. To appoint Mr. Amar Singal (DIN: 00035903) as an Independent Director and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (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 Clause 49 of the Listing Agreement, Dr. Amar Singal (DIN: 00035903), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from this Annual General Meeting.”
9. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016 and in this regard, to consider and if thought fit, to pass 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, M/s Vandana Bansal & Associates, (Firm registration No: 100203), Cost Accountants, the cost auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid remuneration of Rs. One lac plus service tax as applicable”

Place: New Delhi
Date: 30th May, 2015

By Order of the Board,
For Action Construction Equipment Limited

Sd/-
R.S. Jhanwer
Head-Corporate Affairs & Company Secretary

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, 18th September, 2015 to Friday, 25th September, 2015 (both days inclusive) for annual closing and for determining the entitlement of the shareholders to the dividend for 2015. But cut-off date of E-voting is 18th September, 2015.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. In terms of Section 152 of the Companies Act 2013, Mrs. Mona Agarwal (DIN: 00057653), retires by rotation at the Meeting and being eligible, offer herself for re-appointment. The Board of Directors of the Company recommends her re-appointment. Brief resume of Mrs Mona Agarwal as required under Clause 49 of the Listing Agreement is given below :

Mrs. Mona Agarwal, (Date of Birth-18-11-1955 and having DIN: 00057653), Whole time Director of the Company, looks after the administration & HR functions of the Company since its inception. She is director of the Company since inception. Under her guidance only, the administrative affairs of the Company are being handled in a professional manner. She has formulated effective and motivating HR policies for the Company.

Mrs. Mona Agarwal holds 2,66,37,807 equity shares of the Company.

Mrs. Mona Agrawal, being an appointee, Mr. Vijay Agarwal, Mr. Sorab Agarwal and Mrs. Surbhi Garg, being relatives and executive directors are interested and none of the other Directors/Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2.

6. Final dividend of Re 0.20 per equity share has been recommended by the Board of Directors for the year ended 31st March, 2015 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on and from 30th September, 2015.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company/ or its Registrars.
8. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2006-07 from time to time on due dates to the Investor Education and Protection Fund established by the Central Government. Pursuant to the provisions of Investors Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with

Companies) Rules, 2012 (IEPF Rules) the Company has uploaded the details of unpaid and Unclaimed Dividends lying with the Company as on 31.07.2014 (date of the last Annual General Meeting) on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the website of the Company viz. www.ace-cranes.com. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.

9. 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.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
11. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
12. Electronic copy of the Annual Report for 2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015 is being sent in the permitted mode.
13. Electronic copy of the Notice of the 21st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 21st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website viz, www.ace-cranes.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Palwal for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@ace-cranes.com.

15. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 read with Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of Listing Agreement, the Company is pleased to provide member's facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means. The facility of casting the votes by the members using an electronic voting system from place other than the Venue of AGM ("Remote e-voting") will be provided by Karvy Computer share Private Limited.
- II. The facility for voting through the ballot paper shall be made available at the AGM and member attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper
- III. The members who have casted their vote by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote.

Procedures and Instructions for E-Voting are as follows:

- i. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii. Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form: Event No. followed by Folio Number registered with the company
Password	Your Unique password is printed on the Postal Ballot Form / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii. For any clarification, please contact toll free No. 1-800-34-54-001.
- iv. The remote e-voting period begins on Monday, 21st September, 2015 at 9.00 A.M and ends on Thursday, 24th September, 2015 at 5.00 P.M. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form on the cut-off date (record date), i.e. the 18th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by the Karvy for voting thereafter.
- v. Any person who acquires share of the Company and become member of the Company after dispatch of notice and holding shares as on cut-off date i.e. 18th September, 2015, may write to RTA of the Company **Karvy Computershare Private Limited**, Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Serilingampally, Hyderabad - 500 008 or send an e-mail at kishore.bv@karvy.com or einward.ris@karvy.com
- vi. After entering these details appropriately, click on "LOGIN".
- vii. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile no., email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password, in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. You need to login again with the new credentials.
- ix. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- x. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- xi. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- xii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed .If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiv. Corporate/Institutional Members (corporate /FIs/Flls/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to anjaliyadav.associates@gmail.com with copy to evoting@karvy.com . The file scanned image of the Board Resolution should be in the naming format "Corporate Name Event No.

- xv. Please follow all steps from Sl. No. (i) to Sl. No. (xiv) above, to cast vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. Ms. Anjali Yadav, Proprietor of M/s. Anjali Yadav & Associates, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website viz, www.ace-cranes.com and on the website of Registrar viz, www.evoting.karvy.com within two (2) days of passing of the resolutions at the AGM of the Company and will be communicated to the BSE Limited/NSE.
16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
17. Members/Proxy should bring the Attendance Slip duly filled in, for attending the meeting.
18. For effecting change of Address/Bank details/Electronic Clearing Service (ECS) Mandate, if any, Members are requested to notify the same to the Company and/or Registrar and Share Transfer Agent (R&T Agent) of the Company, i.e. M/s. Karvy Computershare Private Limited, 'Karvy Selenium Tower B, Plot No. 31 & 32 Financial District, Gachibowli Nanakramguda Serilingampally, Hyderabad-500008 Members must quote their Folio No. in all correspondence with the Company/R&T Agent.
19. Members are further informed that as a part of Green initiative taken by Ministry of Corporate Affairs, the Company is sending this Annual Report and would send all the future Notices and Communications to the e-mail addresses of the shareholders, whose e-mail are registered with the Company or with the Depository. However, the Shareholders of whose e-mail ids are not registered with the Company or with the depository would continue to receive the same in physical form. Any shareholder desirous of receiving physical copy of any document can apply for the same to the Company. The Share holders 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.
20. Members holding shares in physical form may avail Nomination facility by giving the particulars of their nomination in the prescribed form to the Registrar and Share Transfer Agent.
21. 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.
22. Members who have not yet encashed their dividend warrants for the year 2007-08 onwards are advised to forward such warrants to the Karvy Computershare Pvt. Ltd. (RTA) of the Company for revalidation.
23. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.
24. Members are requested to:-
 - a. Bring their copy of Annual Report and attendance Slip at the venue of the meeting.
 - b. Quote their Folio/DP & Client Id No. in all correspondence with the Company/RTA.
 - c. Note that briefcase, bag, eatables etc. will not be allowed to be taken inside the venue of the meeting for security purposes and shareholders will be required to take care of their belongings.
 - d. Note that shareholders present in person or through registered proxy shall only be entertained.
 - e. The attendance slips/proxy form should be signed as per the specimens signatures registered with the RTA Depository Participant (DP). Please carry photo ID card for identification/verification purposes.

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

Place: New Delhi

Date: 30th May, 2015

Sd/-
R.S. Jhanwer
Head-Corporate Affairs & Company Secretary

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

Item No. 5

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of members.

Based on the recommendation of the nomination and remuneration committee, Board of Directors has proposed that Mr. Girish Narain Mehra be reappointed as an Independent Director of the Company. The re appointment of Mr. Girish Narain Mehra shall be effective upon approval by the members in the meeting.

The Company has received notice from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing Mr. Girish Narain Mehra as a candidate for the office of Director of the Company.

Mr. Girish Narain Mehra is not disqualified for being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

The Company has received a declaration from Mr. Girish Narain Mehra that he meets the criteria of independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013 and under clause 49 of the Listing agreement. In the opinion of the Board, Mr. Girish Narain Mehra fulfills the condition of his appointment as an Independent director as specified in the Companies Act, 2013 and the listing agreement. Mr. Girish Narain Mehra is independent of the management and possesses appropriate skills, experience and knowledge.

Brief Resume of Mr. Girish Narain Mehra

Mr. Girish Narain Mehra aged 83 years (24-11-1932) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 2005 (Last re-appointment was made on 31.07.2014 for a period of one year). Mr. Mehra is also a member of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. Mehra possesses an experience of over 41 years. He held important assignments such as Chief Secretary (U.P.), Director General, Tourism and Secretary to Govt. of India in various departments. He has retired as India's High Commissioner to Canada. At present, he is working as Chairman of various Committees of Board and also the Director in the following Companies:-

1. M/s Subros Limited
2. M/s U P Hotels Limited
3. M/s Bharat Seats Limited
4. M/s Amrit Corp. Limited
5. M/s Rohan Motors Limited

Mr. Mehra holds in his name 20,240 Equity Shares of the Company and doesn't hold any beneficial interest on behalf of any other person/s.

Copy of the letter for appointment of Mr. Mehra as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Mehra as an Independent Director.

Except Mr. Mehra, being an appointee, none of the Directors/Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

The Board recommends the resolution in relation to appointment of Mr. Mehra as an Independent Director, for the approval by the members of the Company.

Item No. 6.

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of members.

Based on the recommendation of the nomination and remuneration committee, Board of Directors has proposed that Mr. Subhash Chander Verma be reappointed as an Independent Director of the Company. The re appointment of Mr. Subhash Chander Verma shall be effective upon approval by the members in the meeting.

The Company has received notice from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing Mr. Subhash Chander Verma as a candidate for the office of Director of the Company.

Mr. Subhash Chander Verma is not disqualified for being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director

The Company has received a declaration from Mr. Subhash Chander Verma that he meets the criteria of independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013 and under clause 49 of the Listing agreement. In the opinion of the Board, Mr. Subhash Chander Verma fulfills the condition of his appointment as an Independent director as specified in the Companies Act, 2013 and the listing agreement. Mr. Subhash Chander Verma is independent of the management and possesses appropriate skills, experience and knowledge.

Brief Resume of Mr. Subhash Chander Verma

Mr. Subhash Chander Verma aged 70 years (13 -4-1945) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 2005 (Last re-appointment was made on 31.07.2014 for a period of one year). Mr. Subhash Chander Verma is also the Chairman of the Audit Committee and member of the Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Mr. Verma is a Graduate and qualified CAIIB (Associate of Indian Institute of Bankers). He has retired as Dy. General Manager from Punjab National Bank with over 41 years of banking experience of which more than 21 years were served in senior management cadre. He has a wide experience of financing industrial and infrastructural projects for appraisal and financial viability.

Mr. Verma holds in his name 15,000 Equity Shares of the Company and doesn't hold any beneficial interest on behalf of any other person/s.

Mr. Verma is also director on the Board of M/s SV Support & Solutions Private Limited.

Copy of the letter for appointment of Mr. Verma as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Verma as an Independent Director.

Except Mr. Verma, being an appointee, none of the Directors/Key Managerial Personnel of the Company and their relatives is, in any

way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6. This Explanatory Statement may also be regarded as disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

The Board recommends the resolution in relation to appointment of Mr. Verma as an Independent Director, for the approval by the members of the Company.

Item No. 7

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of members.

Based on the recommendation of the nomination and remuneration committee, Board of Directors has proposed that Mr. Keshav Chandra Agrawal be reappointed as an Independent Director of the Company. The re appointment of Mr. Keshav Chandra Agrawal shall be effective upon approval by the members in the meeting.

The Company has received notice from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing Mr. Keshav Chandra Agrawal as a candidate for the office of Director of the Company.

Mr. Keshav Chandra Agrawal is not disqualified for being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director

The Company has received a declaration from Mr. Keshav Chandra Agrawal that he meets the criteria of independence as prescribed under sub section (6) of Section 149 of the Companies Act 2013 and under clause 49 of the Listing agreement. In the opinion of the Board, Mr. Keshav Chandra Agrawal fulfills the condition of his appointment as an Independent director as specified in the Companies Act 2013 and the listing agreement. Mr. Keshav Chandra Agrawal is independent of the management and possesses appropriate skills, experience and knowledge.

Brief Resume of Mr. Keshav Chandra Agrawal

Mr. Keshav Chandra Agrawal aged 74 years (15-7-1941) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2010 (Last re-appointment was made on 31.07.2014 for a period of one year). Mr. Agrawal is also the Chairman of the Share Allotment Committee of the Board of Directors of the Company and member of Corporate Social Responsibility Committee (CSR) of the Board of Directors' of the Company.

Mr. Agrawal is Ph.D in Mechanical Engineering from IIT Delhi. He is a retired Major General from the Indian Army. During his tenure with the Indian Army, he was a Director in a DRDO Laboratory and has experience of over 31 years. He was also Vice Chancellor of Rai University. Mr. Agrawal is currently Director General in IAMR group of institutions. He has in depth knowledge of IT-related products and services.

Mr. Agrawal doesn't hold by himself or for any other person on a beneficial basis, any shares of the Company.

Mr. Agrawal is not a Director in any other Company in India.

Copy of the letter for appointment of Mr. Agarwal as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Agarwal as an Independent Director.

Except Mr. Agarwal, being an appointee, none of the Directors /Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

The Board recommends the resolution in relation to appointment of Mr. Agarwal as an Independent Director, for the approval by the members of the Company.

Item No. 8

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of members.

Based on the recommendation of the nomination and remuneration committee, Board of Directors has proposed that Dr. Amar Singal be reappointed as an Independent Director of the Company. The re appointment of Dr. Amar Singal shall be effective upon approval by the members in the meeting.

The Company has received notice from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing Dr. Amar Singal as a candidate for the office of Director of the Company.

Dr. Amar Singal is not disqualified for being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director

The Company has received a declaration from Dr. Amar Singal that he meets the criteria of independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013 and under clause 49 of the Listing agreement. In the opinion of the Board, Dr. Amar Singal fulfills the condition of his appointment as an Independent director as specified in the Companies Act, 2013 and the listing agreement. Dr. Amar Singal is independent of the management and possesses appropriate skills, experience and knowledge.

Brief Resume of Dr. Amar Singal

Dr. Amar Singal aged 62 years (15-12-1953) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in July, 2006 (Last re-appointment was made on 31.07.2014 for a period of one year). Mr. Singal is the Chairman of Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee (CSR) and also the member of Audit Committee and the Board of Directors of the Company.

Dr. Singal is MD General Medicine, DM Cardiology & FACC with a total experience of over 29 years. He held license of New York State Medical Board, while working as Interventional Cardiology fellow in New York USA. He worked as Consultant Cardiologist in various reputed heart institutes in India, including Escorts Heart Institute and Maharaja Agarsen Heart Institute and Research Centre. At present, he is the head of the Cardiology Department at Sri Balaji Action Medical Institute, New Delhi.

Dr. Singal is not a Director in any other Company in India and hold nil share in the Company.

Copy of the letter for appointment of Dr. Singal as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Singal as an Independent Director.

Except Dr. Singal, being an appointee, none of the Directors /Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommends the resolution in relation to appointment of Dr. Singal as an Independent Director, for the approval by the members of the Company

Item No. 9

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Vandana Bansal & Associates, (Firm registration No: 100203), Cost Accountants, to conduct the audit of the cost records of the Company in respect of the applicable products for the financial year ending March 31, 2016

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 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.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no.9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 9 of the Notice,

The Board recommends the Ordinary Resolution set out at item no. 9 of the Notice for approval by the members.

Place: New Delhi
Date: 30th May, 2015

By Order of the Board,
For Action Construction Equipment Limited

Sd/-
R.S. Jhanwer
Head-Corporate Affairs & Company Secretary

Venue of AGM

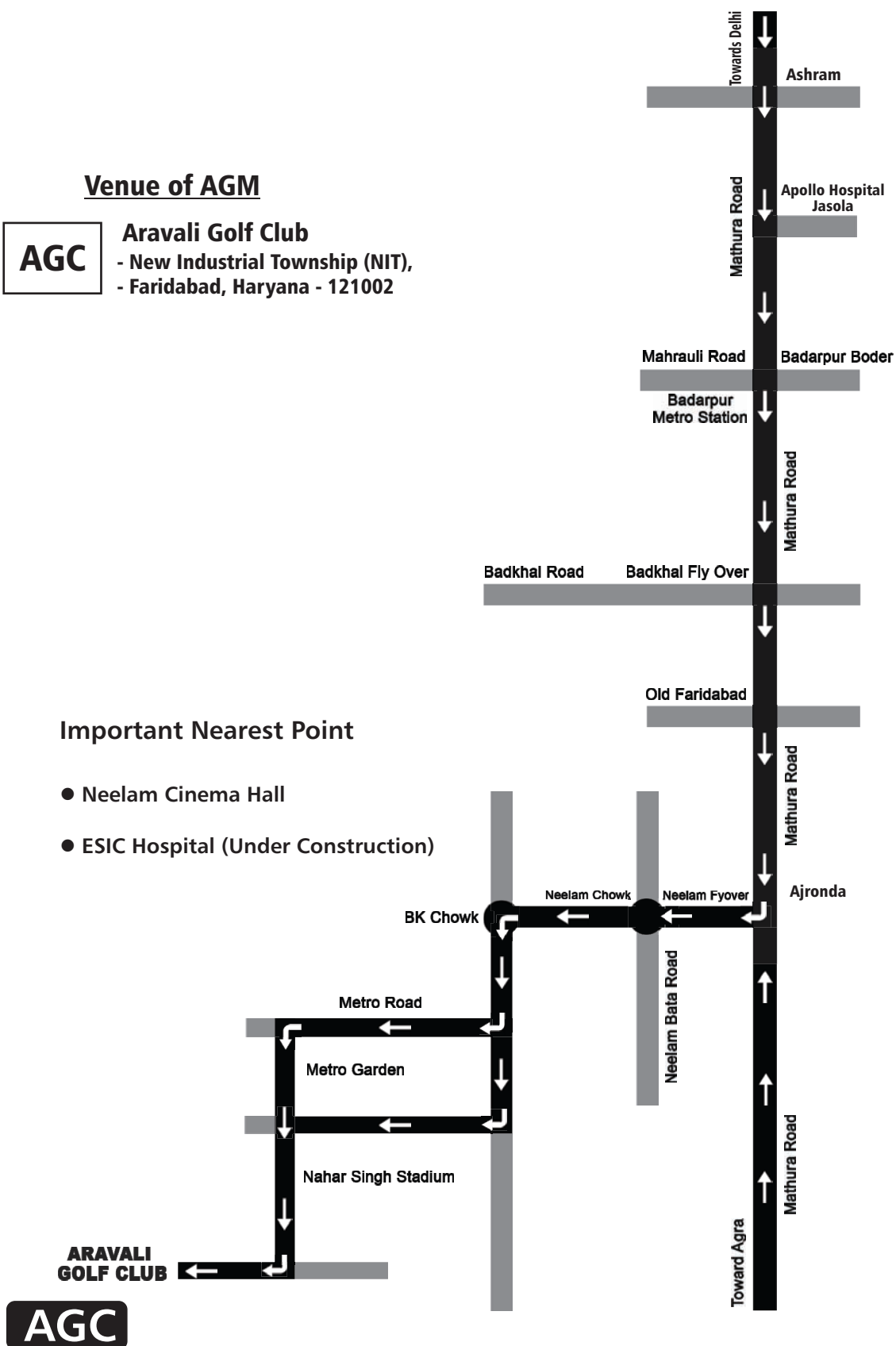
AGC

Aravali Golf Club

- New Industrial Township (NIT),
- Faridabad, Haryana - 121002

Important Nearest Point

- Neelam Cinema Hall
- ESIC Hospital (Under Construction)





Action Construction Equipment Ltd.

CIN : L74899HR1995PLC053860

Registered & Corporate Office : Dudhola Link Road, Dudhola, Distt. Palwal - 121102, Haryana, India

Email : cs@ace-cranes.com, website : www.ace-cranes.com, Phone : +91-1275-280111, Fax : +91-1275-280133

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall, Joint shareholders may obtain attendance slip on request.

Folio No./DP ID*	
Client Id No.*	
No. of Shares	
Name	
Address	

I hereby record my presence at the Annual General Meeting of the Company to be held on Friday, 25th September, 2015 at 11.00 a.m at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001

* Applicable for the members holding shares in the electronic form

Signature of Shareholder/Proxy:



Action Construction Equipment Ltd.

CIN : L74899HR1995PLC053860

Registered & Corporate Office : Dudhola Link Road, Dudhola, Distt. Palwal - 121102, Haryana, India
Email : cs@ace-cranes.com, website : www.ace-cranes.com, Phone : +91-1275-280111, Fax : +91-1275-280133

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L74899HR1995PLC053860
Name of the company:	Action Construction Equipment Ltd.
Registered office:	Dudhola Link Road, Dudhola, Palwal, Haryana-121102

Name of the member(s):
Registered address:
Email Id:
Folio No./Client Id:
DPID:

I/We, being the member (s) of shares of the above named Company, hereby appoint

1.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

Or Failing Him

2.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

Or Failing Him

3.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on Friday, 25th September, 2015 at 11.00 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars		
Ordinary Business		For	Against
1(a)	Adoption of Financial Statements for the year ended 31st March, 2015		
1(b)	Adoption of Consolidated Financial Statements for the year ended 31st March, 2015.		
2	Appointment of Mrs. Mona Agarwal (DIN: No.-00057653), who retires by rotation.		
3	Declare Dividend on Equity Share Capital for the year ended on 31st March, 2015.		
4	Appointment of M/s Rajan Chhabra & Co., Chartered Accountants, as Statutory Auditors and to fix their Remuneration.		
Special Business			
5	Appointment of Mr. Girish Narain Mehra (DIN No.-00059311), as an Independent Director.		
6	Appointment of Mr. Subhash Chander Verma (DIN No.-00098019), as an Independent.		
7	Appointment of Mr. Keshav Chandra Agrawal (DIN No.-00098143), as an Independent Director .		
8	Appointment of Dr. Amar Singal (DIN No.-00035903) as an Independent Director,		
9	Approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016.		

Signed this..... day of..... 2015

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Corporate Profile

BOARD OF DIRECTORS

- **Vijay Agarwal**
Chairman and Managing Director
- **Mona Agarwal**
Whole - time Director
- **Sorab Agarwal**
Executive Director
- **Surbhi Garg**
Executive Director
- **Girish Narain Mehra (IAS Retd.)**
Independent Director
- **Subhash Chander Verma**
Independent Director
- **Dr. Amar Singal**
Independent Director
- **Maj. Gen.(Retd.) Dr. Keshav Chandra Agrawal**
Independent Director

CFO

Rajan Luthra

Head - Corporate Affairs & Company Secretary
Radhey Shyam Jhanwer

Statutory Auditors

M/s Rajan Chhabra & Co.
Chartered Accountants

Registrar and Share Transfer Agent

Karvy Computershare Private Limited
Phone : +91-40-23322454, 23320751/52/53
Fax : +91-40-23311968
E-mail : einwards.ris@karvy.com

Bankers

- ICICI Bank Ltd.
- Hongkong and Shanghai Banking Corporation of India Ltd. ("HSBC")
- Standard Chartered Bank
- State Bank of Patiala
- Axis Bank Ltd.
- State Bank of India
- Indusind Bank

Stock Exchanges

BSE Limited
National Stock Exchange of India Limited

Subsidiary Companies

FRESTED LIMITED, Cyprus
SC FORMA SA, Romania

Registered Office

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

Corporate Office

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

UNIT LOCATIONS

- Jajru Road, 25th Mile Stone, Delhi Mathura Road
Ballabgarh, Distt. Faridabad Haryana - 121 004
- Dudhola Link Road, Village Dudhola,
Distt. Palwal, Haryana - 121 102
- 45th Mile Stone, Mathura Road, Prithla,
Distt. Palwal, Haryana - 121 102

RESEARCH & DEVELOPMENT CENTRES

- Jajru Road, 25th Mile Stone,
Delhi-Mathura Road,
Ballabgarh, Distt. Faridabad Haryana - 121 004
- Dudhola Link Road, Village Dudhola,
Distt. Palwal, Haryana - 121 102

www.ace-cranes.com

By Courier

If undelivered, please return to :

ACE

Action Construction Equipment Ltd.

Dudhola Link Road, Dudhola. Distt. Palwal - 121102, Haryana, India
www.ace-cranes.com

