



22nd Annual Report 2015-16



LIFTING INDIA'S INFRASTRUCTURE GROWTH

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

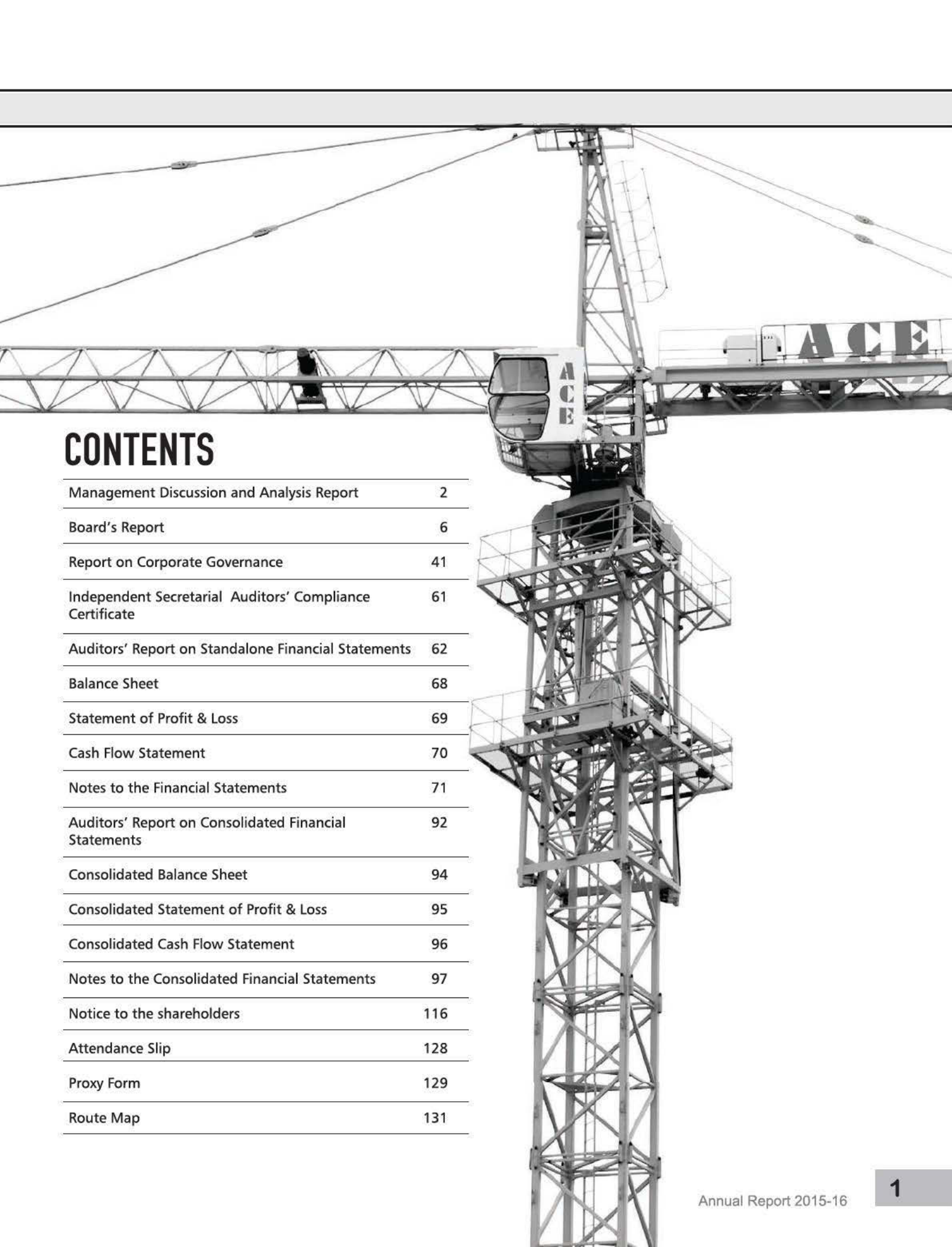


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*Nothing beats an **ACE***





CONTENTS

Management Discussion and Analysis Report	2
Board's Report	6
Report on Corporate Governance	41
Independent Secretarial Auditors' Compliance Certificate	61
Auditors' Report on Standalone Financial Statements	62
Balance Sheet	68
Statement of Profit & Loss	69
Cash Flow Statement	70
Notes to the Financial Statements	71
Auditors' Report on Consolidated Financial Statements	92
Consolidated Balance Sheet	94
Consolidated Statement of Profit & Loss	95
Consolidated Cash Flow Statement	96
Notes to the Consolidated Financial Statements	97
Notice to the shareholders	116
Attendance Slip	128
Proxy Form	129
Route Map	131



Management Discussion and Analysis

❖ INDUSTRY STRUCTURES AND DEVELOPMENTS

India became the fastest growing large economy overtaking China in 2015. The GDP growth was 2014-15 was 7.20 % (based on revised base to 2011-12) and in 2015-16 it was 7.60 %. In addition to this, the overall macro-economic health of the economy showed marked improvement with fiscal and current account deficits curtailed due to Government initiatives and helped by oil price decline. Further reforms and policy initiatives of the Government are likely to ensure uptick in growth for the Indian economy.

Additionally, India's other macroeconomic parameters like inflation, fiscal deficit and current account balance have exhibited signs of improvement. Wholesale price inflation has been in negative territory for more than a year and consumers price inflation has declined to nearly half of what it was a few years ago. With inflation under control, the Reserve Bank of India has somewhat eased monetary policy and reduced the benchmark repo rate. Consequently lending rates have reduced marginally. Having said so, the interest rate levels still need to come down further to really kick start investments.

The Indian Construction industry forms an integral part of the economy and a conduit for a substantial part of its development investment and is poised for growth on account of industrialization, urbanization, economic development and people rising expectation for improved quality of living. Construction constitutes 40 to 50 % of India's capital expenditure on projects in various sectors such as highways,

roads, railways, energy, airports, irrigation etc. and the second largest industry in India after agriculture. It accounts for nearly 10 to 11 % of the GDP.

The need for boosting infrastructure development has been core to the present Government or India's policies. There have been reforms to boost sectors like roads, railways, power distribution and rural and urban developments.

The union Budget for 2016-17 has allocated a record Rs 2.21 lakhs crore for infrastructure. The road sector alone has been allocated Rs. 97,000 crores as the government plans to award 10,000 kms of new road projects in 2016-17 including Rs 19,000 crore earmarked for rural roads.

Today, however not much of these measures have actually translated into major development work on the ground.

In India, while clearly more rapid demand warrants stronger construction activity, it has not yet happened. 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 percent 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.

With the projected forecast of good monsoons after a gap of two years, the demand for tractors, harvestors should revive and will help your Company as it will result in robust growth in tractor volumes as well as new products like track harvesters, wheel 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 have increased our presence in most of the 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.
- 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.

During the financial year 2015-16, Cranes revenues increased by 10.40%, whereas material handling / construction equipment division revenues were lower by 5.50% as compared to previous year. Agri Equipment division revenues were down by 4.90 % in 2016 as compared to 2015 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 32% because of various cost initiatives taken by the Company.

Material handling / Construction equipment division resulted in losses due to lower volumes and non-absorption of fixed overheads due to reduction in revenues in 2016 as compared to 2015 levels.

Agri Equipment Division profits were reduced by 72.00 % 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 value creations 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. Wherever 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 above normal monsoon in the current fiscal. Tractor sales run the risk of demand drop in case of significant variations in the monsoons.

❖ OUTLOOK

The entire construction industry is going through a phase of consolidation and needs to overcome financial situations and challenges related to debt. There are green shoots in the infrastructure sector like development in highways, waterways, energy distribution which offers various opportunities for us.

The growth is back in India and government financed infrastructure outlays have started, especially in highways. The restrictive regulations are being eased or removed, industry sentiments are improving and given the focus on infrastructure that the current Government has, we expect to see 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 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 efforts on cost optimization and process improvement will continue.

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 2017 will be a year for reviving the business with process improvement initiatives which should see better performance of the Company.

❖ INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

❖ RISK MANAGEMENT AND GOVERNANCE

ACE is committed for global benchmarking in good corporate governance, which promotes the long-term interests of all stakeholders, creates self- accountability across its management and helps built trust in the Company. A robust internal financial control system forms the backbone of our risk management and governance. In line with our commitment to provide sustainable returns to our stakeholders, ACE has formalized clearly defined systems and policies for timely addressing key business challenges and opportunities.

❖ FINANCIAL PERFORMANCE REVIEW

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

- Total Revenue for the FY 2015-16 was Rs 646.77 Crores compared to Rs 608.85 Crores in the previous year, a growth of 6.23%.
- Earnings before interest, depreciation, tax and amortization (EBITA) for the FY 2015-16 rose to Rs 40.43 Crores from Rs 32.15 Crores in the previous year, a growth of 25.75%.
- Profit before tax for the FY 2015-16 increased to Rs. 15.07 Crores from Rs. 9.57 Crores in the previous year, a growth of 57.47%.

During the year, Company has paid an interim dividend of Rs .0.20/- per equity share of Rs 2/- each.

The second half of the financial year witnessed early signs of recovery and thus revenue growth remained modest during

the year. Despite challenging economic conditions, we were able to mobilise internal resources effectively and focused on reducing net working capital requirement and total debts of the Company. Our focus on cost efficiency throughout the product portfolio enabled us to improve margins.

In pursuance of the Scheme of amalgamation ("the Scheme") sanctioned by the Hon'ble High Court of Punjab and Haryana vide its order dated 17th Nov, 2015, 1,83,83,000 equity shares and 3,02,19,380 preference shares of the Company was issued on 15th March, 2016 to the shareholders of ACE TC Rentals Private Limited in ratio of 1168 fully paid up equity shares of Rs. 2/- each of the ACE for every 100 fully paid up equity shares of Rs.10/- each of ACE TC Rentals Private Limited (the Transferor Company) held by the Members whose names appear in the Register of Members of the transferor company such that the equity shareholding of the Members in the ACE is increased only upto five percent of the post issue paid-up equity share capital of the ACE. As a result of this, the issued, subscribed and paid up capital of the Company has increased from Rs 1978.80 lacs in FY 2014-15 to Rs 5368.40 lacs in FY 2015-16. The Authorised share capital of the Company has also increased from Rs. 2450 lacs in FY 2014-15 to Rs. 5525.00 lacs in FY 2015-16.

The entire business, assets, liabilities, duties and obligations of ACE TC Rentals Pvt. Limited were transferred to and vested in the Company with effect from the appointed date i.e. April 1, 2014.

❖ MATERIAL DEVELOPMENTS IN HUMAN RELATIONS/ INDUSTRIAL RELATIONS

ACE has always maintained that human capital is one of the critical factors towards achieving success. Human resource strategy takes into cognizance the key aspects of people development and progressive industrial relations. The endeavor is to build and strengthen organizational capabilities thereby enabling the Organization to sustain attractive growth in a dynamic business environment. We ensure that there is full adherence to the code of ethics and fair business practices.

Industrial relations were cordial throughout the year.

❖ 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.



BOARD'S REPORT

The Directors are pleased to present the 22nd Annual report and Audited Statement of Accounts for the financial year ended 31st March, 2016.

	(Rs. in lacs)	
FINANCIAL RESULTS	2015-16	2014-15
Gross Turnover	65,005	61,681
Excise Duty	3,616	2,885
Net Turnover	61,389	58,796
Operating and Other Income	3,288	2,089
Total Income	64,677	60,885
Profit before Depreciation, Interest and Tax	4043	3,215
Less:		
Depreciation	1135	957
Interest	1401	1,301
Provision for Taxation	626	282
Net Profit after Tax	881	675
Profit brought forward	4,894	4657
Balance of Amalgamating Company	918	-
Profit available for Appropriation	6,693	5,332
Appropriations:		
Dividend	209	198
Corporate Tax on Dividend	43	40
Amount transferred to General Reserve	200	200
Profit carried to Balance Sheet	6,241	4,894



FINANCIAL PERFORMANCE

During the financial year under review, on a standalone basis, Your Company's achieved gross turnover of Rs. 65,005 lacs as compared to Rs. 61,681 lacs in the previous year, thereby registering a growth of 5.39 %. The profit before depreciation, interest and tax stood at Rs 4043 lacs in the year 2015-16, as against Rs. 3,215 lacs in the year 2014-15, representing a growth of 25.75 %.

The profit after tax is Rs. 881 lacs in the year 2015-16 as against Rs. 675 lacs in the previous year i.e. an increase of 30.51 %.

The Company could achieve such a growth and performance due to tighter operating controls, prudent raw material sourcing, new customer addition and controlled overheads.

Your company has taken several steps to reduce cost and increase its market share in all products.

STATE OF COMPANY'S AFFAIRS

The financial year 2015-16 embarked upon visible improvement in operating margins due to focused cost efficiency measures, price discipline and low commodity prices.

During the year, we launched new products like skid loaders, wheel based harvesters and introduced smart features in our existing product range that not only helped us to increase our market share but also adhere to our core philosophy of providing customised solutions to our customers. ACE realigned its focus on domestic markets and growth. ACE sustained its investment in brand and manpower to prepare for next growth phase. The Company continues to invest in future technology, products and people. The Company is ready for next phase of growth.

We were awarded best seller in mobile cranes category by Equipment India at 3rd Equipment Award, 2016.

RESERVES

Your Company proposes to carry Rs 200 lacs to the general reserve and retain Rs. 880.89 lacs in the profit and loss account.

DIVIDEND

At the meeting of Board of Directors held on 15th March, 2016, the Directors approved the payment of Interim Dividend of 10 % on the equity share capital for FY 2015-16, resulting in an outflow of Rs 237.44 lacs (Including Corporate Dividend Tax of Rs. 39.56 lacs). Since the Company has paid interim dividend to the equity shareholders for the financial year 2015-16 and in order to conserve the resources of the Company and to build up reserves, the Directors has not recommended any final dividend on Equity Shares Capital of the Company.

Directors have recommended dividend of 8% on Preference Share Capital of the Company on the pro rata basis from the allotment date till March 31, 2016, which will result in an outflow of Rs. 14.24 lacs (including Corporate Dividend Tax of Rs. 3.01Lacs).

The payment of dividend is subject to the approval of the shareholders at the ensuing annual general meeting of the Company.

MATERIAL CHANGES AND COMMITMENTS, IF ANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and the date of this report.

ISSUE OF SECURITIES

In pursuance of the Scheme of amalgamation ("the Scheme") sanctioned by the Hon'ble High Court of Punjab and Haryana vide its order dated 17th Nov, 2015, 1,83,83,000 equity shares and 3,02,19,380 preference shares of the Company were

issued on 15th March, 2016 to the shareholders of ACE TC Rentals Private Limited in ratio of 1168 fully paid up equity shares of Rs. 2/- each of the ACE for every 100 fully paid up equity shares of Rs.10/- each of ACE TC Rentals Private Limited (the Transferor Company) held by the Members whose names appear in the Register of Members of the transferor company such that the equity shareholding of the Members in the ACE is increased only upto five percent of the post issue paid-up equity share capital of the ACE. As a result of this, the issued, subscribed and paid up share capital of the Company has increased from Rs. 1978.80 lacs in FY 2014-15 to Rs. 5368.40 lacs in FY 2015-16. The Authorised share capital of the Company has also increased from Rs. 2450.00 lacs in FY 2014-15 to Rs. 5525.00 lacs in FY 2015-16.

The entire business, assets, liabilities, duties and obligations of ACE TC Rentals Pvt. Limited were transferred to and vested in the Company with effect from the appointed date i.e. April 1, 2014.

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, 2016, namely:

1. Fredsted Limited, Cyprus- Wholly Owned Subsidiary
2. SC Forma SA, Romania - Fellow Subsidiary

There has been no material change in the nature of the business of the subsidiaries.

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 as Annexure-I to this report.

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

BOARD OF DIRECTORS

Pursuant to the provisions of section 149 of the Companies Act, 2013, Mr. Girish Narain Mehra (DIN: 00059311), Mr. Subhash Chander Verma (Din: 00098019), Mr. Keshav Chander Agrawal (Din: 00098143) and Dr. Amar Singal (Din: 00035903) were appointed as independent directors at annual general meeting of the Company held on September 25, 2015.

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 Act and there has been no change in the circumstances which may affect their status as independent director during the year.

In accordance with Article 88(1) of the Articles of Association of the Company, Mrs. Surbhi Garg retires by rotation in ensuing Annual General Meeting and being eligible offer herself for re-appointment at the forthcoming AGM.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for the purpose of attending meetings of the Company.

None of the Directors of your Company is disqualified as per provisions of the Companies Act, 2013.

ATTRIBUTES, QUALIFICATIONS, INDEPENDENCE AND REMUNERATION OF DIRECTORS AND THEIR APPOINTMENT

The criteria for determining qualifications, positive attributes and independence in terms of Act and the Rules thereunder, both in respect of independent and the other Directors as applicable has been approved by the Nomination and Remuneration Committee. The Board is well diversified and have balance of skills, experience and diversity of perspectives appropriate to the Company.

Directors are appointed / re-appointed with the approval of the Members for a period of three to five years or a shorter duration. All directors, other than independent directors and Managing Director, are liable to retire by rotation, unless approved by the members. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election.

The Company's policy relating to remuneration of Directors, key managerial personnel and other employee is displayed on the website of the Company at www.ace-cranes.com and is provided as Annexure -II to this Report.

KEY MANAGERIAL PERSONNELS

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

Further, Mr. R.S. Jhanwer, Head – Corporate Affairs & Company Secretary resigned w.e.f. 11th January, 2016 and Mrs. Yashika has been appointed as Company Secretary & Compliance Officer w.e.f. 06th February, 2016.

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.

NUMBER OF MEETINGS

Five meetings of the Board were held during the year. For details of the meetings of the board, please refer to the Corporate Governance report which forms part of this report.

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 2015-16, 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, 2016 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 Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is separately given and forms part of this Annual Report and provides a more detailed analysis on the performance of individual businesses and their outlook.

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 Part C of Schedule V of Securities Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015 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 contracts or arrangements or transactions that were entered into by the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. During the year, the Company had not entered into any contracts or arrangements or transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transaction. All Related Party Transactions have been approved by the Audit Committee.

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

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

CORPORATE SOCIAL RESPONSIBILITY

ACE has been an early adopter of Corporate Social Responsibility (CSR) initiatives. The Company works primarily through its trust namely ACE Emergency Response Services.

The CSR Committee of the Board of Directors has been formed comprising of three directors with Chairman being independent Director. CSR Committee has framed and formulated a CSR Policy indicating the activities to be undertaken by the Company, in accordance with schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued under the Act. The same has also been approved by the Board. The CSR policy is available at the website of the Company viz www.ace-cranes.com. The Companies are required to spend at least 2 % of the average net profits of their three immediately preceding financial years on CSR related activities. Accordingly, the Company was required to spend Rs. 21.78 lacs on CSR activities whereas the Company has spent Rs. 156.72 Lacs on CSR activities which is more than the mandatory requirement. The Annual Report on CSR Activities, as stipulated under the Act forms an integral part of this Report and is appended as Annexure-IV

RISK MANAGEMENT

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

This integration is enabled by alignment of Risk Management, Internal Audit, Legal and compliance methodologies and processes in order to maximise enterprise value of the

Company and ensure high value creation for our stakeholder over a period of time.

The details of the Enterprise Risk Management framework with details of the principal risks and the plans to mitigate the same are given in the 'Risk 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.

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.

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.

STATUTORY AUDITORS AND AUDITOR'S REPORT

At the Annual General Meeting held on 31st July, 2014, M/s. Rajan Chhabra & Co., Chartered Accountants, were appointed

as the Statutory Auditors of the Company to hold the office till the conclusion of the Annual General Meeting to be held in the Calendar year, 2017.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Rajan Chhabra & Co., Chartered Accountants, as statutory auditors of the Company is placed for ratification by the shareholders. Your Company has received confirmation from the above mentioned firm regarding consent and eligibility under Sections(s) 139 & 141 of the Companies Act, 2013 read with Company (Accounts) Rules, 2014. As required under Regulation 33 (1) (d) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor has also confirmed that they hold a valid certificate issued by ICAI.

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

COST AUDITORS

The Board has appointed M/s Vandana Bansal and Associates, Cost accountant (Firm registration No. 100203) as cost auditors of your Company for financial year 2015-16 to conduct audit of the cost records of the Company. Cost audit report for financial year 2015-16 will be filed with the Ministry of Corporate Affairs.

As per section 148 of the Companies Act, 2013 and Rules made thereunder, the board of director of your Company on the recommendation of the Audit Committee has appointed M/s Vandana Bansal and Associates, Cost Accountant as the Cost Auditor of the Company for the financial year 2016-17.

Your Company has received consent from M/s Vandana Bansal and Associates, Cost Accountant to act as Cost Auditor of your Company for financial year 2016-17 along with the certificate confirming their independence.

SECRETARIAL AUDITOR

Savita Trehan & Associates, Practicing Company Secretary was appointed to conduct the Secretarial Audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report is annexed to this Report as Annexure V. There is no qualification, reservation or adverse remark(s) in the Secretarial Audit Report.

DISCLOSURES

PARTICULARS OF THE EMPLOYEES AND RELATED DISCLOSURES:

The total number of permanent employees as on 31st March, 2016 stood at 1062 employees as compared to 975 as on March 31, 2015.

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 VI.

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 and as such, no amount on account of principal or interest on public deposits was outstanding as on March 31st, 2016.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

EMPLOYEES STOCK OPTION SCHEME

During the year under review, the Company has not allotted any shares under Employees 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 herewith as Annexure - VII and forms an integral part of this report.

EXTRACT AS ANNEXURE OF ANNUAL RETURN

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

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

Pursuant to the provisions of Companies Act, 2013 and Regulation 25 (3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 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.

OTHER INFORMATION

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters in the financial year 2015-16:

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 Board places on record its appreciation for the support and continued co-operation extended by all the customers, vendors, dealers, bankers, regulators and business associates. The Board places on record its appreciation to all the employees for their dedicated and committed services. Your Directors deeply acknowledge the continued trust and confidence that the 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 Ltd

Vijay Agarwal
Chairman & Managing Director

Place : New Delhi
Dated: 19th May, 2016

Annexure-I

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in lacs of Rs)

S. No.	Details	Particulars	
1.	Sl. No.	1	2
2.	Name of the subsidiary	Frested Limited, Cyprus-Wholly Owned Subsidiary	SC Forma SA, Romania - Fellow Subsidiary
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	1st Jan, 2015 to 31st Dec, 2015
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	US Dollar, Rs. 66.33	RON, Rs. 16.92
5.	Share capital	0.86	181.83
6.	Reserves & surplus	(2631.37)	(403.43)
7.	Total assets	163.94	435.18
8.	Total Liabilities	2794.44	198.49
9.	Investments	162.59	Nil
10.	Turnover	Nil	15.80
11.	Profit before taxation	(0.22)	(16.02)
12.	Provision for taxation	Nil	Nil
13.	Profit after taxation	(0.22)	(16.02)
14.	Proposed Dividend	Nil	Nil
15.	%age of shareholding	100%	89.50%

Part "B": Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures - NIL

For and on behalf of the Board of Directors			
Vijay Agarwal Chairman & Managing Director			
Subhash Chander Verma Independent Director			
Place : New Delhi	Rajan Luthra	Yashika Kansal	Sorab Agarwal
Date : 19th May, 2016	Chief Financial Officer	Company Secretary	Executive Director

Annexure II of Board's 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 also 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

Form No. AOC-2

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

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

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

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

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

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

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

Date: 19th May, 2016
Place: New Delhi

For & on behalf of
Action Construction Equipment Limited

Vijay Agarwal
Chairman & Managing Director

Annexure IV to Board's Report

Annual Report on the Corporate Social Responsibility (CSR) activities for the financial year 2015-16

(Rs. in 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 year years as per Section 198 of the Companies Act, 2013	1088.86
3	Prescribed CSR expenditure (2% of the amount mentioned in item 2 above)	21.78
4	Details of the CSR to be spent during the financial year	
	-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 2015-16

(Amount In Rs. lacs)

Sr. 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 2015-16	Amount spent directly or through implementing agency
1	Health outreach Programme II-"Static, Mobile medical units and camps for primary and preventive healthcare incl. diagnostics"	Clause (I) promoting health care including preventive health care	District Palwal and Faridabad in the state of Haryana	175.00	156.72	156.72	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 : 19th May, 2016

Amar Singal
Chairman CSR Committee

Annexure V of Boards' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members
ACTION CONSTRUCTION EQUIPMENT LIMITED
Dudhola Link Road,
Village Dudhola, Palwal-121102,
Haryana.

I have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **M/s. ACTION CONSTRUCTION EQUIPMENT LIMITED (CIN:L74899HR1995PLC053860)** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. ACTION CONSTRUCTION EQUIPMENT LIMITED** for the financial year ended on 31st March, 2016 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 Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') Viz :-
 - (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 (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client.
- (vi) Other laws which are specifically applicable to the Company.

And hereby certify that the company has made compliance with all the provisions of the above said Act(s) and Regulations.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

The Company is complying with the Secretarial Standards issued by The Institute of Company Secretaries of India as notified and approved by Ministry of Corporate Affairs.

(ii) The Listing Agreements entered into by the Company with the BSE Limited & National Stock Exchange of India Limited.

The Company has complied with all the applicable Regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that, as per the nature of activities carried by the Company during the period under audit the following Acts, Rules, Regulations, Guidelines, Standards etc. are not applicable to the Company during the audit period:

- a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I 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 generally 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.

All decisions of Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee(s) of the Board, as the case may be.

I further report that 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.

I further report that during the audit period following specific events/actions were taken by the Company which have major bearing on the company's affairs in pursuance of the act, rules, regulations, guidelines, standards etc. referred above:

- a) There was amalgamation of ACE TC Rentals Private Limited (Transferor Company) with Action Construction Equipment Limited (transferee company) pursuant to the order of Hon'ble High Court of Punjab & Haryana dated 22nd January, 2016.
- b) Members by passing special resolution by postal ballot have increased the authorized Share Capital from Rs.24,50,00,000 to Rs.50,25,00,000/-and further accorded approval for re-classification of Authorized share capital from Rs.50,25,00,000/-divided into 25,12,50,000 equity shares of Rs.2/- each to Rs 50,25,00,000 divided into 10,00,00,000 equity shares of Rs.2/-each and 3,02,50,000 8% Redeemable Cumulative Preference Shares of Rs.10/- each.

Further, I report that during the period under audit, there were no instances of-

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

Date: 18th May, 2016
Place: Faridabad

(Savita Trehan)
Practicing Company Secretary
C.P. No.2569
M.No.4374

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

Annexure-A

To
The Members
ACTION CONSTRUCTION EQUIPMENT LIMITED
Dudhola Link Road,
Village Dudhola, Palwal-121102,
Haryana.

Dear Sir/Ma'm

My Secretarial Audit Report is for the financial year 2015-16 of even date is to be read along with the following notes:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records, personal records of employee(s) and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

Date: 18th May, 2016
Place: Faridabad

(Savita Trehan)
Practicing Company Secretary
C.P. No.2569
M.No.4374

Annexure VI - Particulars of employees

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

i) Remuneration paid to Whole Time Directors:

Name of the director	Title	Remuneration in fiscal 2016 (Rs. in lacs)	Remuneration in fiscal 2015 (Rs. in lacs)	% increase of Remuneration in 2016 as Compared to 2015	Ratio of Remuneration to			
					to MRE (Excl. WTD)	to MRE and WTD (Incl. WTD)	Revenues (fiscal 2016)	Net profit (fiscal 2016)
Mr. Vijay Agarwal*	Chairman & Managing Director	266.29	267.40	(0.42)	109.15	108.84	0.0041	0.30
Mrs. Mona Agarwal*	Whole-Time Director	134.60	134.60	0.00	55.17	55.02	0.0021	0.15
Mr. Sorab Agarwal	Executive Director	34.88	36.00	(3.11)	14.30	14.26	0.0005	0.04
Mrs. Surbhi Garg	Executive Director	41.64	17.80	133.94	17.07	17.02	0.0006	0.05

* Company has applied to Central Government for payment of the remuneration w.e.f. 1st October, 2015 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.

ii) Remuneration paid to Independent Directors:

Name of the director	Remuneration in fiscal 2016 (Rs. in lacs)	Remuneration in fiscal 2015 (Rs. in lacs)	% increase of Remuneration (2016 over 2015)
Mr. Girish Narain Mehra	1.00	1.10	(9.09)
Mr. Subhash Chander Verma	1.60	1.30	23.08
Dr. Amar Singal	1.60	1.30	23.08
Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	0.70	0.50	40.00

Note : Independent Directors receive only sitting fees for attending the meeting of Board and Committees.

iii) Remuneration of other Key Managerial Personnel (KMP):

Name of the KMP	Title	Remuneration in fiscal 2016 (Rs. in lacs)	Remuneration in fiscal 2015 (Rs. in lacs)	% increase of Remuneration in 2016 as Compared to 2015	Ratio of Remuneration to			
					to MRE (Excl. WTD)	to MRE and WTD (Incl. WTD)	Revenues (fiscal 2016)***	Net profit (fiscal 2016)***
Mr. Rajan Luthra	Chief Financial Officer	46.68	41.26	13.13	19.13	19.08	0.0007	0.05
Mr. RS Jhanwer*	Head Corporate Affairs & Company Secretary	13.06	2.61	N.A.	5.35	5.34	0.0002	0.01
Mrs. Yashika Kansal**	Company Secretary	0.75	N.A.	N.A.	0.31	0.31	0.0000	0.00

* For the period 1st April'15 to 11th January,2016

** For the period 6th Feb, 16 to 31st March, 2016

*** Based on Annualized Salary

The Median Remuneration of Employees (MRE) excluding Whole time directors (WTDs) was Rs. 243,977 and Rs. 253,956 in the fiscal 2016 and 2015 respectively. The decrease in MRE (excluding WTDs) in fiscal 2016, as compared to fiscal 2015 is 3.93%.

The Median Remuneration of Employees (MRE) including Whole time directors (WTDs) was Rs. 244,659 and Rs. 255,564 in fiscal 2016 and 2015 respectively. The decrease in MRE (including WTDs) in fiscal 2016, as compared to fiscal 2015 is 4.26%.

The number of permanent employees on the rolls of the Company as of March 31, 2016 was 1062 and March 31, 2015 was 975 respectively.

The revenue growth during fiscal 2016 over fiscal 2015 was 6.20% and net profit growth was 30.51 %. The aggregate remuneration of employees excluding WTD is increased by 19.40% over the previous fiscal. The aggregate increase in salary for WTD's and other KMP was 5.40% in fiscal 2016 over fiscal 2015. This was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry bench marks.

Our market capitalization increased by 12.90% to Rs. 453 crores as of March 31, 2016 from Rs. 401 crore as of March 31, 2015. The price earning ratio was 52.16 as of March 31, 2016 which was an increase of 10.85% as compared to March 31, 2015. The closing price of the Company's equity share on the NSE and BSE as of March 31, 2016 was Rs. 38.55 and Rs. 38.65 respectively.

48.50% increase in the market quotation of the shares in comparison to rate at which the company came out with IPO, adjusted for splits.

Average remuneration of employees excluding KMP's has increased by 10 % in Fiscal 2016.

The Company's variable compensation philosophy for its senior managerial personnel is to ensure it is competitive in Indian 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 2016	0.81%	0.01%	Nil	0.82%
As a percentage of net profit for fiscal 2016	60.00%	0.68%	Nil	60.68%

During Fiscal 2016, 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.

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

i) Employed throughout the Financial Year 2015-16 with a salary of Rupees Sixty lacs or more:

----- Nil-----

ii) Employed for a part of the Financial Year 2015-16 with an average salary of Rupees Five lacs per month or more:

----- Nil-----

Annexure VII to Board's Report

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

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

The Company has always been conscious of the need for the conservation of energy and optimum 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.

During the year, the Company has installed solar panel for in-house generation of power.

b) Impact of above measures :

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

c) Steps in utilisation of alternate source of Energy :

The Company is tapping solar energy.

d) Capital investment on energy conservation equipment's :

Efforts have been made by Company to reduce or optimize the energy requirements at all the plants. Company encourages capital investment in energy saving equipment's, plants or machinery and this year, Company has spent approximately Rs. 75.40 lacs. The Company plans to invest in additional solar panels in the financial year 2016-17.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The efforts made towards technology absorption:

The Company is putting continuous efforts in acquisition, development, assimilation and utilisation of technological knowledge of its products portfolio. This has enabled the Company to keep abreast with the latest developments in product technology.

a) RESEARCH AND DEVELOPMENT (R&D)

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

1) Specific areas in which R & D was carried out by the company during the financial year 2015-16:

Sl. No.	Title & Scope of Ongoing & Future R & D Project
1	Development of 25/30 ton 4 Wheel Drive Pick-n-Carry crane (FX250/FX300)
2	Adoption of Cluster in 12XW, 14XW, 15XW models
3	DI7070-70hp category tractor model 4WD+FEL application
4	Development of Flat Top Tower Crane TC-5040 T/TC-5540 T
5	AF30D with Simpson Engine & Fluid Coupling

Sl. No.	Title & Scope of Ongoing & Future R & D Project
6	AF20D with Simpson Engine & Fluid Coupling
7	Fabricated Counter Weight for AF30D
8	AF50D – 5 TON (Automatic Transmission)
9	Fork Rotavator For AF30D
10	Mast 3.0m FFL – AF20D/ AF25E/ AF20E
11	Mast 3.0m STD – AF50D
12	Mast 4.5m FFL – AF50D
13	Mast 4.5m FFL – AF15E
14	Mast 3.0m STD – AF15E
15	Design & Development of Crawler Bulldozer
16	Development of Skid Steer (SS75) for Commercial Market
17	Development of Crawler Crane 40 Ton Capacity
18	Self-propelled truck mounted crane 40 Ton Capacity
19	Design and Development of ACE Rotavator (5 FT, 42 Blades), (6 FT, 48 Blades), (7 FT, 54 Blades)
20	Design & Development of ACE Wheel Harvester
21	60HP 4 Cyl engine implementation
22	Development of DI305NG/25hp/2cyl with NG series engine of ACE
23	Cost reduction in 3PL(point linkage) of 1800 CRE hyd
24	Development of 60hp tractor with sliding mesh transmission
25	75HP Tractor - design and development
26	4WD- Tractor model 40hp,45hp,50hp & 60hp
27	Design & development of truck mounted full slew crane of 21 T-m lift capacity (AB213)
28	Design & development of truck mounted full slew crane of 16 T-m lift capacity (AB163)
29	Development of Straight Boom Truck mounted crane 15T(SBC-153)
30	Development of Truck mounted crane 202L (Smerch)
31	Design & development of Lorry Loader Crane AB-83

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

- ✓ Upgraded technology to meet international standards of safety.
- ✓ Wide range of products to meet the requirements of each class of customer.
- ✓ 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.
- ✓ Up gradation of existing product and processes.

III) Future plan of action

Sl. No.	Title & Scope of Ongoing & Future R & D Project
1	Multi speed Transmission 60HP to 90HP Tractors
2	75/90 HP Tractor with multispeed transmission
3	Development of Fixed Tower Crane TC-7054
4	Forklift 40D, 30E, 100D
5	Mast 6.0m FFL – AF20D/ AF25E/ AF20E

Sl. No.	Title & Scope of Ongoing & Future R & D Project
6	Mast 3.6m STD – AF50D, Mast 3.6m STD – AF15E, Mast 3.6m STD – AF40D
7	Mast 3.0m FFL – AF50D, Mast 3.0m STD – AF40D, Mast 3.0m FFL – AF40D, Mast 3.0m STD – AF100D
8	Mast 4.5m FFL – AF40D, Mast 4.5m FFL – AF100D
9	Development of TC 6552 Inner climbing
10	Development of Crawler Crane 25, 80 & 100 Ton Capacity
11	Development of Crawler Crane 100 Ton Capacity
12	Self-propelled truck mounted crane 25 Ton Capacity
13	Self-propelled truck mounted crane 30 Ton Capacity
14	Self-propelled truck mounted crane 50 Ton Capacity
15	Self-propelled truck mounted crane 75 Ton Capacity
16	Design and Development of New ACE Power Tiller Proto
17	Development of ACE Laser Leveller and its Testing
18	Development of Higher HP 4 Cylinder Turbocharged Engines with Intercooler (76HP & 90HP)
19	Telehandler attachment for Pick n Carry Cranes

IV) Expenditure on Research & Development

Sl. No.	Particulars	Amount (Rs. in Lacs)
1	Capital Expenditure	9.54
2	Revenue expenditure (Incl. Salary to R&D Staff and other related expenditures)	689.06
	Total	698.60

b) Details of Imported technology during the last three years reckoned from the beginning of the financial year.

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

I) Technology imported with year of import

- i) Tower Cranes model no 5013 (2015-16)
- ii) Tower Cranes model no 5510 (2015-16)
- iii) Crawler Crane model no QUY 25 (2015-16)
- iv) Truck Mounted Crane (2015-16)
- v) Inner climbing frame (2014-15)
- vi) Tower Cranes model no 6520 (2014-15)
- vii) Tower Cranes model no 7030 (2014-15)
- viii) Inner climbing frame (2013-14)
- ix) Tower Cranes model no 6520 (2013-14)

II) Absorption of Imported technologies

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Sl. No.	Particulars	Amount (Rs. in Lacs)
1	Foreign Exchange Earned	813.94
2	Foreign Exchange Outgo	4,675.99

Annexure VIII of Board's Report**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As at Financial Year Ended on 31.03.2016**

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 outstanding /accrued but not due for payment	As per Attachment H
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL	

	PERSONNEL	
A	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment I
B	Remuneration to other Directors	As per Attachment J
C	Remuneration to Key Managerial Personnel (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	64.86%
2	Material Handling/ Construction Equipment	291- Manufacture of general purpose machinery	10.20%
3	Agri Equipment	292-Manufacture of special purpose machinery	24.94%

ATTACHMENT-B

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

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 1/04/2015)				NO. OF SHARES HELD AT THE END OF THE YEAR (as on 31/03/2016)				% 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	67523832	0	67523832	68.25	85752047	0	85752047	73.09	4.84
(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) :	67523832	0	67523832	68.25	85752047	0	85752047	73.09	4.84
(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)	67523832	0	67523832	68.25	85752047	0	85752047	73.09	4.84
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	2005215	0	2005215	2.03	1592511	0	1592511	1.36	-0.67
(b)	Financial Institutions /Banks	54868	0	54868	0.06	64493	0	64493	0.05	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00

(f)	Foreign Institutional Investors	750000	0	750000	0.76	2400000	0	2400000	2.05	1.29
(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) :	2810083	0	2810083	2.84	4057004	0	4057004	3.46	0.62
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	6951127	0	6951127	7.03	4126946	0	4126946	3.52	-3.51
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	15218310	72439	15290749	15.45	16108777	65106	16173883	13.79	-1.67
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	5172527	0	5172527	5.23	5980504	0	5980504	5.10	-0.13
(c)	Others									
	Clearing Members	435228	0	435228	0.44	132907	0	132907	0.11	-0.33
	Non Resident Indians	752454	0	752454	0.76	1098709	0	1098709	0.94	0.18
	Trusts	4000	0	4000	0.00	1000	0	1000	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	28533646	72439	28606085	28.91	27448843	65106	27513949	23.45	-5.46
	Total B=B(1)+B(2) :	31343729	72439	31416168	31.75	31505847	65106	31570953	26.91	-4.84
	Total (A+B) :	98867561	72439	98940000	100.00	117257894	65106	117323000	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) :	98867561	72439	98940000	100.00	117257894	65106	117323000	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 01-04-2015)			Shareholding at the end of the year (As on 31-03- 2016)			% 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	41341907	35.24	0	0.88
2	Mona Agrawal	26637807	26.92	0	30314407	25.84	0	-1.09
3	Sorab Agarwal	3600150	3.64	0	7122650	6.07	0	2.43
4	Surbhi Garg	3247168	3.28	3.14	6923083	5.90	1.47	2.62
5	Anuradha Garg	50000	0.05	0	50000	0.04	0	-0.01

ATTACHMENT-E

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

iii Change in Promoters' Shareholding

Sr. No	Name	Shareholding No. of shares at the beginning (01/04/2015/ end of the Year 31/03/2016)	% of total shares of the Company	Date	Increase / Decrease in share-holding	Reason	Cumulative Share holding during the year (01-04-15 to 31-03-16)	
							No of shares	% of total shares of the Company
1	Sorab Agarwal	3600150	3.64	10/7/2015	-115000	Transfer	3485150	3.52
				17/7/2015	-39100	Transfer	3446050	3.48
				15/3/2016	36,76,600	Allotment*	7122650	6.07
		7122650	6.07					
2	Surbhi Garg	3247168	3.28	19/6/2015	-685	Transfer	3246483	3.28
				15/3/2016	3676600	Allotment*	6923083	5.90
		6923083	5.90					
3	Vijay Agarwal	33988707	34.35		0		33988707	34.35
				15/3/2016	7353200	Allotment*	41341907	35.24
		41341907	35.24					
4	Mona Agrawal	26637807	26.92		0		26637807	26.92
				15/3/2016	3676600	Allotment*	30314407	25.84
		30314407	25.84					
5	Anuradha Garg	50000	0.05		0		50000	0.05
		50000	0.05		0		50000	0.05

*Allotment under the scheme of amalgamation

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)

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Share holding during the year (01-04-15 to 31-03-16)	
		No. of shares at the beginning (01/04/2015) / end of the Year(31/03/2016)	% of total shares of the Company				No of shares	% of total shares of the company
1	RELIGARE FINVEST LTD#	2648151	2.68	1/4/2015	0		2648151	2.68
				8/5/2015	353500	Purchase	3001651	3.03
				17/7/2015	-200	Transfer	3001451	3.03
				24/7/2015	200	Purchase	3001651	3.03
				31/7/2015	-1101050	Transfer	1900601	1.92
				14/8/2015	-50	Transfer	1900551	1.92
				28/8/2015	-1531973	Transfer	368578	0.37
				4/9/2015	-267677	Transfer	100901	0.10
				18/9/2015	500000	Purchase	600901	0.61
				16/10/2015	250	Purchase	601151	0.61
				23/10/2015	-600000	Transfer	1151	0.00
				27/11/2015	-250	Transfer	901	0.00
				25/12/2015	-50	Transfer	851	0.00
				22/1/2016	-100	Transfer	751	0.00
				26/2/2016	-100	Transfer	651	0.00
		651	0.00	31/3/2016				
2	JPMORGAN INDIA MID AND SMALL CAP FUND	972869	0.98	1/4/2015	0		972869	0.98
		972869	0.83	31/3/2016				
3	MADHAVAN KUNNIYUR #	760000	0.77	1/4/2015	0		760000	0.77
				17/4/2015	-135000	Transfer	625000	0.63
				22/5/2015	-75000	Transfer	550000	0.56
				5/6/2015	-550000	Transfer	0	0.00
		0	0	31/3/2016				
4	GLOBAL INVESTMENT HOUSE COMPANY A/C THE MAYURHEDGE#	700000	0.71	1/4/2015	0		700000	0.71

				1/5/2015	50000	Purchase	750000	0.76
				5/6/2015	-150000	Transfer	600000	0.61
				12/6/2015	-100000	Transfer	500000	0.51
				10/7/2015	-100000	Transfer	400000	0.40
				4/9/2015	-50000	Transfer	350000	0.35
				11/9/2015	-200000	Transfer	150000	0.15
				18/9/2015	-50000	Transfer	100000	0.10
				25/9/2015	-100000	Transfer	0	0.00
		0	0	31/3/2016				
5	DILEEP MAD-GAVKAR/ANASUYA MADGAVKAR	540000	0.55	1/4/2015	0		540000	0.55
				8/5/2015	15000	Purchase	555000	0.56
				15/5/2015	10000	Purchase	565000	0.57
				22/5/2015	5000	Purchase	570000	0.58
				26/6/2015	30000	Purchase	600000	0.61
		600000	0.51	31/3/2016				
6	DSP BLACKROCK MICRO CAP FUND#	435627	0.44	1/4/2015	0		435627	0.44
				10/4/2015	-153663	Transfer	281964	0.28
				17/4/2015	-190587	Transfer	91377	0.09
				1/5/2015	-91377	Transfer	0	0.00
		0	0	31/3/2016				
7	CHANDER BHATIA	375000	0.38	1/4/2015	0		375000	0.38
				1/5/2015	25000	Purchase	400000	0.40
				12/6/2015	200000	Purchase	600000	0.61
				14/8/2015	50000	Purchase	650000	0.66
				22/1/2016	25000	Purchase	675000	0.68
		675000	0.68	31/3/2016				
8	RELIGARE SECURITIES LTD #	363753	0.37	1/4/2015	0		363753	0.37
				3/4/2015	-700	Transfer	363053	0.37
				10/4/2015	3085	Purchase	366138	0.37
				17/4/2015	-1630	Transfer	364508	0.37
				24/4/2015	-37	Transfer	364471	0.37

				1/5/2015	-509	Transfer	363962	0.37
				8/5/2015	-350818	Transfer	13144	0.01
				15/5/2015	-5073	Transfer	8071	0.01
				22/5/2015	2107	Purchase	10178	0.01
				29/5/2015	-1336	Transfer	8842	0.01
				5/6/2015	-1081	Transfer	7761	0.01
				12/6/2015	4687	Purchase	12448	0.01
				19/6/2015	15972	Purchase	28420	0.03
				26/6/2015	-3429	Transfer	24991	0.03
				30/6/2015	-2330	Transfer	22661	0.02
				3/7/2015	30	Purchase	22691	0.02
				10/7/2015	-16200	Transfer	6491	0.01
				17/7/2015	3274	Purchase	9765	0.01
				24/7/2015	-2634	Transfer	7131	0.01
				31/7/2015	1102415	Purchase	1109546	1.12
				7/8/2015	-941846	Transfer	167700	0.17
				14/8/2015	353	Purchase	168053	0.17
				21/8/2015	3843	Purchase	171896	0.17
				28/8/2015	85762	Purchase	257658	0.26
				4/9/2015	259355	Purchase	517013	0.52
				11/9/2015	1111	Purchase	518124	0.52
				18/9/2015	-501999	Transfer	16125	0.02
				25/9/2015	-3164	Transfer	12961	0.01
				30/9/2015	-436	Transfer	12525	0.01
				2/10/2015	1644	Purchase	14169	0.01
				9/10/2015	-2206	Transfer	11963	0.01
				16/10/2015	-2903	Transfer	9060	0.01
				23/10/2015	4900	Purchase	13960	0.01
				30/10/2015	1558	Purchase	15518	0.02
				6/11/2015	-1620	Transfer	13898	0.01
				13/11/2015	-5596	Transfer	8302	0.01
				20/11/2015	-212	Transfer	8090	0.01

				27/11/2015	-49	Transfer	8041	0.01
				4/12/2015	-459	Transfer	7582	0.01
				11/12/2015	658	Purchase	8240	0.01
				18/12/2015	-486	Transfer	7754	0.01
				25/12/2015	289	Purchase	8043	0.01
				31/12/2015	13971	Purchase	22014	0.02
				1/1/2016	-3478	Transfer	18536	0.02
				8/1/2016	-10340	Transfer	8196	0.01
				15/1/2016	2020	Purchase	10216	0.01
				22/1/2016	326	Purchase	10542	0.01
				29/1/2016	-739	Transfer	9803	0.01
				5/2/2016	-551	Transfer	9252	0.01
				12/2/2016	-1893	Transfer	7359	0.01
				19/2/2016	10030	Purchase	17389	0.02
				26/2/2016	-8367	Transfer	9022	0.01
				4/3/2016	-676	Transfer	8346	0.01
				11/3/2016	-470	Transfer	7876	0.01
				18/3/2016	812	Purchase	8688	0.01
				25/3/2016	-3033	Transfer	5655	0.01
				31/3/2016				0.00
9	PACE STOCK BROKING SERVICES PVT LTD#	359164	0.36	1/4/2015	0		359164	0.36
				24/4/2015	-300000	Transfer	59164	0.06
				12/6/2015	236500	Purchase	295664	0.30
				19/6/2015	-14000	Transfer	281664	0.28
				10/7/2015	-10000	Transfer	271664	0.27
				31/7/2015	-30000	Transfer	241664	0.24
				7/8/2015	58803	Purchase	300467	0.30
				14/8/2015	-295367	Transfer	5100	0.01
				30/10/2015	-5000	Transfer	100	0.00
				31/12/2015	2499	Purchase	2599	0.00
				1/1/2016	-1300	Transfer	1299	0.00

				8/1/2016	-1199	Transfer	100	0.00
		100	0.00	31/3/2016				
10	GOPI KISHAN MALANI	333298	0.34	1/4/2015	0		333298	0.34
				19/6/2015	10000	Purchase	343298	0.35
				10/7/2015	16000	Purchase	359298	0.36
				31/7/2015	-64500	Transfer	294798	0.30
				9/10/2015	-6000	Transfer	288798	0.29
				16/10/2015	-88798	Transfer	200000	0.20
				8/1/2016	-11823	Transfer	188177	0.19
				15/1/2016	-72901	Transfer	115276	0.12
		115276	0.00	31/3/2016				
11	INDIA OPPORTUNITIES GROWTH FUND LTD - PINEWOOD STR *	950000		7/8/2015		Purchase	950000	0.96
				28/8/2015	664950	Purchase	1614950	1.63
				4/9/2015	785050	Purchase	2400000	2.43
		2400000	2.05	31/3/2016				
12	NEETA JATIN JHAVERI/ AVANI HEMAL JHAVERI *			18/3/2016		Purchase	600000	0.51
		600000	0.51	31/3/2016				
13	UNION KBC SMALL AND MIDCAP FUND*			25/3/2016		Purchase	371000	0.31
		371000	0.31	31/3/2016				
14	JV AND ASSOCIATES LLP	10000		1/4/2015			10000	0.00
				16/1/2015	38161	Purchase	48161	0.04
				13/11/2015	53000	Purchase	101161	0.10
				25/12/2015	141403	Purchase	242564	0.24
				22/1/2016	73380	Purchase	315944	0.31
		315944	0.27	31/3/2016				
15	RITA DUGGAL	54500		1/4/2015			54500	0.06
				8/5/2015	1	Purchase	54501	0.06
				15/5/2015	47999	Purchase	102500	0.10
				19/6/2015	25000	Purchase	127500	0.13
				30/6/2015	90000	Purchase	217500	0.22
				17/7/2015	10000	Purchase	227500	0.23

				21/8/2015	15000	Purchase	242500	0.25
				25/9/2015	25000	Purchase	267500	0.27
		267500	0.23	31/3/2016				
16	RAHUL DHRUV *	11000		29/5/2015			11000	0.01
				5/6/2015	11000	Purchase	22000	0.02
				11/9/2015	22000	Purchase	44000	0.04
				2/10/2015	33000	Purchase	77000	0.07
				25/3/2016	187000	Purchase	264000	0.23
		264000	0.23	31/3/2016				
17	ANAND DIDWANIA /ANUJ ANAND DIDWANIA *	24916		22/5/2015			24916	0.03
				29/5/2015	27316	Purchase	52232	0.05
				5/6/2015	72150	Purchase	124382	0.13
				12/6/2015	83414	Purchase	207796	0.21
				19/6/2015	22820	Purchase	230616	0.23
				26/6/2015	26218	Purchase	256834	0.26
		256834	0.22	31/3/2016				

* Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2015.

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 shareholding	Reason	Cumulative Share holding during the year (01-04-15 to 31-03-16)	
		No. of shares at the beginning (01/04/2015) / end of the Year(31/03/2016)	% of total shares of the Company				No of shares	% of total shares of the company
1	SUBHASH CHANDER VERMA	15000	0				15000	0.01
		15000	0.01					
2	G. N. MEHRA	20240	0.02				20240	0.02
		20240	0.01					
3	SORAB AGARWAL	3600150	3.64	10/7/2015	-115000	Transfer	3485150	3.52
				17/7/2015	-39100	Transfer	3446050	3.48
				15/3/2016	36,76,600	Allotment*	7122650	6.07
		7122650	6.07					
4	SURBHI GARG	3247168	3.28	19/6/2015	-685	Transfer	3246483	3.28
				15/3/2016	3676600	Allotment*	6923083	5.90
		6923083	5.90					
5	VIJAY AGARWAL	33988707	34.36		0		33988707	34.36
				15/3/2016	7353200	Allotment*	41341907	35.24
		41341907	35.24					
6	MONA AGARWAL	26637807	26.93		0		26637807	26.93
				15/3/2016	3676600	Allotment*	30314407	25.84
		30314407	25.84					
7	RAJAN LUTHRA	3136	0.01				3136	0.01
		3136	0.01					

*Allotment under the scheme of amalgamation

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, 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
Change in Indebtedness during the financial year				
Additions	1,037.00	-	-	1,037.00
Reduction	(2,436.76)	-	-	(2,436.76)
Exchange Difference	54.56			54.56
Net Change	(1,345.20)	-	-	(1,345.20)
Indebtedness at the end of the financial year (31st March, 2016)				
i) Principal Amount	12,426.54	-	-	12,426.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12,426.54	-	-	12,426.54

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)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total
		Vijay Agarwal ¹	Mona Agarwal ¹	Sorab Agarwal	Surbhi Garg	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	243.60	119.78	32.48	40.24	436.10
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	22.69	14.82	2.40	1.40	41.31
	(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 as % of profit	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total (A)	266.29	134.60	34.88	41.64	477.41
	Ceiling as per the Act	Rs.165.84 Lacs (being 10 % of the net profits of the Company calculated as per Section 197 & 198 of the Companies Act, 2013)				

Note :

1. Company has applied for Central Govt. Approval for excess payment of Remuneration to the MD and WTD of the Company due to in adequacy of Profit in Company.
2. Remuneration to Other Directors : Remuneration to directors other than WTD and MD is 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	1.00	0.70	1.60	1.60	4.90
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	Total 1	1.00	0.70	1.60	1.60	4.90
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)	1.00	0.70	1.60	1.60	4.90
	Total Managerial Remuneration					
	Overall Cielling as per the Act	Rs. 16.58 Lacs (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/WTD

(Amount In Rs. lacs)

Sl. No.	Particulars of Remuneration	Name of the KMP				Total Amount
1	Gross Salary	CEO	Company Secretary Radhey Shyam Jhanwer *	Company Secretary (Yashika Kansal \$)	CFO (Rajan Luthra)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NA	13.06	0.75	46.28	60.09
	(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 as % of profit		0	0	0	0
5	Others, please specify		0	0	0	0
	Total		13.06	0.75	46.68	60.49

* For the period from 1st April, 2015 to 11th Jan , 2016

\$ For the period from 6th February,2016 to 31st March, 2016

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

THE COMPANY'S PHILOSOPHY

At Action Construction Equipment Limited (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.

At ACE, 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 Regulation 34(3), and Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing regulations) with the Stock Exchanges and the Voluntary Corporate Governance Guidelines to ensure good Corporate Governance practices across the Company in letter and in spirit. The Company has complied with all the mandatory requirements of the said clause.

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



BOARD OF DIRECTORS

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, strategic planning etc. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management. The Company has an optimum combination of Directors on the Board and is in conformity with Regulation 17

of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Act.

There are four Executive and four Non-executive directors on the Board of the Company. The Executive Directors are authorized for conducting the general business of the Company, but all the other crucial decisions are taken at the Board Level. The Chairman and Managing Director (CMD) provided overall direction and guidance to the Board. All the Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing regulations read with section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the independent directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI Listing regulations read with section 149(6) of the Act.

The 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 Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. The Company Secretary records minutes of proceedings of each Board and Committee 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 2015-16 i.e. on 30th May, 2015, 8th August, 2015, 6th November, 2015, 6th February, 2016 and 15th March, 2016. Details of the composition, category of the Directors, their attendance at the Board Meetings held during the year & Annual General Meeting (AGM) held on September 25th, 2015, and their 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	5/Yes	–	–	1
Mrs. Surbhi Garg	Executive Director	4/Yes	–	–	–
Mr. Girish Narain Mehra	Independent Non – executive	4/No.	4	5	2
Mr. Subhash Chander Verma	Independent Non – executive	5/Yes	–	1	1
Dr. Amar Singal	Independent Non – executive	5/Yes	–	1	1
Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	Independent Non – executive	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.

Number of Equity shares held by non-executive directors as on 31st March, 2016 as given below:

S. No.	Name of the Directors	No of shares
1.	Mr. Girish Narain Mehra	20,240
2.	Mr. Subhash Chander Verma	15,000

The details regarding Independent Directors' Familiarization Programmes are available on the company's Website at [http://www.ace-cranes.com/investors relation/Corporate Governance](http://www.ace-cranes.com/investors%20relation/Corporate%20Governance).

Details of Committees of Board of Directors

(I) Audit Committee

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

During the year, four meetings were held on 30th May, 2015, 8th August, 2015, 6th Nov, 2015 and 6th Feb, 2016.

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	4	4
2.	Mr. Girish Narain Mehra	Member	Independent	4	3
3.	Dr. Amar Singal	Member	Independent	4	4
4.	Mr. Vijay Agarwal	Member	Executive	4	4

This Committee has 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 draft audit report.
5. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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 informations :
 - (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.
- (v) The appointment, removal and terms of remuneration of the chief internal auditor.
- (vi) Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus /notice in terms of regulation 32(7).
- 7. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- 8. Evaluation of internal financial controls and risk management systems.
- 9. Reviewing and monitoring of the auditor's independence, performance and effectiveness of audit process.
- 10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 11. Discussion with internal auditors any significant findings and follow up thereon.
- 12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 15. To direct the Company to establish a vigil mechanism for directors and employees to report genuine concerns to the Audit Committee and to ensure that the vigil mechanism provides adequate safeguards against 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.
- 16. To review the functioning of the Whistle Blower/ Vigil mechanism.
- 17. Approval of appointment of CFO after assessing the qualifications, experience & background etc. of the candidate.
- 18. Scrutiny of inter-corporate loans and investments.
- 19. Approval or any subsequent modification of transactions of the Company with related parties.
- 20. Valuation of undertakings or assets of the Company, wherever it is necessary.
- 21. To investigate into any matter or activity within its terms of reference or referred to it by the Board.
- 22. To call for the comments of the Auditors about internal control systems, the scope of audit, including the observations of the Auditors and also discuss any related issues with the internal and Statutory Auditors and the Management of the Company.

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

The Chairman of the Audit Committee was present in the last Annual General Meeting held on 25th September, 2015.

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

(II) Nomination and Remuneration Committee

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

Terms of reference of the Committee inter alia include determination of the Company's policy on specific remuneration packages for Directors, Key Managerial Personnel and Senior Management. Senior Management means the officers /personnel of the listed entity who are members of its core management team excluding board of directors and normally this comprises all members of the management one level below the executive directors, including all functional heads.

During the year, three meetings were held on 30th May, 2015, 6th Nov, 2015 and 6th Feb, 2016

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 the year	Number of meeting Attended
1.	Dr. Amar Singal	Chairman	Independent	3	3
2.	Mr. Subhash Chander Verma	Member	Independent	3	3
3.	Mr. Girish Narain Mehra	Member	Independent	3	2

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

11. To recommend amendment to Employees Stock Option Scheme of the Company or to recommend any such new Scheme for approval of members of the Company.
12. To exercise all the powers as mentioned in the Employees Stock Option Scheme of the Company to be exercised by the Compensation Committee of the Company.
13. To invite any executive or outsider, at its discretion at the meetings of the Committee.
14. To devise a policy on Board diversity.
15. 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.

Performance evaluation criteria for independent directors:

The Board, in its Meeting held on 6th Feb, 2016, laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Director's Remuneration

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

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

S. No.	Name of the Directors	Amount Paid (In Rs.)
1.	Mr. Girish Narain Mehra	1,00,000
2.	Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	70,000
3.	Mr. Subhash Chander Verma	1,60,000
4.	Dr. Amar Singal	1,60,000

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

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

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

Remuneration of Directors

(I) Remuneration paid to CMD/WT/ED of the Company during the year 2015-16.

(Amount in Rs.lacs)

S. No.	Names of the Directors	Salary & Allowances (Fixed)	Other benefits and perquisites (Fixed)	Total
1.	Mr. Vijay Agarwal*, Chairman & Managing Director	243.60	22.69	266.29
2.	Mrs. Mona Agarwal*, Whole- time Director	119.78	14.82	134.60
3.	Mr. Sorab Agarwal, Executive Director	32.48	2.40	34.88
4.	Mrs. Surbhi Garg, Executive Director	40.24	1.40	41.64
	Total	436.10	41.31	477.41

* The above remuneration 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. The Company has received approval of the Central Government for payment of above remuneration to Mr. Vijay Agarwal, Chairman & Managing Director and Mrs. Mona Agarwal, Whole-time Director up to 30th Sept, 2015 and for remaining period i.e. 1st October, 2015, onwards, it has applied to Central Government for necessary Approval.

Executive Directors are not entitled to any performance linked incentives.

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

The appointment of the Executive Directors is governed by resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

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

Not applicable.

(III) Stakeholders Relationship Committee/Grievance Committee:

During the year, two meetings were held on 30th May, 2015 and 6th Nov, 2015.

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 the 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 Part D of Schedule II of the Regulation 20(4) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or in any subsequent amendment thereto.

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, Overseas 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 22, all of which were resolved and there was no pending complaint as on March 31, 2016. The Company did not receive any transfer requests directly and hence no request was pending for approval as on March 31, 2016.

Compliance Officer

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

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

S. No.	Name of the Directors	Designation	Category
1.	Dr. Amar Singal	Chairman	Independent
2.	Mrs. Mona Agarwal	Member	Executive
3.	Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	Member	Independent

No CSR Committee meeting was held during the year 2015-16.

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.

(V) Separate Meeting of the Independent Directors

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

During the year, two meetings of the independent directors were held on 30th May, 2015 and 6th Feb, 2016.

The detail of Composition and Attendance of the Committee of Independent Directors is given below:-

S. No.	Name of the Directors	Designation	Category	Total meetings held during the year	Number of meeting Attended
1.	Dr. Amar Singal	Chairman	Independent	2	2
2.	Mr. Subhash Chander Verma	Member	Independent	2	2
3.	Mr. Girish Narain Mehra	Member	Independent	2	1
4.	Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	Member	Independent	2	2

The meeting is entrusted with the following powers:

- Review the performance of non-independent directors and the Board as a whole.
- Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

General Body Meetings:

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

For the Year	2012-13	2013-14	2014-15
AGM	19th	20th	21st
Date & Time	24.08.2013 11:00 a.m.	31.07.2014 11:00 a.m.	25.09.2015 11:00 a.m.
Venue	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Delhi-110054.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001

Special Resolutions passed in the past three years:-

Year	Special Resolution Passed
2012-2013	None
2013-2014	None
2014-2015	(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 Article of Association of company containing regulations in conformity with the Companies Act, 2013.

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

During the year, 9 (Nine) Special resolutions were passed through postal ballot procedures, 8 (Eight) of them being passed on the 8th May, 2015 and rest of them being passed on 4th July, 2015. The details of voting pattern in respect of the all these special resolutions are mentioned below:

(I) 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 of Directors by its resolution passed on 5th Feb, 2015 had appointed Mrs. Anjali Yadav, a Practicing Company Secretary, to act as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner. The Company had also offered e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with the Karvy Computershare Private Limited (Karvy) to enable its members to cast their votes electronically pursuant to Clause 35B of the Equity listing agreement and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force). The postal ballot process was carried out as per the procedure laid down in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Mrs. Anjali Yadav, had carried out the scrutiny of all the postal ballot forms received upto the close of working hours (5 P.M.) on 6th May, 2015 (Wednesday), and that she had submitted her Report thereon to the Chairman of the Company. Based on the Scrutinizer's Report, Mr. Vijay Agarwal, Chairman and Managing Director, declared the result of the voting exercise on 8th May, 2015 and communicated to Stock exchanges where equity shares of the Company are listed and displayed on Company's website at www.ace-cranes.com. The details of the same are as follows:

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

(II) Special resolutions through Postal ballot, e-voting and Physical EGM on 4th July, 2015 for the following items:

A Court Convened Meeting of the Equity Shareholders of the Company was held on 4th July, 2015 at 11.00 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001 and consent of shareholders was taken by way of postal ballot, E-Voting Process and through Ballot paper pursuant to the provision of section 110 of the Companies Act, 2013 read with relevant rules of the Companies (Management and Administration) Rules, 2014 and SEBI Circulars Nos. CIR/CFD/DIL/5/2013 dated 4th July, 2013 and CIR/CFD/DIL/8/2013 dated 21st May, 2013 in terms of Order dated 5th May, 2015 of the Hon'ble High Court of Punjab & Haryana for obtaining the requisite approval of the shareholders of the Company for the scheme of amalgamation of ACE TC Rentals Private Limited with Action Construction Equipment Limited.

The Board of Directors by its resolution passed on 5th Feb, 2015 had appointed Mrs. Anjali Yadav, a Practicing Company Secretary, to act as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner. The Company had also offered e-voting facility to its members enabling them to cast their votes electronically. Mrs. Anjali Yadav, had carried out the scrutiny of all the postal ballot forms received upto the close of working hours (5 P.M.) on 1st July, 2015 (Wednesday), and that she had submitted her Report thereon to the Chairman. Based on the Scrutinizer's Report, Mr. Vijay Agarwal, Chairman and Managing Director, declared the result of the voting exercise on 4th July, 2015 and communicated to Stock exchanges where equity shares of the Company are listed and displayed on Company's website at www.ace-cranes.com and also on the website of Karvy (<https://evoting.www.karvy.com>) as follows:

Particulars	No of Postal Ballot form and E Voting	No of Equity Shares (Votes)	% of votes Cast
Total no of valid postal ballot forms and E voting of Public Category	368	4800500	100
Total Postal Ballot Forms and E Voting with assents for the resolution	353	4790954	98.80
Total postal ballot forms and E Voting with dissents for the resolution	15	9546	0.20
Promoter and Promoter Group shareholding of 67525117 equity shares were not considered in Voting Process.			

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

Means of Communication

a) Quarterly Results:

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

b) Newspaper:

The Company's quarterly financial results are generally published in Financial Express and Hari Bhoomi.

c) Website:

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.

d) Official news releases:

During the year, the Company has not published any information update on its financial results or displayed any official news releases.

e) Presentations made to institutional investors or to the analysts:

The Company generally does hold analysts calls. During the year, no such presentations were made.

General Shareholder Information

Forthcoming AGM: Day, Date, Time and Venue

The 22nd Annual General Meeting of the Company is scheduled on Friday, 23rd September, 2016 at 11.00 a.m. at Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121002.

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, 2016	2nd Week of August, 2016
September, 2016	2nd Week of November, 2016
December, 2016	2nd Week of February, 2017
March, 2017	4th week of May, 2017
Annual General Meeting for the year ending 31st March, 2017	Last Week of September, 2017

Block Closure Date

The register of members and share transfer books of the Company will remain closed from Friday, 16th September, 2016 to Friday, 23rd September, 2016 (both days inclusive), for the purpose of Annual General Meeting.

Dividend Payment Date:

The Board has recommended 8% Dividend on its Preference 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.

Further, the Board has not recommended any final dividend on the equity share capital of the Company.

Interim Dividend:

The Board had recommended an Interim Dividend at the rate of Rs. 0.20/- per Equity Share of the face value of Rs. 2/- each for the year 2015-16. The dividend amount was disbursed to all the Shareholders whose names were appearing in the Register of Members as on the Record date i.e. 23rd March, 2016, fixed for the aforesaid purpose.

Listing on Stock Exchanges

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

Stock Exchanges	Address
BSE Limited	5th Floor, P.J. Towers, Dalal Street, Mumbai-400001
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051

Stock Codes

The Stock Codes of the Company's securities are as follows:

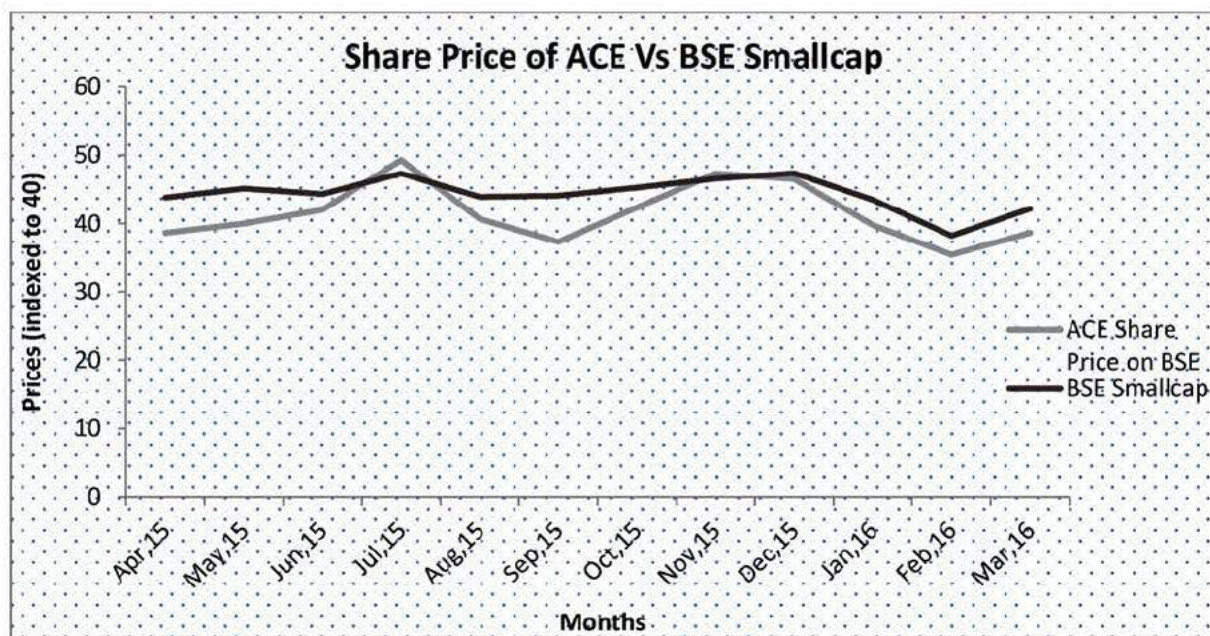
Stock Exchanges	Security Code	Type of Security
BSE Limited	532762	Equity Shares
National Stock Exchange of India Limited (NSE)	ACE	Equity Shares

Listing Fees for the financial year 2016 -2017 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) 2015-16	NSE		BSE	
	High (In Rs.)	Low (In Rs.)	High (In Rs.)	Low (In Rs.)
April, 15	45.95	36.95	46.00	36.00
May, 15	43.30	36.30	43.80	36.50
June, 15	46.50	36.05	46.35	36.15
July, 15	52.30	41.60	52.30	41.55
August, 15	55.40	31.10	55.55	31.10
September, 15	41.90	35.00	41.40	34.95
October, 15	48.70	36.55	48.60	36.60
November, 15	48.40	38.50	48.40	39.10
December, 15	48.35	40.10	48.50	40.25
January, 16	49.35	34.90	49.20	36.05
February, 16	41.50	32.05	41.40	32.30
March, 16	40.30	35.25	39.95	35.90

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



Suspension from trading:

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

Registrar and Share Transfer Agent

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

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.

Transfer of Unclaimed Dividend amounts to Investor Education and Protection Fund

The Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Members who have not so far encashed their dividend warrant(s) are requested to seek revalidation of dividend warrants by writing to the Company's Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited, immediately without any further delay. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2016, nor shall any payment to be made in respect of such claims.

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

	Financial Year	Last Date for Claiming Unpaid Dividend
1	Final Dividend 2008-09	17.09.2016
2	Interim Dividend 2009-10	28.05.2017
3	Interim Dividend 2010-11	28.03.2018
4	Final Dividend 2010-11	31.10.2018
5	Final Dividend 2011-12	15.11.2019
6	Final Dividend 2012-13	24.09.2020
7	Final Dividend 2013-14	30.08.2021
8	Final Dividend 2014-15	25.10.2022
9	Interim Dividend 2015-16	15 .04.2023

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 25th Sept, 2015 on the Company's website (www.ace-cranes.com) and on the website of the Ministry of Corporate Affairs.

Distribution of Shareholding As On 31.03.2016 (On the basis of Ownership)

S No	Category of Shareholding	Number of Shareholders	No. of Shares held	% of Share
1	BANKS	3	64493	0.05
2	CLEARING MEMBERS	85	132907	0.11
3	DIRECTORS	2	35240	0.03
4	DIRECTORS AND THEIR RELATIVES	1	20000	0.02
5	FOREIGN PORTFOLIO INVESTORS	1	2400000	2.05
6	H U F	734	840139	0.72
7	BODIES CORPORATES	468	3966827	3.38
8	MUTUAL FUNDS	3	1592511	1.36
9	NBFC	4	160119	0.14
10	NON RESIDENT INDIANS	334	1098709	0.94
11	PROMOTERS & DIRECTORS (PRD)	5	85752047	73.09
12	RESIDENT INDIVIDUALS	25957	21259008	18.12
13	TRUSTS	1	1000	0.00
	Total :	27598	117323000	100.00

Shareholding Pattern by Size as on March 31, 2016

i. On the basis of Shares held

S. No.	Category (Shares)	Number of Shareholders	% to Total Shareholders	No of shares	% of Total Share
1	Upto 1 – 5000	26108	94.60	8078808	6.89
2	5001 – 10000	785	2.84	2924970	2.49
3	10001 – 20000	372	1.35	2727866	2.33
4	20001 – 30000	126	0.46	1598486	1.36
5	30001 – 40000	48	0.17	856138	0.73
6	40001 – 50000	42	0.15	965892	0.82
7	50001 – 100000	52	0.19	1861879	1.59
8	100001 & ABOVE	65	0.24	98308961	83.79
	Total:	27598	100.00	117323000	100.00

Dematerialization of Shares and Liquidity

As on 31st March, 2016, 99.94% of the shareholding is held in dematerialized form as per details mentioned below:- Trading in Equity Shares of the Company is permitted only in dematerialized form.

S. No.	Mode of holding	No of Holders	Shares	% To Total Issued Equity
1.	PHYSICAL	3122	65106	0.06
2.	NSDL	15807	98028980	83.55
3.	CDSL	8669	19228914	16.39
4.	Total:	27598	117323000	100.00

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

OUTSTANDING ADR OR GDR OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

There are no Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments as on 31st March, 2016.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

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

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

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 Link Road, Dhudhola, Distt. Palwal- 121102 Haryana	45th Mile Stone, Delhi Mathura Road, Prithla, Faridabad, 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 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

a) 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

b) For Shares held in Demat form

Investor's concerned Depository Participants and/or Karvy Computershare Private Limited

For all matters relating to investor relations please contact:

Company Secretary & Compliance Officer
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

Other Disclosures

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

All transactions entered into with Related Parties as defined under 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. These have been approved by the audit committee. Suitable disclosures as required by the Accounting Standards (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 Additional Note No. 27(B)(8) 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.

b) 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.

c) Whistle Blower Policy/ Vigil Mechanism :

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to directors, employees, agents, consultants, vendors and business partners to disclose instances of wrongdoing in the workplace. The 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.

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

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

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

As on March 31, 2016, the Company had one foreign subsidiary and one follow subsidiary. The Company has no material non-listed Indian Subsidiary Company as defined in Clause 49(V) of the Listing Agreement.

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.

The policy for determining 'material' subsidiaries is available on the website of the Company under 'Code & Policies' in the 'Corporate Governance' section and can be accessed at section <http://www.ace-cranes.com/investorrelation/corporate-governance/policy.pdf>.

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

The policy on dealing with related party transactions is available on the website of the Company under 'Code & Policies' in the 'Corporate Governance' section and can be accessed at <http://www.ace-cranes.com/investorrelation/code of Conduct/policy.pdf>.

g) Disclosure of commodity price risks and commodity hedging activities:

Generally forward contracts are used to cover exposures. However other Hedging techniques may be used like Currency Swaps and Currency options etc. The Foreign Currency exposure is given under Note No. 27(a)(1)(7) of Other Notes on Accounts of the Annual Report.

Designated Exclusive email-id :

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

NON-COMPLIANCE

There is no non-compliance of any of the requirements of Corporate Governance Report as required under the Listing Regulations.

DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED.

- (a) The Board: As the Chairman of the Company is an Executive Director, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.
- (b) Shareholder Rights: Quarterly financial statements are published in leading newspapers and uploaded on Company's website www.ace-cranes.com.
- (c) Modified opinion(s) in audit report: The Auditors have raised no qualification on the financial statements.
- (d) Separate posts of Chairperson and CEO: Presently, Mr. Vijay Agarwal is the Chairman and Managing Director of the Company. There is no post of CEO in the Company.
- (e) Reporting of Internal Auditor: The Company has appointed Mr. Bishwajeet Singh as the Internal Auditor for conducting the internal audit and has direct access to the Audit Committee.

Disclosure of Compliance of Regulation 17 to 27 and Clauses (b) to (i) of Sub Regulation (2) of Regulation 46

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

DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT.

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

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company.

The Code is available on the website of the Company under 'Code & Policies' in the 'Corporate Governance' section.

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 signed by Chairman and Managing Director regarding All Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended 31st March, 2016 is annexed with it and forms an integral part of the Annual Report.

COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

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

DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

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

For Action Construction Equipment Limited

Place: New Delhi
Date: 19th May, 2016

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

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

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

I confirm that the Company has in respect of the year ended March 31, 2016, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Head - HR, Business Unit Heads, Plant Heads, Head - Legal and the Company Secretary as on March 31, 2016

For Action Construction Equipment Limited

Place: New Delhi
Date: 19th May, 2016

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

INDEPENDENT SECRETARIAL AUDITORS' COMPLIANCE CERTIFICATE

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, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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 provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

Place: New Delhi
Date: 19th May, 2016

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

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 31st March, 2016 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 31st March, 2016 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, 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 accounts;
- (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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- (g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) 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;
 - (b) 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.
 - (c) 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

CA Rajan Chhabra
Partner
Membership No. 088276

Place : Faridabad
Date : 19th May, 2016

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, 2016, we report that:

- | | |
|---|--|
| <p>(I). (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(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.</p> <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.</p> <p>(ii) Physical verification of inventory was conducted by the management at reasonable interval during the year.</p> <p>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.</p> <p>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.</p> <p>(iii) (a) The Company has granted loan to subsidiary company FRESTED LIMITED CYPRUS Worth Rs 2785.78 Lacs</p> <p>As per terms of supplementary loan agreement:</p> <p>(a) The Company has waived off interest on its above mentioned loan.</p> <p>(b) The repayment of loan has been rescheduled to be repaid by 31/03/2019.</p> <p>(c) No amount is overdue for more than ninety days.</p> | <p>(iv) In our opinion and according to the information and explanations given to us, the Company has not provided any loans, investments, guarantees and security with respect to provisions of Section 185 and 186 of the Act.</p> <p>(v) The Company has not accepted any deposits from the public.</p> <p>(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.</p> <p>(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.</p> <p>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 2016 for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:</p> |
|---|--|

Name of statute	Name of the disputed dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute are pending
Income-Tax Act, 1961	Income Tax	448.88	2008-09 to 2010-11	CIT (Appeal) – Gurgaon
The Central Excise Act, 1944	Excise duty	3.76	2006-2007	CESTAT
The Central Excise Act, 1944	Excise duty	5.37	2009-2010	CESTAT
The Central Excise Act, 1944	Excise duty	607.44	2006-2007 to 2010-2011	CESTAT
The Central Excise Act, 1944	Excise duty	829.60	2008-2009 to 2013-14	CESTAT
The Central Excise Act 1944/Service tax under Finance Act, 1994	Excise duty	2.11	2012-13	Assistant Commissioner
The Central Excise Act, 1944	Excise duty	2.38	2009-2010	Commissioner(Appeal)
The Central Excise Act, 1944	Excise duty	5.94	2013-14	Commissioner(Appeal)
The Service tax under Finance Act, 1994	Service tax	8.11	2010-11	Add. Commissioner
Custom Act, 1962	SAD Refund	3.81	2010-2011	CESTAT
Custom Act, 1962	SAD Refund	2.62	2010-2011	Assistant Commissioner
The West Bengal Act, 2003	Sale tax	13.00	2011-12	High Court
The West Bengal Act, 2003	Sale tax	1193.25	2006-07 to 2012-13	Add-Commissioner/ Review Board (West Bengal)

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

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

(x) According to the information and explanations given to us, no material fraud by the company or

on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration and has got requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act only upto 30.09.2015 and after that the approvals have been applied for and are pending with the concerned authority.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly this point is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly this point is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India act 1934.

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

CA Rajan Chhabra
Partner
Membership No. 088276

Place : Faridabad
Date : 19th May, 2016

ANNEXURE-B

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

We have audited the internal financial controls over financial reporting of Action Construction Equipment Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**CA Rajan Chhabra
Partner
Membership No. 088276**

Place : Faridabad
Date : 19th May, 2016

Balance Sheet as at 31st March, 2016

		Rs. in Lacs	
Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	1	5,368.40	1,978.80
Reserves and Surplus	2	28,267.80	29,314.36
		33,636.20	31,293.16
Non-Current Liabilities			
Long Term Borrowings	3	2,396.89	3,173.19
Deferred Tax Liabilities (Net)	4	1,193.17	863.10
Other Long Term Liabilities	5	437.80	399.12
Long Term Provisions	6	146.79	128.11
		4,174.65	4,563.52
Current Liabilities			
Short Term Borrowings	7	8,242.37	8,582.53
Trade Payables		11,094.35	11,469.51
Other Current Liabilities	8	6,103.65	6,172.48
Short Term Provisions	9	860.08	732.81
		26,300.45	26,957.33
TOTAL		64,111.30	62,814.01
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		30,490.52	27,245.25
Intangible Assets		137.77	141.10
Capital Work in Progress		66.58	579.49
		30,694.87	27,965.84
Non Current Investments	11	1,756.40	1,358.73
Long Term Loans and Advances	12	7,436.64	7,352.34
Other Non-Current Assets	13	297.81	248.45
		9,490.85	8,959.52
Current Assets			
Current Investments	14	317.40	436.22
Inventories	15	12,334.85	14,124.48
Trade Receivables	16	8,132.88	8,061.20
Cash and Cash Equivalents	17	1,054.29	1,134.37
Short Term Loans and Advances	18	2,086.16	2,132.38
		23,925.58	25,888.65
TOTAL		64,111.30	62,814.01
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	
Place : New Delhi Date : 19th May, 2016		Subhash Chander Verma Independent Director	
Rajan Luthra Chief Financial Officer		Yashika Kansal Company Secretary	
		Sorab Agarwal Executive Director	

Statement of Profit & Loss for the Year Ended 31st March, 2016

		Rs. in Lacs	
Particulars	Notes	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Income			
Revenue from Operations (Net)	19	63,729.95	59,765.49
Other Income	20	947.12	1,119.18
Total Revenue		64,677.07	60,884.67
Expenses			
Cost of Materials Consumed	21	43,981.22	41,842.87
Purchase of Stock-in-Trade		304.82	414.10
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	125.78	942.39
Employee Benefit Expenses	23	5,547.16	4,714.08
Selling & Distribution Expenses	24	2,015.69	1,683.92
Financial Costs	25	1,401.47	1,300.64
Depreciation and Amortization Expenses	10	1,134.65	957.09
Other Expenses	26	8,659.57	8,072.78
Total Expenses		63,170.36	59,927.87
Profit Before Tax		1,506.71	956.80
Tax Expenses			
Current tax (incl. tax for the earlier years Rs. 72.10 lacs, PY Nil)		393.66	195.37
Deferred tax		423.60	409.81
MAT credit entitlement		(191.44)	(323.32)
Profit for the year		880.89	674.94
Earning per equity share (Face Value Rs 2.00 each)			
Basic (Rs.)		0.74	0.68
Diluted (Rs.)		0.74	0.68

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

Rajan Chhabra
Partner
Membership No. 088276

Place : New Delhi
Date : 19th May, 2016

Rajan Luthra
Chief Financial Officer

Yashika Kansal
Company Secretary

For and on behalf of the Board of Directors

Vijay Agarwal
Chairman & Managing Director
Subhash Chander Verma
Independent Director

Sorab Agarwal
Executive Director

Cash Flow Statement for the year ended 31st March, 2016

		Rs. in Lacs	
Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015	
A) CASH FLOW FROM OPERATING ACTIVITIES:			
Profit Before Tax as per Statement of Profit & Loss	1,506.71	956.80	
Adjustments For :			
Depreciation and Amortization Expenses	1,134.65	957.09	
Interest Expenses	1401.47	1,300.64	
Interest Income	(280.73)	(183.87)	
Profit on Sale of Fixed Assets	(334.27)	(658.53)	
Loss on Sale of Fixed Assets	8.54	15.37	
Revaluation Reserve Income	(1.34)	(1.34)	
Foreign Currency Translation Reserve	88.00	55.22	
Miscellaneous Expenditure Written Off	1.01	1.01	1,485.59
Operating Profit Before Working Capital Changes	3,524.04	2,442.39	
Adjustments For :			
Trade & Other Receivable	725.89	(1,233.39)	
Inventories	1789.62	1,930.01	
Trade & Other Payable	(406.72)	402.31	
Loans & Advances	84.03	647.11	1,746.04
Cash Generated from Operations	5,716.86	4,188.43	
Direct Taxes (Paid) /Refund	26.27	(269.54)	
NET CASH FLOW FROM OPERATING ACTIVITIES	5,743.13	3,918.89	
B) CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets Including CWIP	(3,875.93)	(3,155.06)	
Sale of Fixed Assets	1,357.41	1,903.73	
(Purchase)/ Sale of Investments	(278.85)	(332.89)	
Interest Income	280.73	183.87	
NET CASH FLOW FROM INVESTING ACTIVITIES	(2,516.64)	(1,400.35)	
C) CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds From Secured Loans	(1,423.25)	(1,189.65)	
Interest Paid	(1,401.47)	(1,300.64)	
Dividend & Tax thereon	(475.61)	(115.75)	
NET CASH FLOW FROM FINANCING ACTIVITIES	(3,300.33)	(2,606.04)	
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(73.84)	(87.50)	
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,380.79	1,468.29	
BALANCE OF CASH & CASH EQUIVALENTS OF AMALGAMATING CO.	44.14	-	
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,351.09	1,380.79	

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 : 19th May, 2016

Rajan Luthra
Chief Financial Officer

Yashika Kansal
Company Secretary

Sorab Agarwal
Executive Director

Notes to the Financial Statements

1. Share Capital

Particulars	As at 31st March, 2016 (No. of Shares)	As at 31st March, 2016 (Rs. in Lacs)	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (Rs. in Lacs)
Authorised Capital :				
Equity Shares of Rs. 2/- Each	125,000,000	2,500.00	122,500,000	2,450.00
8% Cumulative Non-Participating Redeemable Preference Shares of Rs. 10/- each	30,250,000	3,025.00	–	–
Total	155,250,000	5,525.00	122,500,000	2,450.00
Issued, Subscribed and Paid up Capital :				
Equity Shares of Rs.2/- Each fully paid up	117,323,000	2,346.46	98,940,000	1,978.80
8% Cumulative Non-Participating Redeemable Preference Shares of Rs. 10/- each fully paid up	30,219,380	3,021.94	–	–
Total	147,542,380	5,368.40	98,940,000	1,978.80
Reconciliation of number of Shares outstanding				
A) Equity Shares				
At beginning of the year	98,940,000	1,978.80	98,940,000	1,978.80
Add: Shares issued to the Shareholders of Amalgamating Company	18,383,000	367.66	–	–
As at end of the year	117,323,000	2,346.46	98,940,000	1,978.80
B) Preference Shares (8% Cumulative Non-Participating Redeemable Preference Shares of Rs. 10/- each)				
At beginning of the year	–	–	–	–
Add: Shares issued to the Shareholders of Amalgamating Co.	30,219,380	3,021.94	–	–
As at end of the year	30,219,380	3,021.94	–	–

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

Particulars	As at 31st March, 2016 (No. of Shares)	As at 31st March, 2016 (% age)	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (% age)
Mr. Vijay Agarwal / Mrs. Mona Agarwal	41,341,907	35.24%	33,988,707	34.35%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	30,314,407	25.84%	26,637,807	26.92%
Mr. Sorab Agarwal	7,122,650	6.07%	3,600,150	3.64%
Mrs. Surbhi Garg	6,923,083	5.90%	3,247,168	3.28%

D) Shareholders holding more than 5% of the Preference Shares in the Company

Particulars	As at 31st March, 2016 (No. of Shares)	As at 31st March, 2016 (%age)
Mr. Vijay Agarwal	12,087,752	40.00%
Mrs. Mona Agarwal	6,043,876	20.00%
Mr. Sorab Agarwal	6,043,876	20.00%
Mrs. Surbhi Garg	6,043,876	20.00%

Notes to the Financial Statements

E) 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.

- F) i) 1,83,83,000 Equity Shares of Rs. 2 each were allotted pursuant to the scheme of amalgamation without payment being received in cash.
 ii) 3,02,19,380 Preference Shares(NCPS) of Rs. 10 each were allotted pursuant to the scheme of amalgamation without payment being received in cash, having Dividend rate of 8% and having no right to participate and vote.
- G) The Company shall have an option to redeem the NCPS either wholly or partly by giving not less than one month notice to the NCPS holders any time after one year, but before twenty years from the date of issue.

2. Reserves and Surplus

Particulars	Rs. in Lacs			
	As At 31st March, 2016		As At 31st March, 2015	
Capital Reserves				
At the beginning and at the end of the year		571.96		571.96
Revaluation Reserve				
At the beginning of the year	5,729.94		5,731.28	
Less: Depreciation	1.34		1.34	
Less: Adjustment under the scheme of Amalgamation*	3,089.60		–	
At the end of the year		2,639.00		5,729.94
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	570.57		515.35	
Add: Translation of foreign currency loans	156.87		112.80	
Less: Transferred to Statement of Profit & Loss	68.86		57.58	
At the end of the year		658.58		570.57
General Reserves				
At the beginning of the year	9,015.00		8,815.00	
Add: Balance of amalgamating Company	410.00		–	
Add: Transfer from Surplus in Statement of Profit & Loss	200.00		200.00	
At the end of the year		9,625.00		9,015.00
Surplus in Statement of Profit & Loss				
At the beginning of the year	4,894.16		4,656.66	
Add: Balance of amalgamating Company	917.16		–	
Add: Profit for the year	880.89		674.94	
Less: Appropriations				
Interim/Final Dividend on Equity Shares	197.88		197.88	
Dividend on Preference Shares	11.23		–	
Tax on Dividend on Equity Shares & Preference Shares	42.57		39.56	
Transfer to General Reserve	200.00		200.00	
At the end of the year		6,240.53		4,894.16
TOTAL		28,267.80		29,314.36

*Refer Note 27(B)(8)

Notes to the Financial Statements

3. Long Term Borrowings

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Secured		
Term Loans from Banks		
Foreign Currency Loan	269.48	958.42
Rupee Term Loan	3887.67	4,230.79
Term Loans from NBFC	27.02	-
	4,184.17	5,189.21
Less : Current Maturity of Long Term Borrowings	1,787.28	2,016.02
TOTAL	2,396.89	3,173.19

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 @ 9.65%) 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 10.50% p.a.
- iii. Commercial Equipment Loan from ICICI Bank Ltd., HDFC Bank Ltd., Tata Capital Financial Service Ltd. and Magma Finance Ltd.-Repayable in equated monthly instalments
- iv. Vehicle loan from YES Bank/ HDFC Bank Ltd-Repayable in equated monthly instalments.

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.
- iv) Exclusive hypothecation on the Vehicle financed out of this loan.

4. Deferred Tax Liabilities (Net)

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Deferred Tax Liability		
Difference between Book and Tax Depreciation	1,341.04	911.13
	1,341.04	911.13
Deferred Tax Assets		
Balance of amalgamating company	76.80	-
Expenditure disallowed U/s 43B	71.07	48.03
	147.87	48.03
TOTAL	1,193.17	863.10

5. Other Long Term Liabilities

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Security Deposits	437.80	399.12
TOTAL	437.80	399.12

Notes to the Financial Statements

6. Long Term Provisions

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Provision for Employee Benefits	146.79	128.11
TOTAL	146.79	128.11

7. Short Term Borrowings

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Secured Loans from Banks		
Cash Credit	1,005.95	1,256.54
Buyers Credit	2,136.42	3,350.99
Working Capital Demand Loan	5,100.00	3,975.00
TOTAL	8,242.37	8,582.53

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

8. Other Current Liabilities

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Current Maturities of Long Term Borrowings	1,787.28	2,016.02
Unpaid Dividends	68.43	10.77
Advances from Customers	828.03	1,371.38
Advances against Property	-	63.15
Other payables		
- Statutory Liabilities	470.31	334.91
- Other Payable*	2,949.60	2,376.25
TOTAL	6,103.65	6,172.48

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

9. Short Term Provisions

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Provision for Taxation	321.56	195.37
Proposed Dividend on Equity Shares	-	197.88
Dividend on Preference Shares	11.23	-
Provision for Dividend Distribution Tax	2.29	39.56
Provision for Doubtful Loan and Advances	525.00	300.00
TOTAL	860.08	732.81

Notes to the Financial Statements

10. Fixed Assets

Rs. in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2015	Additions	Sale/adjustment during the year	As at 31.03.2016	As at 01.04.2015	For the Year	On Deletions/ Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets										
Land	11,258.26	631.55	93.20	11,796.61	-	-	-	-	11,796.61	11,258.26
Factory Building	5,969.69	141.30	160.10	5,950.89	1870.55	178.16	88.44	1,960.27	3,990.62	4,099.14
Office Building	5,297.33	429.12	-	5,726.45	797.51	59.10	-	856.61	4,869.84	4,499.82
Plant and Machinery	8,613.44	3,806.13	1,138.35	11,281.22	2404.71	611.56	329.81	2,686.46	8,594.76	6,208.73
Furniture & Fixtures	789.98	34.19	-	824.17	376.93	60.00	-	436.93	387.24	413.05
Office Equipment	266.61	12.45	-	279.06	143.37	23.49	-	166.86	112.20	123.24
Motor Vehicles	1,078.72	255.96	111.19	1,223.49	577.52	98.75	53.83	622.44	601.05	501.20
Computer	321.00	26.19	0.35	346.84	293.41	11.12	0.01	304.52	42.32	27.59
Electric Equipment & Fittings	248.03	1.84	2.95	246.92	133.81	19.75	2.52	151.04	95.88	114.22
	33,843.06	5,338.73	1,506.14	37,675.65	6,597.81	1,061.93	474.61	7,185.13	30,490.52	27,245.25
Capital Work-in-Progress	579.49	130.83	643.74	66.58	-	-	-	-	66.58	579.49
	34,422.55	5,469.56	2,149.88	37,742.23	6,597.81	1,061.93	474.61	7,185.13	30,557.10	27,824.74
Intangible Assets										
Computer Software	547.85	39.21	0.16	586.90	481.24	48.07	-	529.31	57.59	66.61
Technical Know how	148.60	30.34	-	178.94	74.11	24.65	-	98.76	80.18	74.49
	696.45	69.55	0.16	765.84	555.35	72.72	-	628.07	137.77	141.10
Total	35,119.00	5,539.11	2,150.04	38,508.07	7,153.16	1,134.65	474.61	7,813.20	30,694.87	27,965.84
Previous Year	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

Notes:

- 1) Addition to gross block during the current financial year, of Rs. 5539.10 Lacs, includes assets of Rs. 1019.43 Lacs purchased in the Scheme of amalgamation.
- 2) Addition during the year includes Rs. 54.66 lacs (Previous year Rs.59.57 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, 2016	As At 31st March, 2015
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
Other Investments		
6 Year National Saving Certificates	0.10	0.10
Investment in Partnership Firm*	397.50	397.54
3000000 - Units (P.Y. - 3000000 Units) - Reliance Fixed Horizon Fund XXVI Series 13 - Growth Plan of Rs. 10/- each	353.40	326.02
3000000 - Units (P.Y. - Nil Units) - Reliance Fixed Horizon Fund - XXIX- Series 3 - Growth Plan of Rs 10/- each.	315.97	-
2750000 - Units (P.Y. 2750000-Units) - Reliance Fixed Horizon Fund XXV Series 12 - Growth Plan of Rs. 10/- each	332.65	307.02
3000000 - Units (P.Y. - 3000000 Units) ICICI Prudential FMP Series 73 - 369 Days Plan of Rs. 10/- each	356.20	327.47
TOTAL	1,756.40	1,358.73

*Company has 90% share in the partnership firm M/s Namo Metals and balance 10% share is held by Mrs. Mona Agarwal. Namo Metals have a capital of Rs. 395.14 lacs at the end of current financial year

Notes to the Financial Statements

12. Long Term Loans and Advances

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Unsecured Considered Good		
Capital Advances	3,297.48	3,217.92
Loans and Advances to Related Parties		
- Frested Ltd	2,785.78	2,621.11
Other Loans and Advances		
- Advance Tax	826.75	1,161.57
- Mat credit entitlement	514.75	323.32
- Advance to Employees	11.88	28.42
TOTAL	7,436.64	7,352.34

13. Other Non Current Assets

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Misc. Expenditure to the extent not Written Off	1.01	2.03
Non Current Fixed Deposits (Refer Note 17)	296.80	246.42
TOTAL	297.81	248.45

14. Current Investments

(Carried at lower of Cost/Fair value)

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Nil Units (P.Y. - 4000000 Units) - Reliance Fixed Horizon Fund - XXVI Series 8 - Growth Plan of Rs. 10/- each	-	436.22
1536956.11 - Units (P.Y. - Nil Units) - Reliance Regular Savings Fund - Debt Plan-Growth Plan of Rs 19.5191 each.	317.40	-
TOTAL	317.40	436.22

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

(As Verified, Valued and Certified by the Management)

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Raw Material and Components	9,964.10	11,745.42
Work in Progress	945.41	1,183.02
Finished Goods	1,164.81	1,052.98
Raw Material in Transit	260.53	143.06
TOTAL	12,334.85	14,124.48

Notes to the Financial Statements

16. Trade Receivables

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, Considered Good	1,208.30	1,169.65
Unsecured, Considered Doubtful	-	-
	1,208.30	1,169.65
Less: Provisions for Doubtful Debts	-	-
	1,208.30	1,169.65
Others		
Unsecured, Considered Good	6,924.58	6,891.55
TOTAL	8,132.88	8,061.20

Note :

The Trade Receivables includes an amount of Rs. 682.66 lacs (Previous year Rs. 649.43 lacs) due from Companies in which Directors are interested.

17. Cash and Cash Equivalents

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Balance with Scheduled Banks		
Current Account	32.98	13.96
Unpaid Dividend Account	68.43	10.77
Cash in Hand	45.91	23.92
Fixed Deposit		
Fixed Deposit Receipts	1,203.77	1,332.14
Less : Fixed Deposit Receipts - having maturity over 12 months	296.80	246.42
Fixed deposits having maturity period within 12 months	906.97	1,085.72
TOTAL	1,054.29	1,134.37

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

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Balance with Excise Authorities	265.48	497.56
Sales Tax Recoverable	113.37	73.31
Advance to Suppliers	1,299.64	1,198.04
Security Deposits	237.98	203.71
Others	169.69	159.76
TOTAL	2,086.16	2,132.38

Notes to the Financial Statements

19. Revenue from Operations

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Sale of Products	65,005.02	61,680.78
Other Operating Revenues	2,340.75	970.18
	67,345.77	62,650.96
Less: Excise Duty	3,615.82	2,885.47
TOTAL	63,729.95	59,765.49

Other Operating Revenues :

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Service Charges Received	205.05	131.58
Hiring Charges Received	2,095.27	776.55
Duty Draw Back Received	40.43	62.05
TOTAL	2,340.75	970.18

20. Other Income

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Interest Received	280.73	183.87
Rent Received	95.80	92.51
Profit on Sale of Assets	334.27	658.53
Revaluation Reserve Income	1.34	1.34
Return on Investment	115.82	116.70
Other Non-operating Income	119.16	66.23
TOTAL	947.12	1,119.18

21. Cost of Material Consumed

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Opening Stock	11,888.48	12,876.09
Add: Purchases (Net of Return)	42,622.19	41,269.36
	54,510.67	54,145.45
Less: Closing Stock	10,224.63	11,888.48
Less: Purchase of Stock-in-Trade	304.82	414.10
TOTAL	43,981.22	41,842.87

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, 2016	Year Ended 31st March, 2015
Finished Goods		
Opening Stock	1,052.98	1,160.03
Closing Stock	1,164.81	1,052.98
	(111.83)	107.05
Work in Progress		
Opening Stock	1,183.02	2,018.36
Closing Stock	945.41	1,183.02
	237.61	835.34
TOTAL	125.78	942.39

23. Employee Benefit Expenses

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Salaries, Wages & Bonus	4,561.83	3,811.60
Contribution to Provident and Other Funds	235.97	185.55
Staff Welfare Expenses	287.76	263.03
Director's Remuneration	461.60	453.90
TOTAL	5,547.16	4,714.08

24. Selling & Distribution Expenses

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Selling Expenses	1,390.58	1,307.03
Commission on Sales	625.11	376.89
TOTAL	2,015.69	1,683.92

25. Financial Costs

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Interest on Working Capital Facilities	899.44	887.22
Interest on Term Loans	382.95	349.21
Interest on Other Loans	119.08	64.21
TOTAL	1,401.47	1,300.64

Notes to the Financial Statements

26. Other Expenses

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Manufacturing Expenses		
Manufacturing Expenses	2,596.88	2,399.31
Power & Fuel	448.02	464.47
Repair & Maintenance		
- Plant & Machinery	344.17	291.22
- Building	114.86	81.50
Freight & Forwarding Charges	1,508.81	1,570.65
SUB TOTAL	5,012.74	4,807.15
Other Administrative Expenses		
Rent	160.90	149.05
Rate Fees & Taxes	70.97	36.77
Insurance	84.24	35.74
Travelling & Conveyance	1,084.80	953.01
Communication Expenses	183.27	176.50
Auditor's Remuneration	13.97	10.99
Vehicle Expenses	91.67	77.40
Exchange Rate Difference (Net)	181.06	132.02
Miscellaneous Expenses	1,550.61	1,384.15
Provision for Doubtful Loan & Advances	225.00	300.00
Investment Written Off	-	10.00
Bad Debts Written Off	0.34	-
TOTAL	8,659.57	8,072.78

Auditor's Remuneration Includes

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Audit Fee	9.60	9.40
Taxation Matters	0.75	-
Certification	3.62	1.59
TOTAL	13.97	10.99

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 or deducted from the cost of the asset and shall be depreciated over the useful life of that asset and in other cases, such difference are accumulated in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" and amortized over the balance period of such long term asset/liability.

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 asset 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 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

- the Company has a present obligation as a result of a past event;
- a probable outflow of resources is expected to settle the obligation and;
- 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 present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation;
- 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(B) Other Notes

- 1 The Board of Director's have declared an interim dividend of Rs. 0.20/- (10%) per Equity Share, subject to approval of the Share holders in the forthcoming Annual General Meeting.
- 2 The Ministry of Science & Technology (Department of Scientific and Industrial Research) vide its letter no. TU/IV-RD/3115/2016 dated 27.04.2016 has renewed the recognition upto 31.03.2019 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, 2016	Year Ended 31st March, 2015
(a) Capital Expenditure	9.54	5.25
(b) Revenue Expenditure	689.06	524.83
Total	698.60	530.08

- 3 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.
- 4 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.
5. **Contingent Liabilities, not provided for:**

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Bank Guarantees	2,026.48	1,557.75
Letter of Credits	1,798.63	783.32
Claim against the Company, not acknowledge as Debts*	689.88	442.24
Sales Tax, Excise & Income Tax Matters, pending before Assessing / Appellate Authorities*	3,126.32	2,922.28
Total	7,641.31	5,705.59

*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. 133.75 lacs (Previous Year Rs. 177.27 lacs).

Notes to the Financial Statements

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

6. 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	243.60	-	22.69	266.29
2.	Smt. Mona Agarwal*, Whole-time Director	119.78	-	14.82	134.60
3.	Sh. Sorab Agarwal, Executive Director	32.48	-	2.40	34.88
4.	Smt. Surbhi Garg, Executive Director	40.24	-	1.40	41.64
	Total	436.10	-	41.31	477.41

* The above mentioned 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 since received approval of the Central Government for payment of above remuneration to Mr. Vijay Agarwal, Chairman & Managing Director and Mrs. Mona Agarwal, Whole-time Director up to 30th Sept, 2015 and for remaining period, The company has applied to the Central Government on 21st March, 2016 & 22nd March, 2016 respectively for necessary Central Government approval. Management has taken confirmation from both the directors that they shall refund the excess remuneration in the event of refusal of such approval.

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, 2016	Year Ended 31st March, 2015	
1. Segment Revenue			
A) Cranes	39,816.96	36,069.11	
B) Material Handling/Construction Equipment	6,261.62	6,629.29	
C) Agri Equipment	15,310.61	16,096.91	
Total	61,389.19	58,795.31	
Less: Inter Segment Revenue	-	-	
Net Sales / Income from Operations	61,389.19	58,795.31	
2. Segment Results			
A) Cranes	3,928.45	2,962.29	
B) Material Handling/Construction Equipment	(66.16)	121.47	
C) Agri Equipment	75.41	268.25	
Total	3,937.70	3,352.01	
Less: Interest	1,401.47	1,300.64	
Less: Other Unallocable Expenditure	1,029.52	1,094.57	
Profit Before Tax	1,506.71	956.80	
3. Capital Employed			
A) Cranes	39,318.56	31,507.39	
B) Material Handling/Construction Equipment	3,690.03	7,538.82	
C) Agri Equipment	414.13	286.71	
Total	43,422.72	39,332.92	

Notes to the Financial Statements

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

8. Disclosure of amalgamation in terms of accounting standard 14 issued by Institute of Chartered Accountants of India

Pursuant to scheme of amalgamation ('the scheme') of ACE TC Rentals Private Limited ('the amalgamating company') with the Action Construction Equipment Limited ('the company') under Section 391 and 394 of the Companies Act, 1956 as sanctioned by Hon'ble High Court of Punjab & Haryana vide its order CP No. 128 of 2015 dated 17th November, 2015, entire business and all assets and liabilities of the amalgamating company were transferred and got vested in the Company effective from 01st April, 2014, accordingly the scheme has been given effect to in these financial results.

As per Accounting Standard 14, "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India, the additional disclosures required to be made in the first financial statements following the amalgamation are as follows:

- (a) Company has issued and allotted to the members of the amalgamating company 1168 fully paid up equity shares of Rs. 2 each for every 100 fully paid up equity shares of Rs 10/- each held by the Members whose names appear in the Register of Members as on the record date. Thus a total of 1,83,83,000 new equity shares of Rs. 2 each and 3,02,19,380 – 8% cumulative non-participating redeemable preference shares of Rs. 10 each have been issued to the shareholders of the amalgamating company to effect the amalgamation.
- (b) The amount and treatment of differences between the consideration and the value of net identifiable assets acquired as on 01.04.2014 is given below:

Particulars	Amount (Rs. in Lacs)
Non Current Assets	
Fixed Assets	1,548.61
Long Term Loans and Advances	4.00
Other Non Current Assets	0.12
Deferred Tax Assets	134.85
Current Assets	
Trade Receivables	556.62
Cash and Cash Equivalents	189.68
Short Term Loans and Advances	150.11
Other Current Assets	7.59
Total Assets Purchased (A)	2,591.58
Reserves and Surplus	860.93
Non Current Liabilities	
Long Term Borrowings	433.28
Current Liabilities	
Short Term Borrowings	45.35
Trade Payables	164.03
Other Current Liabilities	593.18
Short Term Provisions	194.81
Total Liabilities taken over (B)	2,291.58
Net Assets Purchased C = (A-B)	300.00
Purchase Consideration	
(a) 18383000 Equity Shares of Rs 2/- each	367.66
(b) 30219380, 8% Cumulative Non Participating Redeemable Preference Shares of Rs 10/- each	3,021.94
Total (D)	3,389.60
Balance Charged from the Revaluation Reserve E = (D-C)	3,089.60

- (c) The figures for the current year includes figures of the amalgamating company and therefor upto that extent current year figures are not comparable with the previous year.

Notes to the Financial Statements

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

9. 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

Namo Metals
VMS Equipment Pvt. Ltd.

b. Subsidiary Companies

FRESTED Limited, Cyprus - Wholly Owned Subsidiary
SC FORMA SA, Romania - Fellow Subsidiary

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.

e. Related Party Transactions

Rs. in Lacs

Nature of Transaction	Period	Associate Companies/Firm		Subsidiary Company		Key Management Personnel	Total
		Namo Metals	VMS Equipment Pvt. Ltd.	Frested Ltd. Cyprus	SC Forma SA, Romania		
Purchase of Goods	2015-16	—	—	—	—	—	—
	2014-15	—	17.40	—	—	—	17.40
Sale of Goods	2015-16	—	2,195.63	—	—	—	2,195.63
	2014-15	—	2,366.18	—	—	—	2,366.18
Remuneration Paid	2015-16	—	—	—	—	477.41	477.41
	2014-15	—	—	—	—	455.80	455.80
Licence Fee Paid	2015-16	—	—	—	—	75.70	75.70
	2014-15	—	—	—	—	68.82	68.82
Rent Received	2015-16	—	0.65	—	—	—	0.65
	2014-15	—	0.60	—	—	—	0.60
Interest Received	2015-16	—	36.72	—	—	—	36.72
	2014-15	—	—	—	—	—	—
Investment in Equity	2015-16	(0.04)	—	—	—	—	(0.04)
	2014-15	110.94	—	—	—	—	110.94
Loan to Subsidiary*	2015-16	—	—	164.67	—	—	164.67
	2014-15	—	—	118.67	—	—	118.67

* Loan to subsidiary includes Rs. 156.86 lacs (Previous Year Rs. 118.67 lacs) on account of change in exchange rate at the year end.

Notes to the Financial Statements

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

10. Listing obligation and disclosure requirement clause 34 (3).

Rs. in Lacs

Particulars	Amount at the end of Financial Year		Maximum amount outstanding during the Financial Year	
	2015-16	2014-15	2015-16	2014-15
1. Loan and Advances in the nature of loans:				
a. To Subsidiary Companies :				
FRESTED LIMITED, CYPRUS	2,785.78	2,621.11	2,785.78	2,621.11
SC FORMA SA, ROMANIA	—	—	—	—
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 2013.	NIL	NIL	NIL	NIL
2. Investment by the Subsidiary Companies in the shares of Action Construction Equipment Ltd.	NIL	NIL	NIL	NIL

11. 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	
	2015-16	2014-15
Payable within one year	123.10	128.45
Payable after one year but within 5 years	44.82	25.90

- 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, 2016 is Rs. 160.90 Lacs (P.Y. Rs. 149.05 Lacs).

12. 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	2015-16	2014-15
a) Current Service Cost	65.52	55.02
b) Interest Cost	20.93	16.11
c) Employee Contribution	—	—
d) Actuarial (Gain)/Loss	0.91	6.80
e) Past Service Cost	—	—
f) Settlement Cost	(20.85)	(18.14)
Total Expenses, debited to Statement of Profit & Loss	66.51	59.79

Notes to the Financial Statements

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

b) Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2016		Rs. in Lacs
Particulars	2015-16	2014-15
a) Present Value of defined Benefit Obligation at the end of the year	341.64	279.86
b) Fair Market Value of Plan Assets with LIC at the end of the year	276.80	236.74
Net Asset/(Liability)	(64.84)	(43.12)

c) Change in the obligation during the year ended 31st March, 2016		Rs. in Lacs
Particulars	2015-16	2014-15
a) Present Value of Defined benefit obligation at the beginning of the year	279.86	206.94
b) Current Service Cost	65.52	55.02
c) Interest Cost	20.93	16.10
d) Settlement Cost	—	—
e) Actuarial (Gain)/Loss	1.84	7.96
f) Benefit Payment	(26.51)	(6.16)
Present Value of Defined benefit obligation at the end of the year	341.64	279.86

d) Change in the Plan Assets during the year ended 31st March, 2016		Rs. in Lacs
Particulars	2015-16	2014-15
a) Plan assets at the beginning of the year	236.74	197.25
b) Actuarial (Gain)/Loss	0.93	1.16
c) Contribution	44.79	26.89
d) Benefit Payment	(26.51)	(6.70)
e) Return on the Plan Assets	20.85	18.14
Plan assets at the end of the year	276.80	236.74

e) Actuarial Assumption	
a) Discounted Rate	7.85% 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).

Notes to the Financial Statements

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

13. CIF Value of Imports

Rs. in Lacs

Particulars	2015-16	2014-15
Raw Materials, Spare Parts & Finished Products	4,989.36	6,736.44

14. I) Capacity & Production:

Particulars	Unit	Licensed Capacity		Installed Capacity		Production No. of Equipment	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
a) Cranes	Nos.	N.A	N.A	7500	7500	2918	2486
b) Material Handling/ Construction Equipment	Nos.	N.A	N.A	1300	1300	551	684
c) Agri Equipment	Nos.	N.A	N.A	6000	6000	3491	3459
Total				14800	14800	6960	6629

II) Turnover:

Particulars	2015-16		2014-15	
	Qty. in Nos.	Rs. in Lacs	Qty. in Nos.	Rs. in Lacs
a) Cranes	2890	39,816.96	2445	36,069.11
b) Material Handling / Construction Equipment	571	6,261.62	668	6,629.29
c) Agri Equipment	3447	15,310.61	3483	16,096.91
d) Excise Duty		3,615.82		2,885.47
Total	6908	65,005.01	6596	61,680.78

15. Details of Raw Material Consumed:

S.No.	Items	Qty. in Nos.		Value (Rs. in Lacs)	
		2015-16	2014-15	2015-16	2014-15
1	Engine	6,619	6050	6,083.22	5,666.81
2	Others			38,202.82	36,590.16
Total				44,286.04	42,256.97

16. Raw Material Consumed - Imported & Indigenous:

Rs. in Lacs

Particulars	2015-16		2014-15	
	Value	%age	Value	%age
Imported	4,377.43	10%	5,012.86	12%
Indigenous	39,908.61	90%	37,244.11	88%
Total	44,286.04	100%	42,256.97	100%

Notes to the Financial Statements

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

17. Earning in Foreign Exchange:

Rs. in Lacs

Particulars	2015-16	2014-15
Export of Goods (F.O.B. Value)	813.94	1,464.44
Profit on Sale of Asset	–	656.00
Total	813.94	2,120.44

18. Expenditure in Foreign Currency:

Rs. in Lacs

Particulars	2015-16	2014-15
Foreign Travelling Expenses	64.96	45.49
Sales Promotion	3.76	0.31
Freight	101.91	136.40
Retainership (Fees for non technical services)	29.45	28.87
Interest on ECB Loan/Buyers Credit	57.31	87.07
Commission Paid	1.33	–
Office Maintenance	0.07	24.88
Exhibition Expenses	–	6.60
Advertisement & Publication	–	1.73
Electricity Expenses	–	3.42
Brokerage Expenses	–	58.57
Commission on Foreign Bank Guarantee	8.49	–
Other Expenses	0.76	1.05
Total	268.04	394.39

19. 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	2015-16	2014-15
Profit after Tax- (Rs in Lacs).	880.89	674.94
Less: Dividend on Preference Shares (Including Dividend Distribution Tax)	13.52	–
Profit after Dividend on preference shares	867.37	674.94
Weighted average no. of Equity Shares of Rs. 2 each (Basic)	117,323,000	98,940,000
Weighted average no. of Equity Shares of Rs. 2 each (Diluted)	117,323,000	98,940,000
EPS (In Rupees)- Basic	0.74	0.68
EPS (In Rupees)- Diluted	0.74	0.68

Notes to the Financial Statements

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

- 20 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof Rs. 156.72 Lacs (previous year Rs. 125.50 Lacs).
- 21 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.
- 22 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.
- 23 The figures for the current year includes figures of ACE TC Rentals Pvt. Ltd. which is amalgamated with the company w.e.f. from 1st April, 2014 as per the scheme of amalgamation ('the scheme') sanctioned by the Hon'ble High Court of Punjab Haryana and are therefor upto that extent current year figures are not comparable with those of previous year.
- 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

Rajan Chhabra
Partner
Membership No. 088276

Place : New Delhi
Date : 19th May, 2016

Rajan Luthra
Chief Financial Officer

Yashika Kansal
Company Secretary

For and on behalf of the Board of Directors

Vijay Agarwal
Chairman & Managing Director

Subhash Chander Verma
Independent Director

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, 2016, 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.163.64 lacs and Rs.435.18 lacs as at March 31, 2016, total Revenue/(Expenditure) of Rs. Nil/(0.22) lacs and Rs 15.80 lacs/(31.82) lacs respectively and Cash inflows/(outflows) Rs. 165.22 lacs/(Rs. 165.51) lacs and Rs. 35.55 lacs/(41.20) lacs respectively for the year ended on March 31, 2016 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.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of accounts;
 - (d) In our opinion, the aforesaid consolidated 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (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:
 - (a) 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 Sr. no 5 Contingent Liability;
 - (b) 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;
 - (c) 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

CA Rajan Chhabra
Partner
Membership No. 088276

Place : Faridabad
Date : 19th May, 2016

Consolidated Balance Sheet as at 31st March, 2016

		Rs. in Lacs	
Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	1	5,368.40	1,978.80
Reserves and Surplus	2	25,904.91	27,173.92
Minority Interest		33.91	41.30
		31,307.22	29,194.02
Non-Current Liabilities			
Long Term Borrowings	3	2,396.89	3,173.19
Deferred Tax Liabilities (Net)	4	1,193.17	863.10
Other Long Term Liabilities	5	437.80	399.12
Long Term Provisions	6	146.79	128.11
		4,174.65	4,563.52
Current Liabilities			
Short Term Borrowings	7	8,242.37	8,582.53
Trade Payables		11,291.10	11,686.81
Other Current Liabilities	8	6,113.95	6,179.17
Short Term Provisions	9	860.08	732.81
		26,507.50	27,181.32
TOTAL		61,989.37	60,938.86
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	31,140.13	27,947.75
Intangible Assets		368.30	371.63
Capital Work in Progress		180.69	693.60
		31,689.12	29,012.98
Non-Current Investments	11	1,358.32	960.61
Long Term Loans and Advances	12	4,650.86	4,731.23
Other Non-Current Assets	13	297.81	248.45
		6,306.99	5,940.29
Current Assets			
Current Investments	14	317.40	436.22
Inventories	15	12,382.30	14,181.79
Trade Receivables	16	8,149.30	8,091.03
Cash and Cash Equivalents	17	1,054.80	1,140.87
Short Term Loans and Advances	18	2,089.46	2,135.68
		23,993.26	25,985.59
TOTAL		61,989.37	60,938.86
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	
Place : New Delhi Date : 19th May, 2016		Subhash Chander Verma Independent Director	
Rajan Luthra Chief Financial Officer		Yashika Kansal Company Secretary	
		Sorab Agarwal Executive Director	

Consolidated Statement of Profit & Loss for the Year Ended 31st March, 2016

		Rs. in Lacs	
Particulars	Notes	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Income			
Revenue from Operations (Net)	19	63,733.57	59,923.21
Other Income	20	959.30	1,192.16
Total Revenue		64,692.87	61,115.37
Expenses			
Cost of Materials Consumed	21	43,984.42	42,032.11
Purchase of Stock-in-Trade		304.82	414.10
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	125.78	942.39
Employee Benefit Expenses	23	5,554.67	4,723.63
Selling & Distribution Expenses	24	2,015.71	1,684.02
Financial Costs	25	1,401.47	1,300.64
Depreciation and Amortization Expenses	10	1,134.74	958.39
Other Expenses	26	8,680.88	8,252.75
Total Expenses		63,202.49	60,308.03
Profit Before Tax		1,490.38	807.34
Tax Expenses			
Current Tax (incl tax for the earlier years Rs. 72.10 lacs, PY Nil)		393.66	195.37
Deferred Tax		423.60	409.81
MAT credit entitlement		(191.44)	(323.32)
Profit After Tax before Minority Interest & Share in Result of Associates		864.56	525.48
Minority Interest		130.19	128.41
Share of Loss of Associates		0.09	10.69
Profit for the year		994.84	664.58
Earning per equity share (Face Value Rs 2.00 each)			
Basic (Rs.)		0.84	0.67
Diluted (Rs.)		0.84	0.67

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

Rajan Chhabra
Partner
Membership No. 088276

Place : New Delhi
Date : 19th May, 2016

Rajan Luthra
Chief Financial Officer

Yashika Kansal
Company Secretary

For and on behalf of the Board of Directors

Vijay Agarwal
Chairman & Managing Director

Subhash Chander Verma
Independent Director

Sorab Agarwal
Executive Director

Consolidated Cash Flow Statement for the year ended 31st March, 2016

		Rs. in Lacs	
Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015	
A) CASH FLOW FROM OPERATING ACTIVITIES:			
Profit Before Tax as per Statement of Profit & Loss	1,490.38	807.34	
Adjustments For :			
Depreciation and Amortization Expenses	1,134.74	958.39	
Interest Expenses	1,401.47	1,300.64	
Interest Income	(280.73)	(183.87)	
Profit on Sale of Fixed Assets	(334.27)	(730.79)	
Loss on Sale of Fixed Assets	8.54	15.37	
Foreign Currency Translation Reserve	(66.36)	135.61	
Miscellaneous Expenditure Written Off	1.01	14.26	1,509.61
Operating Profit Before Working Capital Changes	3,354.78	2,316.95	
Adjustments For :			
Trade & Other Receivable	739.30	(1,239.97)	
Inventories	1,799.49	2,068.40	
Trade & Other Payable	(423.66)	318.10	
Loans & Advances	248.69	765.92	1,912.45
Cash Generated from Operations	5,718.60	4,229.40	
Direct Taxes (Paid)/Refund	26.27	(269.54)	
NET CASH FLOW FROM OPERATING ACTIVITIES	5,744.87	3,959.86	
B) CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets Including CWIP	(3,876.23)	(3,565.62)	
Sale of Fixed Assets	1,357.41	2,166.40	
(Purchase)/Sale of Investments	(278.89)	(231.95)	
Interest Income	280.73	183.87	
Change in Minority Interest	(7.39)	1.27	
NET CASH FLOW FROM INVESTING ACTIVITIES	(2,524.37)	(1,446.03)	
C) CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds From Secured Loans	(1,423.25)	(1,189.65)	
Interest Paid	(1,401.47)	(1,300.64)	
Dividend & Tax thereon	(475.61)	(115.75)	
NET CASH FLOW FROM FINANCING ACTIVITIES	(3,300.33)	(2,606.04)	
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(79.83)	(92.21)	
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,387.29	1,479.50	
BALANCE OF CASH & CASH EQUIVALENTS OF AMALGAMATING CO.	44.14	-	
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,351.60	1,387.29	

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

Rajan Chhabra

Partner

Membership No. 088276

Place : New Delhi

Date : 19th May, 2016

Rajan Luthra

Chief Financial Officer

Yashika Kansal

Company Secretary

Sorab Agarwal

Executive Director

For and on behalf of the Board of Directors

Vijay Agarwal

Chairman & Managing Director

Subhash Chander Verma

Independent Director

Notes to the Consolidated Financial Statements

1. Share Capital

Particulars	As at 31st March, 2016 (No. of Shares)	As at 31st March, 2016 (Rs. in Lacs)	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (Rs. in Lacs)
Authorised Capital :				
Equity Shares of Rs. 2/- Each	125,000,000	2,500.00	122,500,000	2,450.00
8% Cumulative Non-Participating Redeemable Preference Shares of Rs. 10/- each	30,250,000	3,025.00	–	–
Total	155,250,000	5,525.00	122,500,000	2,450.00
Issued, Subscribed and Paid up Capital :				
Equity Shares of Rs.2/- Each fully paid up	117,323,000	2,346.46	98,940,000	1,978.80
8% Cumulative Non-Participating Redeemable Preference Shares of Rs. 10/- each	30,219,380	3,021.94	–	–
Total	147,542,380	5,368.40	98,940,000	1,978.80
Reconciliation of number of shares outstanding				
A) Equity Shares				
At beginning of the year	98,940,000	1,978.80	98,940,000	1,978.80
Add: Shares issued to the Shareholders of Amalgamating Company	18,383,000	367.66	–	–
As at end of the year	117,323,000	2,346.46	98,940,000	1,978.80
B) Preference Shares (8% Cumulative Non-Participating Redeemable Preference Shares of Rs. 10/- each)				
At beginning of the year	–	–	–	–
Add: Preference Shares issued to the Shareholders of Amalgamating Co.	30,219,380	3,021.94	–	–
As at end of the year	30,219,380	3,021.94	–	–

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

Particulars	As at 31st March, 2016 (No. of Shares)	As at 31st March, 2016 (% age)	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (% age)
Mr. Vijay Agarwal / Mrs. Mona Agarwal	41,341,907	35.24%	33,988,707	34.35%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	30,314,407	25.84%	26,637,807	26.92%
Mr. Sorab Agarwal	7,122,650	6.07%	3,600,150	3.64%
Mrs. Surbhi Garg	6,923,083	5.90%	3,247,168	3.28%

D) Shareholders holding more than 5% of the Preference Shares in the Company

Particulars	As at 31st March, 2016 (No. of Shares)	As at 31st March, 2016 (%age)
Mr. Vijay Agarwal	12,087,752	40.00%
Mrs. Mona Agarwal	6,043,876	20.00%
Mr. Sorab Agarwal	6,043,876	20.00%
Mrs. Surbhi Garg	6,043,876	20.00%

Notes to the Consolidated Financial Statements

E) 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.

- F) i) 1,83,83,000 Equity Shares of Rs. 2 each were allotted pursuant to the scheme of amalgamation without payment being received in cash.
 ii) 3,02,19,380 Preference Shares(NCPS) of Rs. 10 each were allotted pursuant to the scheme of amalgamation without payment being received in cash having Dividend rate of 8% and having no right to participate and vote.
- G) The Company shall have an option to redeem the NCPS either wholly or partly by giving not less than one month notice to the NCPS holders any time after one year, but before twenty years from the date of issue.

2. Reserves and Surplus

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Capital Reserves		
At the beginning and at the end of the year	571.96	571.96
Revaluation Reserve		
At the beginning of the year	6,044.97	6,046.31
Less: Depreciation	1.34	1.34
Less: Adjustment under the scheme of Amalgamation	3,089.60	—
At the end of the year	2,954.03	6,044.97
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	(480.19)	(489.75)
Add: Translation of foreign currency loans	(179.53)	67.14
Less: Transferred to Statement of Profit & Loss	68.86	57.58
At the end of the year	(728.58)	(480.19)
General Reserves		
At the beginning of the year	9,015.00	8,815.00
Add: Balance of amalgamating Company	410.00	—
Add: Transfer from Surplus in Statement of Profit & Loss	200.00	200.00
At the end of the year	9,625.00	9,015.00
Surplus in Statement of Profit & Loss		
At the beginning of the year	3,489.45	3,262.31
Add: Balance of amalgamating Company	917.16	—
Add: Profit for the year	994.84	664.58
Less: Appropriations		
Interim/Final Dividend on Equity Shares	197.88	197.88
Dividend on Preference Shares	11.23	—
Tax on Dividend on Equity Shares & Preference Shares	42.57	39.56
Transfer to General Reserve	200.00	200.00
At the end of the year	4,949.77	3,489.45
TOTAL	25,904.91	27,173.92

Notes to the Consolidated Financial Statements

3. Long Term Borrowings

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Secured		
Term Loans from Banks		
Foreign Currency Loan	269.48	958.42
Rupee Term Loan	3887.67	4,230.79
Term Loans from NBFC	27.02	-
	4,184.17	5,189.21
Less : Current Maturity of Long Term Borrowings	1,787.28	2,016.02
TOTAL	2,396.89	3,173.19

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 @ 9.65%) 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 10.50% p.a.
- iii. Commercial Equipment Loan from ICICI Bank Ltd., HDFC Bank Ltd., Tata Capital Financial Service Ltd. and Magma Finance Ltd. - Repayable in equated monthly instalments.
- iv. Vehicle loan from YES Bank/ HDFC Bank Ltd. - Repayable in equated monthly instalments.

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.
- iv. Exclusive hypothecation on the Vehicle financed out of this loan.

4. Deferred Tax Liabilities (Net)

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Deferred Tax Liability		
Difference between Book and Tax Depreciation	1,341.04	911.13
	1,341.04	911.13
Deferred Tax Assets		
Balance of amalgamating company	76.80	-
Expenditure disallowed U/s 43B	71.07	48.03
	147.87	48.03
TOTAL	1,193.17	863.10

5. Other Long Term Liabilities

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Security Deposits	437.80	399.12
TOTAL	437.80	399.12

Notes to the Consolidated Financial Statements

6. Long Term Provisions

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Provision for Employee Benefits	146.79	128.11
TOTAL	146.79	128.11

7. Short Term Borrowings

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Secured Loans from Banks		
Cash Credit	1,005.95	1,256.54
Buyers Credit	2,136.42	3,350.99
Working Capital Demand Loan	5,100.00	3,975.00
TOTAL	8,242.37	8,582.53

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

8. Other Current Liabilities

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Current Maturities of Long Term Borrowings	1,787.28	2,016.02
Unpaid Dividends	68.43	10.77
Advance from Customers	828.03	1,371.38
Advance against Property	-	63.15
Other payables		
- Statutory Liabilities	472.05	333.60
- Other Payable*	2,958.16	2,384.25
TOTAL	6,113.95	6,179.17

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

9. Short Term Provisions

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Provision for Taxation	321.56	195.37
Proposed Dividend	-	197.88
Dividend on Preference Shares	11.23	-
Provision for Dividend Distribution Tax	2.29	39.56
Provision for Doubtful Loan and Advances	525.00	300.00
TOTAL	860.08	732.81

Notes to the Consolidated Financial Statements

10. Fixed Assets

Rs. in Lacs										
Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2015	Additions	Sale/Adjustment during the year	As at 31.03.2016	As at 01.04.2015	For the Year	On Deletions/Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets										
Land	11,872.31	641.98	93.20	12,421.09	-	-	-	-	12,421.09	11,920.36
Factory Building	5,969.69	141.30	160.10	5,950.89	1,870.55	178.16	88.44	1,960.27	3,990.62	4,099.14
Office Building	5,363.19	418.98	-	5,782.17	828.01	59.19	-	887.20	4,894.97	4,540.22
Plant and Machinery	8,615.15	3,806.13	1,138.35	11,282.93	2,406.42	611.56	329.81	2,688.17	8,594.76	6,208.73
Furniture & Fixtures	790.10	34.19	-	824.29	377.05	60.00	-	437.05	387.24	413.05
Office Equipment	266.61	12.45	-	279.06	143.37	23.49	-	166.86	112.20	123.24
Motor Vehicles	1,078.72	255.96	111.19	1,223.49	577.52	98.75	53.83	622.44	601.05	501.20
Computer	321.00	26.19	0.35	346.84	293.41	11.12	0.01	304.52	42.32	27.59
Electric Equipment & Fittings	248.03	1.84	2.95	246.92	133.81	19.75	2.52	151.04	95.88	114.22
	34,524.80	5,339.02	1,506.14	38,357.68	6,630.14	1,062.02	474.61	7,217.55	31,140.13	27,947.75
Capital Work-in-Progress	693.60	130.83	643.74	180.69	-	-	-	-	180.69	693.60
	35,218.40	5,469.85	2,149.88	38,538.37	6,630.14	1,062.02	474.61	7,217.55	31,320.82	28,641.35
Intangible Assets										
Computer Software	547.85	39.21	0.16	586.90	481.24	48.07	-	529.31	57.59	66.61
Technical Know how	148.60	30.34	-	178.94	74.11	24.65	-	98.76	80.18	74.49
Goodwill	230.53	-	-	230.53	-	-	-	-	230.53	230.53
	926.98	69.55	0.16	996.37	555.35	72.72	-	628.07	368.30	371.63
Total	36,145.38	5,539.40	2,150.04	39,534.74	7,185.49	1,134.74	474.61	7,845.62	31,689.12	29,012.98
Previous Year	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

Notes:

- 1) Addition to gross block during the current financial year, of Rs. 5,539.40 Lacs, includes assets of Rs.1,019.43 Lacs purchased in the scheme of amalgamation.
- 2) Addition during the year includes Rs. 54.66 lacs (Previous year Rs. 59.57 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, 2016	As At 31st March, 2015
Investment in Government Securities		
6 Year National Saving Certificates	0.10	0.10
Other Investments		
3000000 - Units (P.Y. - 3000000 Units) - Reliance Fixed Horizon Fund XXVI Series 13 - Growth Plan of Rs. 10/- each	353.40	326.02
3000000 - Units (P.Y. - Nil Units) - Reliance Fixed Horizon Fund - XXIX-Series 3 - Growth Plan of Rs 10/- each.	315.97	-
2750000 - Units (P.Y. 2750000-Units) - Reliance Fixed Horizon Fund XXV Series 12 - Growth Plan of Rs. 10/- each	332.65	307.02
3000000 - Units (P.Y. - 3000000 Units) ICICI Prudential FMP Series 73 - 369 Days Plan of Rs. 10/- each	356.20	327.47
TOTAL	1,358.32	960.61

Notes to the Consolidated Financial Statements

12. Long Term Loans and Advances

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Unsecured Considered Good		
Capital Advances	3,297.48	3,217.92
Other Loans and Advances		
- Advance Tax	826.75	1,161.57
- MAT credit entitlement	514.75	323.32
- Advance to Employees	11.88	28.42
TOTAL	4,650.86	4,731.23

13. Other Non-Current Assets

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Misc. Expenditure to the extent not Written Off	1.01	2.03
Non Current Fixed Deposits (Refer Note 17)	296.80	246.42
TOTAL	297.81	248.45

14. Current Investments

(Carried at lower of Cost/Fair value)

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Nil Units (P.Y. - 4000000 Units) - Reliance Fixed Horizon Fund - XXVI Series 8 - Growth Plan of Rs. 10/- each	-	436.22
1536956.11 - Units (P.Y. - Nil Units) - Reliance Regular Savings Fund - Debt Plan - Growth Plan of Rs 19.5191 each.	317.40	-
TOTAL	317.40	436.22

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

(As Verified, Valued and Certified by the Management)

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Raw Material and Components	10,011.55	11,802.73
Work in Progress	945.41	1,183.02
Finished Goods	1,164.81	1,052.98
Raw Material in Transit	260.53	143.06
TOTAL	12,382.30	14,181.79

Notes to the Consolidated Financial Statements

16. Trade Receivables

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, Considered Good	1,214.73	1,187.29
Unsecured, Considered Doubtful	11.20	–
	1,225.93	1,187.29
Less: Provisions for Doubtful Debts	11.20	–
	1,214.73	1,187.29
Others		
Unsecured, Considered Good	6,934.57	6,903.74
TOTAL	8,149.30	8,091.03

Note : The Trade Receivables includes an amount of Rs. 682.66 lacs (PY Rs. 649.43 lacs) due from Companies in which Directors are interested.

17. Cash and Cash Equivalents

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Balance with Scheduled Banks		
Current Account	33.24	14.14
Unpaid Dividend Account	68.43	10.77
Cash in Hand	46.16	30.24
Fixed Deposit		
Fixed Deposit Receipts	1,203.77	1,332.14
Less : Fixed Deposit Receipts - having maturity over 12 months	296.80	246.42
Fixed deposits having maturity period within 12 months	906.97	1,085.72
TOTAL	1,054.80	1,140.87

18. Short Term Loans and Advances

(Unsecured and Considered Good)

Particulars	Rs. in Lacs	
	As At 31st March, 2016	As At 31st March, 2015
Balance with Excise Authorities	265.48	497.56
Sales Tax Recoverable	113.37	73.31
Advance to Suppliers	1,299.64	1,198.04
Security Deposits	238.76	204.49
Others	172.21	162.28
TOTAL	2,089.46	2,135.68

19. Revenue from Operations

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Sale of Products	65,008.64	61,838.50
Other Operating Revenues	2,340.75	970.18
	67,349.39	62,808.68
Less: Excise Duty	3,615.82	2,885.47
TOTAL	63,733.57	59,923.21

Notes to the Consolidated Financial Statements

Other Operating Revenues:

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Service Charges Received	205.05	131.58
Hiring Charges Received	2,095.27	776.55
Duty Draw Back Received	40.43	62.05
TOTAL	2,340.75	970.18

20. Other Income

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Interest Received	280.73	183.87
Rent Received	95.80	92.51
Profit on Sale of Assets	334.27	730.79
Revaluation Reserve Income	1.34	1.34
Return on Investment	115.82	116.70
Other Non-operating Income	131.34	66.95
TOTAL	959.30	1,192.16

21. Cost of Material Consumed

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Opening Stock	11,945.79	13,071.79
Add: Purchases (Net of Return)	42,615.53	41,320.21
	54,561.32	54,392.00
Less: Closing Stock	10,272.08	11,945.79
Less: Purchase of Stock-in-Trade	304.82	414.10
TOTAL	43,984.42	42,032.11

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

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Finished Goods		
Opening Stock	1,052.98	1,160.03
Closing Stock	1,164.81	1,052.98
	(111.83)	107.05
Work-in-Progress		
Opening Stock	1,183.02	2,018.36
Closing Stock	945.41	1,183.02
	237.61	835.34
TOTAL	125.78	942.39

23. Employee Benefit Expenses

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Salaries, Wages & Bonus	4,567.93	3,818.58
Contribution to Provident and other Funds	237.38	188.12
Staff Welfare Expenses	287.76	263.03
Director's Remuneration	461.60	453.90
TOTAL	5,554.67	4,723.63

Notes to the Consolidated Financial Statements

24. Selling & Distribution Expenses

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Selling Expenses	1,390.60	1,307.13
Commission on Sales	625.11	376.89
TOTAL	2,015.71	1,684.02

25. Financial Costs

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Interest on Working Capital Facilities	899.44	887.22
Interest on Term Loans	382.95	349.21
Interest on Other Loans	119.08	64.21
TOTAL	1,401.47	1,300.64

26. Other Expenses

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Manufacturing Expenses		
Manufacturing Expenses	2,596.88	2,399.31
Power & Fuel	449.41	466.13
Repair & Maintenance		
- Plant & Machinery	344.17	291.22
- Building	114.86	81.50
Freight & Forwarding Charges	1,508.81	1,570.65
SUB TOTAL	5,014.13	4,808.81
Other Administrative Expenses		
Rent	160.90	149.05
Rate Fees & Taxes	70.97	37.46
Insurance	84.29	35.82
Travelling & Conveyance	1,084.82	953.03
Communication Expenses	184.37	178.17
Auditor's Remuneration	18.91	15.94
Vehicle Expenses	91.67	77.40
Exchange Rate Difference (Net)	182.23	130.72
Penalties to State Budget & Others	0.40	67.39
Miscellaneous Expenses	1,562.85	1,498.96
Provision for Doubtful Loan & Advances	225.00	300.00
Bad Debts Written Off	0.34	-
TOTAL	8,680.88	8,252.75

Auditor's Remuneration Includes

Particulars	Rs. in Lacs	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Audit Fee	14.54	14.35
Taxation Matters	0.75	-
Certification	3.62	1.59
TOTAL	18.91	15.94

Notes to the Consolidated Financial Statements

27. Additional Notes To The Consolidated Financial Statements

A) BACKGROUND

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

The Company concluded its Initial Public Offer (IPO) in September 2006 and its Equity Shares got 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%.

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 have been issued to shareholders of M/s ACE Steelfab Pvt Ltd to effect the amalgamation.

Pursuant to scheme of amalgamation ('the scheme') of ACE TC Rentals Private Limited with the Company under Section 391 and 394 of the Companies Act, 1956 as sanctioned by Hon'ble High Court of Punjab & Haryana vide its order CP No. 128 of 2015 dated 17th November, 2015, entire business and all assets and liabilities of ACE TC Rentals Private Limited were transferred and got vested in the Company effective from 01st April, 2014.

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.

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 Consolidated Financial Statements are prepared in Indian Rupees, which is the functional currency of the Company. 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.

Notes to the Consolidated Financial Statements

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

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, 2016	31st March, 2015
Frested Ltd.	Cyprus	Subsidiary	100.00%	100.00%
SC Forma SA	Romania	Fellow Subsidiary	89.50%	89.50%
Namo Metals	India	Partnership Firm	90.00%	90.00%

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.

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.

Notes to the Consolidated Financial Statements

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

(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 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 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 or deducted from the cost of the asset and shall be depreciated over the useful life of that asset and in other cases, such difference are accumulated in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" and amortized over the balance period of such long term asset/liability.

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, 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.

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 reflect 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

Notes to the Consolidated Financial Statements

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

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 asset 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 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 Statements

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

C) OTHER NOTES

1. Contingent Liabilities, not provided for:

Particulars	Rs. in Lacs	
	As at 31st March, 2016	As at 31st March, 2015
Bank Guarantees	2,026.48	1,557.75
Letter of Credits	1,798.63	783.32
Claim against the Company, not acknowledge as Debts*	689.88	442.24
Sales Tax, Excise & Income Tax Matters, pending before Assessing / Appellate Authorities*	3,126.32	2,922.28
Total	7,641.31	5,705.59

* 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. 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	243.60	–	22.69	266.29
2.	Smt. Mona Agarwal*, Whole-time Director	119.78	–	14.82	134.60
3.	Sh. Sorab Agarwal, Executive Director	32.48	–	2.40	34.88
4.	Smt. Surbhi Garg, Executive Director	40.24	–	1.40	41.64
	Total	436.10	–	41.31	477.41

* The above mentioned 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 since received approval of the Central Government for payment of above remuneration to Mr. Vijay Agarwal, Chairman & Managing Director and Mrs. Mona Agarwal, Whole-time Director up to 30th Sept, 2015 and for remaining period, The company has applied to the Central Government on 21st March, 2016 & 22nd March, 2016 respectively for necessary Central Government approval. 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 Statements

27. Additional Notes To The Consolidated Financial Statements (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, 2016	Year Ended 31st March, 2015	
1. Segment Revenue			
a) Cranes	39,816.96	36,069.11	
b) Material Handling/Construction Equipment	6,261.62	6,629.29	
c) Agri Equipment	15,310.61	16,096.91	
d) Subsidiaries Business	3.62	157.72	
Total	61,392.81	58,953.03	
Less: Inter Segment Revenue	—	—	
Net Sales/Income from Operations	61,392.81	58,953.03	
2. Segment Results			
a) Cranes	3,928.45	2,962.29	
b) Material Handling/Construction Equipment	(66.16)	121.47	
c) Agri Equipment	75.41	268.25	
d) Subsidiaries Business	(16.33)	(149.46)	
Total	3,921.37	3,202.55	
Less: Interest	1,401.47	1,300.64	
Less: Other Unallocable Expenditure	1,029.52	1,094.57	
Profit Before Tax	1,490.38	807.34	
3. Capital Employed			
a) Cranes	39,318.56	31,507.39	
b) Material Handling / Construction Equipment	3,690.03	7,538.82	
c) Agri Equipment	414.13	286.71	
d) Subsidiaries Business	(2,677.91)	(2,455.46)	
Total	40,744.81	36,877.46	

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

Namo Metals
VMS Equipment Pvt. Ltd.

b. Subsidiary Companies

FRESTED Limited, Cyprus - Wholly Owned Subsidiary
SC FORMA SA, Romania - Fellow Subsidiary

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 Statements

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

e. Related Party Transactions

Rs. in Lacs

Nature of Transaction	Period	Associate Companies/Firm		Subsidiary Company		Key Management Personnel	Total
		Namo Metals	VMS Equipment Pvt. Ltd.	Frested Ltd. Cyprus	SC Forma SA, Romania,		
Purchase of Goods	2015-16	–	–	–	–	–	–
	2014-15	–	17.40	–	–	–	17.40
Sale of Goods	2015-16	–	2,195.63	–	–	–	2,195.63
	2014-15	–	2,366.18	–	–	–	2,366.18
Remuneration Paid	2015-16	–	–	–	–	477.41	477.41
	2014-15	–	–	–	–	455.80	455.80
Licence Fee Paid	2015-16	–	–	–	–	75.70	75.70
	2014-15	–	–	–	–	68.82	68.82
Rent Received	2015-16	–	0.65	–	–	–	0.65
	2014-15	–	0.60	–	–	–	0.60
Interest Received	2015-16	–	36.72	–	–	–	36.72
	2014-15	–	–	–	–	–	–
Investment in Equity	2015-16	(0.04)	–	–	–	–	(0.04)
	2014-15	110.94	–	–	–	–	110.94
Loan to Subsidiary*	2015-16	–	–	164.67	–	–	164.67
	2014-15	–	–	118.67	–	–	118.67

* Loan to subsidiary includes Rs. 156.86 lacs (Previous Year Rs. 118.67 lacs) on account of change in exchange rate at the year end.

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	
	2015-16	2014-15
Payable within one year	123.10	128.45
Payable after one year but within 5 years	44.82	25.90

- 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, 2016 is Rs. 160.90 Lacs (P.Y. Rs. 149.05 Lacs).

Notes to the Consolidated Financial Statements

27. Additional Notes To The Consolidated Financial Statements (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	2015-16	2014-15
a) Current Service Cost	65.52	55.02
b) Interest Cost	20.93	16.11
c) Employee Contribution	—	—
d) Actuarial (Gain)/Loss	0.91	6.80
e) Past Service Cost	—	—
f) Settlement Cost	(20.85)	(18.14)
Total Expenses, debited to Statement of Profit & Loss	66.51	59.79

b) Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2016

Rs. in Lacs

Particulars	2015-16	2014-15
a) Present Value of defined Benefit Obligation at the end of the year	(341.64)	(279.86)
b) Fair Market Value of Plan Assets with LIC at the end of the year	276.80	236.74
Net Asset/(Liability)	(64.84)	(43.12)

c) Change in the obligation during the year ended 31st March, 2016

Rs. in Lacs

Particulars	2015-16	2014-15
a) Present Value of Defined benefit obligation at the beginning of the year	279.86	206.94
b) Current Service Cost	65.52	55.02
c) Interest Cost	20.93	16.10
d) Settlement Cost	—	—
e) Actuarial (Gain)/Loss	1.84	7.96
f) Benefit Payment	(26.51)	(6.16)
Present Value of Defined benefit obligation at the end of the year	341.64	279.86

d) Change in the Plan Assets during the year ended 31st March, 2016

Rs. in Lacs

Particulars	2015-16	2014-15
a) Plan assets at the beginning of the year	236.74	197.25
b) Actuarial (Gain)/Loss	0.93	1.16
c) Contribution	44.79	26.89
d) Benefit Payment	(26.51)	(6.70)
e) Return on the Plan Assets	20.85	18.14
Plan Assets at the end of the year	276.80	236.74

e) Actuarial Assumption

a) Discounted Rate	7.85% 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 Statements

27. Additional Notes To The Consolidated Financial Statements (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	2015-16	2014-15
Profit After Tax incl. Minority interest and share of Profit of Associates- (Rs in Lacs)	994.84	664.58
Less: Dividend on preference shares (Including Dividend Distribution Tax) (Rs in Lacs)	13.52	-
Profit after dividend on preference shares (Rs in Lacs)	981.32	664.58
Weighted average no. of Equity Shares of Rs. 2 each (Basic)	117,323,000	98,940,000
Weighted average no. of Equity Shares of Rs. 2 each (Diluted)	117,323,000	98,940,000
EPS (In Rupees)- Basic	0.84	0.67
EPS (In Rupees)- Diluted	0.84	0.67

8. Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof Rs. 156.72 Lacs (previous year 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	107.56	33,635.19	101.10	1506.71
Namo Metals (Indian)	-	-	(0.01)	(0.10)
Frested Limited, Cyprus (Foreign)	(7.21)	(2,254.23)	(0.01)	(0.22)
SC Forma SA, Romania (Foreign)	(0.35)	(108.67)	(1.07)	(16.02)

Notes to the Consolidated Financial Statements

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

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

PART "A" : SUBSIDIARIES

Sr. No.	Particulars	Frested Limited, Cyprus (Rs. in lacs)	SC Forma SA, Romania (Rs. in lacs)
a	Share Capital / Capital	0.86	181.83
b	Reserves & Surplus	(2,631.37)	(403.43)
c	Total Assets (Fixed Assets + Current Assets)	163.94	435.18
d	Total Liabilities (Debts+ Current Liabilities)	2,794.44	198.49
e	Investments	162.59	-
f	Turnover/Total Income (Including other Income)	-	15.80
g	Profit/(Loss) Before Taxation	(0.22)	(16.02)
h	Provision for Taxation	-	-
i	Profit/(Loss) After Taxation	(0.22)	(16.02)
j	Proposed Dividend	-	-
k	Exchange rate used (in Rs.)	66.33	16.92
l	Reporting Currency	USD	RON
m	% of Shareholding	100%	89.50%
n	Relation	Subsidiary	Fellow Subsidiary

The Financial Statements of Foreign Subsidiaries have been converted into Rupees on the basis of appropriate exchange rates as on 31st March, 2016.

PART "B" : ASSOCIATES AND JOINT VENTURES - NIL

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

Life Time Club Membership - Rs. 1.01 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 figures for the current year includes figures of ACE TC Rentals Pvt. Ltd. which is amalgamated with the company w.e.f. from 1st April, 2014 as per the scheme of amalgamation ('the scheme') sanctioned by the Hon'ble High Court of Punjab Haryana and are therefor upto that extent current year figures are not comparable with those of previous year.
- 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 : 19th May, 2016		Subhash Chander Verma Independent Director	
Rajan Luthra Chief Financial Officer		Yashika Kansal Company Secretary	
		Sorab Agarwal Executive Director	



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 23rd, 2016
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 Second 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, 2016 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, 2016.
- To appoint a Director in place of Mrs. Surbhi Garg (DIN: 01558782), who retires from office by rotation, and being eligible, offer herself for reappointment.
- To declare dividend on Preference Shares for the financial year ended 31st March, 2016.
- To ratify and confirm the payment of interim dividend for the year ended 31st March, 2016.
- To ratify the appointment of 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 all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the appointment of M/s Rajan Chhabra & Co, Chartered Accountants (Firm registration No: 009520N), Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-third AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

- To approve the remuneration of the cost auditors for the financial year ending March 31st, 2017 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, remuneration of Rupees One lac plus applicable taxes, payable to 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 31st, 2017, be and hereby ratified"

Action Construction Equipment Ltd.

7 Re-appointment of Mrs. Surbhi Garg, (DIN No: 01558782) Executive Director for the period of three years w.e.f. 1st April, 2017 and fixation of her remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, consent of the members of the Company be and is hereby accorded to re-appoint Mrs. Surbhi Garg (DIN: 01558782) as Whole-time Director with the designation of Executive Director for a period of three years with effect from 1st April, 2017 at a remuneration in the scale of Rs 3.50 lacs (Rupees Three Lacs Fifty Thousand only) to Rs.10 lacs/- (Rupees Ten Lacs) per month. The details of terms of re-appointment and remuneration payable per annum to Mrs. Surbhi Garg are as under:

Salary	In the scale of Rs. 40 lacs to Rs. 100 lacs
Perquisites and Allowances	In the scale of Rs. 2.40 lacs to Rs. 20 Lacs

(a) Salary, Perquisites and Allowances per annum:

The perquisites and allowances as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

(b) Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging including for Mrs. Surbhi Garg's spouse and dependents during business trips, any medical assistance provided for her family members and provision of cars for use on Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(c) General:

- (i) Whole-time Director will perform her duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Chairman & Managing Director.
- (ii) Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) Whole-time Director shall adhere to the Company's Code of Conduct.

RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any financial year, the remuneration as set out in the Explanatory Statement be paid to Mrs. Surbhi Garg as minimum remuneration, subject to necessary approval(s), as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mrs. Surbhi Garg (Din No -01558782), Whole Time Executive Director, including the components of the above mentioned remuneration payable to her subject to the overall limit of Rs 1.20 crs per annum.

RESOLVED FURTHER THAT Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Rajan Luthra, CFO and Mrs. Yashika, Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to be done to give effect to the above resolutions including filing of requisite forms and returns etc. with Registrar of Companies, NCLT of Delhi & Haryana and/or Ministry of Corporate Affairs (Government of India) and taking necessary approval from the government or other authorities etc., as may be required.”

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

**Place: New Delhi
Date: 19th May, 2016**

**Sd/-
Yashika
Company Secretary**

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 16th September, 2016 to 23rd September, 2016 (both days inclusive) for annual closing. The cut-off date of e-voting is 16th September, 2016.
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. A member holding more than ten (10) % of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. 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. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged during the business hours at the registered office of the Company provided not less than 3 days written notice is given to the Company.
5. 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.
6. Pursuant to SEBI (LODR) Regulations 2015 and such other provisions as may be applicable the Board of Directors had fixed 16th September, 2016 as cut-off date for determining the Members who shall be entitled to vote through Remote e-voting or voting at the meeting. A member who is not a member as on the cut-off date shall treat this notice for information purpose only.
7. In case of joint holders attending the meeting only such joint holder who is higher in order of names will be entitled to vote.
8. The Board of Directors in their meeting held on 15th March, 2016 approved payment of interim dividend of Rs 0.20/- per Equity Share on 9,89,40,000 Equity Shares of face value Rs. 2.00/- each fully paid-up of the Company aggregating to Rs.197.88 Lacs out of the profits for the financial year 2015-2016. Interim dividend was paid to the shareholders as per their shareholding in the Company as on March 23rd, 2016 (Record Date for payment of interim dividend).
9. 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 Registrars 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.
10. 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.

11. 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 Registrar /Company.
12. Electronic copy of the Notice and Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participant (s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for Financial Year 2015-16 is being sent in the permitted mode. Attendance Slip, Proxy form and process and manner of e-voting are part of notice of Annual General Meeting.
13. Members may also note that the Notice of the 22nd Annual General Meeting and the Annual Report for Financial Year 2015-16 will also be available on the Company's website 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.
14. The Register of Director and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested under Section 189 will be made available for inspection by members of the Company at the meeting.

15. Voting through electronic means

- I. **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
- (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant (s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST". It will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email savitatrehan10@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participant (s):
- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the e-voting form.
 - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- II. **Voting at AGM:** The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM through ballot process. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.
- A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact to Mr. V Kishor, Asstt. Manager, Karvy Computer share Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 18003454001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on 19th September, 2016 (8.30 A.M.) and ends on 22nd September, 2016 (5.00 P.M.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 16th September, 2016.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 16th September, 2016, he/she may obtain the User ID and Password in the manner as mentioned below :
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+ Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> In12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call Karvy's toll free number 1800-3454-001.
- iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available
- f. Ms. Savita Trehan, Proprietor of M/s. Savita Trehan & Associates, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- g. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.ace-cranes.com> and on the website of <https://www.evoting.karvy.com> within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited/NSE Limited.
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 Saturday, up to and including the date of the Annual General Meeting of the Company.
17. 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. **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.
18. 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.
19. 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.
20. 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, to reply on the same at the Annual General Meeting.
21. 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.

22. Members/ Proxies are requested to:-

- a. Bring their copy of Annual Report and attendance slip duly filled in 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 R&T Agent/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: 19th May, 2016**

**Sd/-
Yashika
Company Secretary**

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

Item No 6

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, 2017.

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 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

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 6 of the Notice.

The Board recommends the Ordinary Resolution set out at item no 6 of the Notice for approval by the members.

Item 2 and 7

Mrs. Surbhi Garg is a Whole-time Director of the Company. Her current term of appointment as a Whole-time Director of the Company will expire on 31st March, 2017. The Board of Directors considers that for smooth and efficient running of the administrative and Human Resource affairs of the Company, the services of Mrs. Surbhi Garg should be available to the Company for a further period of three years with effect from 1st April, 2017. Under her guidance, the Company's administrative affairs are being handled in a professional manner. She has helped the company to formulate effective and motivating HR Policies.

It is proposed to seek the members' approval for the re-appointment and remuneration payable to Mrs. Surbhi Garg as Whole-time Director of the Company, in terms of the applicable provisions of the Act as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

Broad particulars of the terms of re-appointment of and remuneration payable per annum to Mrs. Surbhi Garg are as under:

(a) Salary, Perquisites and Allowances per annum :

Salary	In the scale of Rs. 40 lacs to Rs. 100 lacs
Perquisites and Allowances	In the scale of Rs. 2.40 lacs to Rs. 20 Lacs

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

(b) Reimbursement of Expenses

Expenses incurred for travelling, boarding and lodging including for Mrs. Surbhi Garg 's spouse and dependents during business trips, any medical assistance provided for her family members and provision of cars for use on Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

(c) General :

- (i) Whole-time Director will perform her duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Chairman & Managing Director.
- (ii) Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) Whole-time Director shall adhere to the Company's Code of Conduct.

Mrs. Surbhi Garg satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mrs. Surbhi Garg under Section 190 of the Act.

Mrs. Surbhi Garg is interested in the resolution set out at Item No. 2 and 7 of the Notice. Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Sorab Agarwal, Executive Director, Mrs. Mona Agarwal, Executive Director being related to Mrs. Surbhi Garg may be deemed to be interested in the resolution set out at Item No. 2 and 7 of the Notice.

The other relatives of Mrs. Surbhi Garg may be deemed to be interested in the resolution set out at Item No. 2 and 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

The Information as required by second proviso (iv) of Paragraph B of Section-II of Part-II of Schedule-V of the Companies Act, 2013, is given in the Annexure to the Notice.

**ANNEXURE TO THE NOTICE
STATEMENT PURSUANT TO THE PROVISIONS OF PART II SECTION II (B)
(iv) OF SCHEDULE V OF THE COMPANIES ACT, 2013,
IN RESPECT TO ITEM NO. 7 OF THE NOTICE**

I. GENERAL INFORMATION

1. **Nature of Industry :** Manufacturing of Cranes
2. **Date of Commencement of Commercial Production:** Year 1995
3. **Financial Performance of the Company:** The Financial Performance of the Company is as follows:

(Amount in Rs. Lacs)

	2015-16	2014-15	2013-14
Sales and other Income	64677.07	60884.67	62159.10
Profit before Depreciation, Interest and Tax but after Prior Period Items	4042.83	3214.53	3,080.21
Depreciation / Amortization	1134.65	957.09	1,527
Interest and Finance Charges	1401.47	1300.64	1,041.49
Profit / (Loss) before Exceptional Items and Tax	1506.71	956.80	511.72
Exceptional Gain / (Loss)	—	—	—
Profit / (Loss) before Tax	1506.71	956.80	511.72
Profit / (Loss) After Tax	880.89	674.94	402.30

4. **Foreign Investments or collaborations:** Company has invested into One Thousand Equity Shares of Euro One each in Fredsted Limited, Cyprus. Fredsted Limited, Cyprus is wholly Owned Subsidiary of the Company and who in turn has invested into 89.50 % in SC Forma, Romania.

II. Information about appointee:

S. No.	Particulars	Mrs. Surbhi Garg
1.	Background details, Recognition or awards:	Mrs. Surbhi Garg, aged (11/01/1978) 38 years is undergraduate and holds position of Whole Time Director of the Company since 12/11/2011. She is the daughter of Mr. Vijay Agarwal. She looks after the Administration & HR functions of the Company. Under her supervision, the Company's administrative affairs are being handled in a skilled manner. She has helped the company to formulate effective and motivating HR Policies.
	Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil
	Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
	Number of shares held in the Company	6923083

(Amount in Rs. Lacs)

2.	Past Remuneration 2013-14 2014-15 2015-16	17.80 17.80 41.64
3.	Job Profile & her suitability	She is responsible for HR, Administration and overall day to day management of the Company under the supervision and control of the Board of Directors of the Company.
4.	Remuneration Proposed	As mentioned in the resolution.
5.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of her origin)	Mrs. Surbhi Garg remuneration is fully justified and comparable to that prevailing remuneration being paid in the industry, keeping in view her profile, enriched knowledge & vast experience. She shall be looking after and responsible for the whole affairs of the respective areas of management and shall be accountable to the Board of Directors of the Company.
6.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mrs. Surbhi Garg, Whole- time Director is daughter of Mr. Vijay Agarwal, Chairman & Managing Director and Mrs. Mona Agarwal, WTD Director of the Company and sister of Mr. Sorab Agarwal and also shareholder of the Company. Mrs. Surbhi Garg, pecuniary relationship with the Company is disclosed in with the "Related party transactions" in Additional notes to the financial statement in the Annual Report.

III. Other Information

1. Reasons of loss or inadequate profits:

The Company has been making consistent adequate profits until financial year 2011-12 but the prolonged slowdown in the economic activities, consumer sentiments, high interest rates, slump in the infrastructure, real estate sector coupled with the poor liquidity conditions has resulted in considerable decline in the revenue and profits of the company from 01st April, 2012 onwards. The Company has been making necessary efforts to improve its performance and aggressively pursuing and implementing its strategies, including cost reduction initiatives. The results of these initiatives are likely to be felt in the coming years.

2. Steps taken or proposed to be taken for improvement:

The Company undertook several steps aimed at lowering the overheads and aligning resources with current levels of operations. Further the Company has adopted the following measures to improve the profitability:-

- ❖ Providing quality equipment at reasonable cost.
- ❖ Protecting and strengthening the business of crane segment which is a major revenue generator.
- ❖ Increase in marketing and production of tractors making it a key revenue generator for the Company in the forthcoming years.
- ❖ Consequently, focusing on providing customers a complete range of crop solutions.
- ❖ Exploring to tap foreign markets for the products of the Company.

The Company has been aggressively pursuing and implementing its strategies to reduce costs and enhance time efficiency.

3. Expected Increase in productivity and profits in measurable terms:

Though the construction equipment sector is witnessing a continued slowdown, in anticipation of revival of the overall economy in future, the aforesaid steps taken/to be taken by the Company are expected to improve the Company's performance and profitability.



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, 23rd September, 2016 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:
DP ID:

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

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

Or Failing Him

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

Or Failing Him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Friday, 23rd September, 2016 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, 2016		
1(b)	Adoption of Consolidated Financial Statements for the year ended 31st March, 2016.		
2	Appointment of Mrs. Surbhi Garg (Din No.-01558782), who retires by rotation.		
3	Declare Dividend on Preference Share Capital for F. Y. ended on 31st March, 2016.		
4	Ratify & confirm the payment of Interim dividend for the year ended 31st March, 2016.		
5	Ratify the appointment of M/s Rajan Chhabra & Co., Chartered Accountants, as Statutory Auditors and to fix their Remuneration.		
Special Business			
6	Approve the remuneration of the Cost Auditors for the financial year ending March 31, 2017.		
7	Re-appointment of Mrs. Surbhi Garg, (DIN No: 01558782) Executive Director for the period of three years w.e.f. 1st April, 2017 and fixation of her remuneration.		

Signed this..... day of..... 2016

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

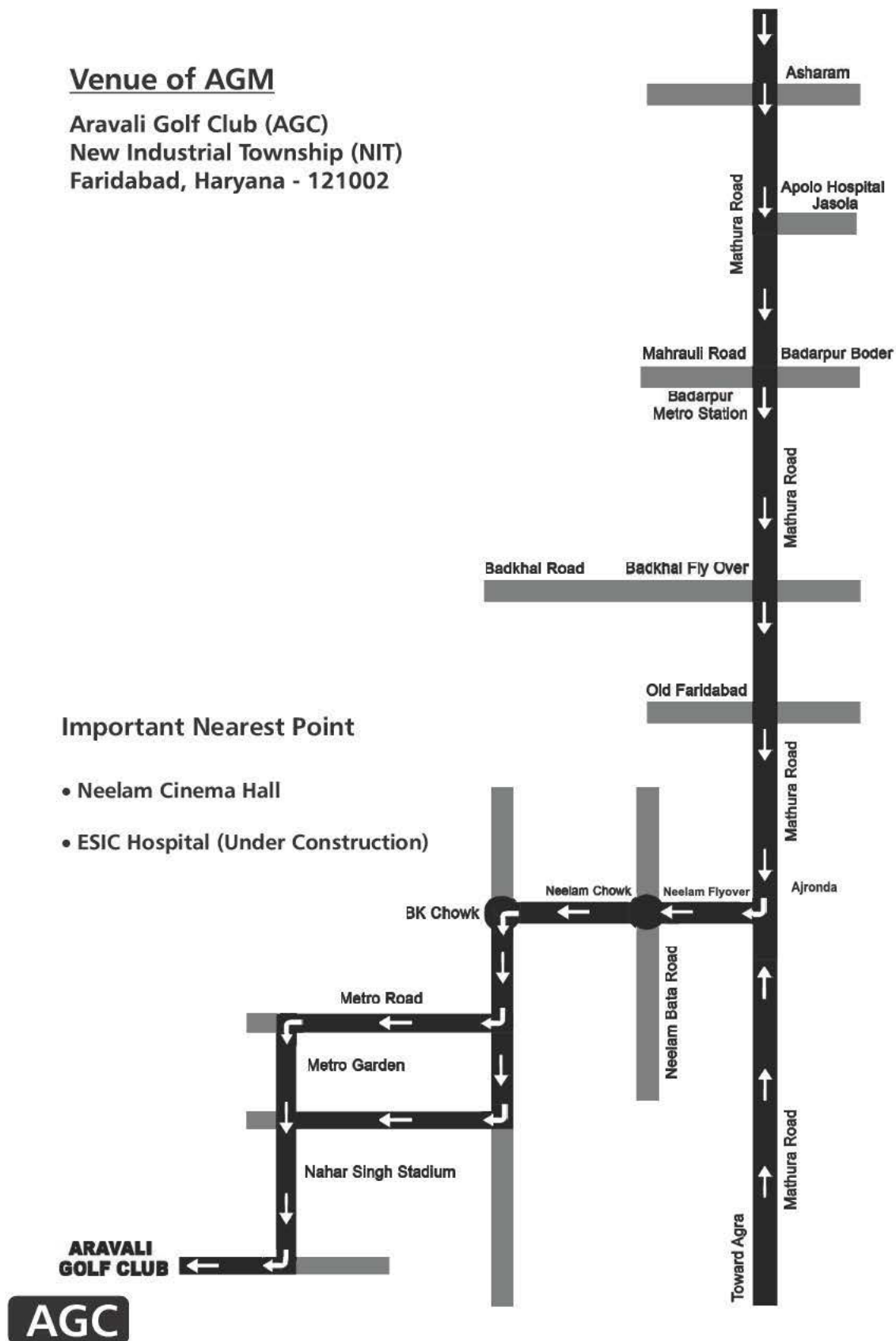
Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Venue of AGM

Aravali Golf Club (AGC)
New Industrial Township (NIT)
Faridabad, Haryana - 121002

Important Nearest Point

- Neelam Cinema Hall
- ESIC Hospital (Under Construction)



AGC

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

Company Secretary

Yashika Kansal

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

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

