

Action Construction Equipment Ltd.

Corporate & Regd. Office

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



Date: September 29, 2017

To,

The Manager Listing
BSE LTD.
5th Floor, P.J. Towers,
Dalal Street,
Mumbai-400001.

Scrip Code: 532762

The Manager Listing
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (E),
Mumbai-400051

CM Quote: ACE

Sub: Submission of Annual Report of 23rd Annual General Meeting of the Company as per requirement of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2017.

Dear Sir/Madam,

We are herewith submitting a copy of Annual Report of 23rd Annual General Meeting of the Company which was held on Friday, the September 29, 2017 at 11:30 a.m. at Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001 as per the requirements of regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2017.

This is for your information and record please.

Thanking you,

Yours Truly,

For Action Construction Equipment Limited

Anil Kumar
Company Secreatry
M. No. ACS: 37791



Encl: As above.



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Customer Care No.: 1800 1800 004 (Toll Free), CIN : L74899HR1995PLC053860

Nothing beats an **ACE**

www.ace-cranes.com

23rd Annual Report 2016-17



LIFTING
INDIA'S
INFRASTRUCTURE
GROWTH



Action Construction Equipment Limited

Mobile Cranes (3-50 Tonss)



Forklift Trucks



Mobile Tower Cranes



Lorry Loaders



Tractors



Vibratory Rollers



Backhoe Loaders



Motorgraders



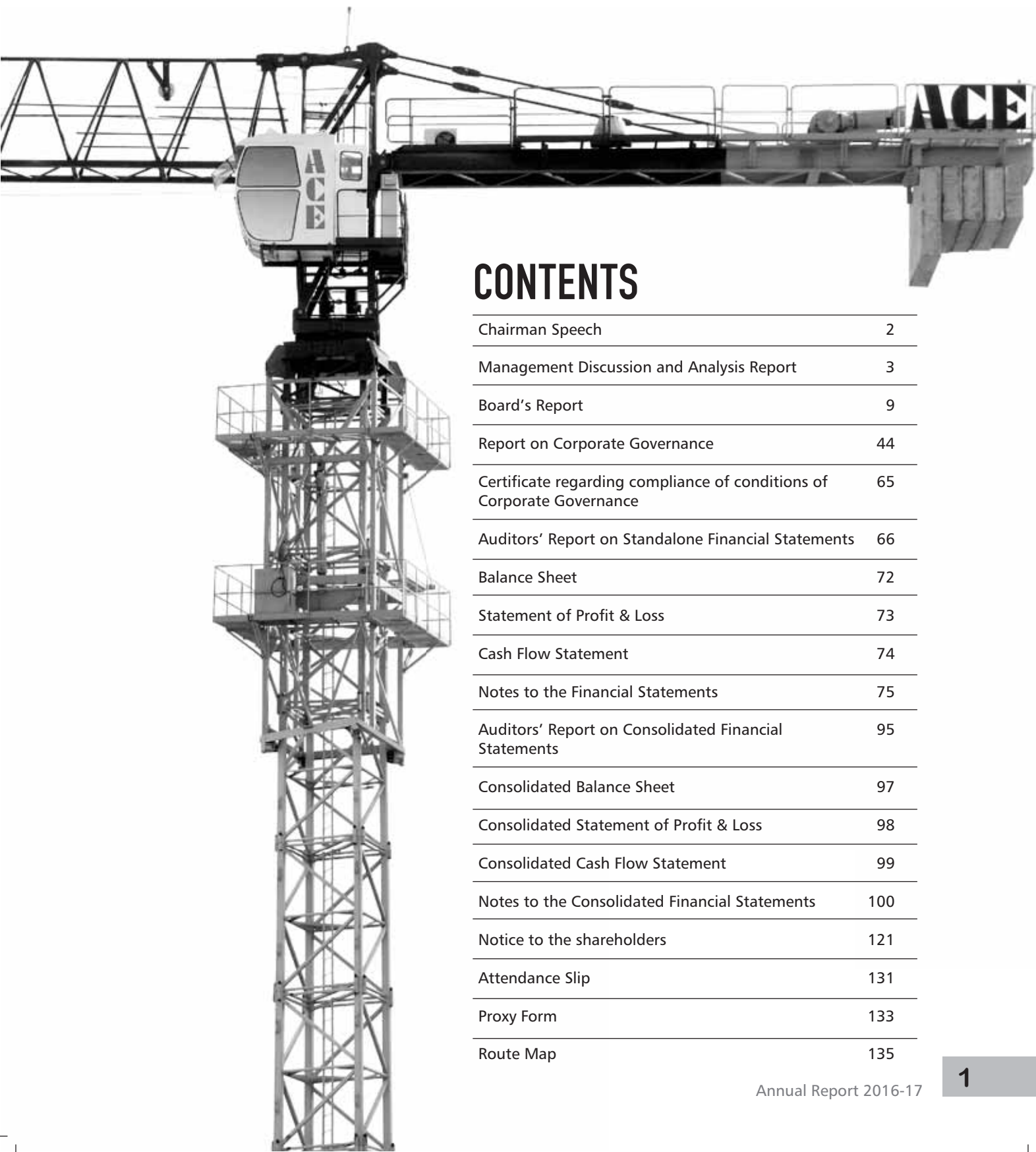
Crawler Cranes



Tower Cranes

Concerte Placing Booms





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Chairman's Speech



Dear Shareholders,

I am happy to report that our financial and operational performance in FY 2016-17 was commendable in a challenging business environment. Our focus on delivery and growth continued to yield results in what was a difficult year for the sector where we operate. Our Company generated PBDIT of Rs. 5018 lakh for the year. Our strong balance sheet and conservative financial profile is reflected through our strong credit rating.

It was yet another difficult year for the global economy, characterized by low growth and geopolitical uncertainties. In India, rural demand continued to be sluggish in the early part of the year. The overall market showed signs of recovery in the latter half of the year but faced a temporary slowdown in November due to demonetization. India is on the growth path.

I believe that the forthcoming year holds promise of improvement as far as investment momentum is concerned. The Government's focus on a slew of recent initiatives like, make in India, Smart cities, Railways, Irrigation, highway projects, water revitalization, rural and urban development, affordable housing projects, housing to all by 2022, focusing on improving rural infrastructure, aiming for a smooth flow of agriculture credit and funding under various irrigation schemes and other growth-stimulating infrastructure, places your company in a favorable position. We are future-ready to capitalize on the emerging opportunities.

The introduction of GST is a significant reform measure and will overtime help India in simplifying tax structure and compliance, aligning it with practices in developed countries.

By virtue of our engagement in the core sectors of the economy – agriculture, infrastructure and construction, our businesses make a unique contribution to the growth and development aspirations of the nation.

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

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

We invested in creating capacities and expanding our manufacturing base, products, and product support network. This was done to be able to cater to demand as it picked up.

In the year 2017-18, we will continue to strive to set higher benchmarks of performance and strengthen our engagement with our stakeholders. Our strategy is in place to build stronger partnerships among our suppliers and dealers, broaden our distribution network and expand our coverage to maximize reach. We are working towards cost optimization, lean processes and proficient operations to enhance our profitability.

We are looking forward to continue on our mission of generating sustainable value for our stakeholders. I would like to place on record my sincere appreciation to the Board of Directors for their guidance. I would like to express my gratitude to all our stakeholders for their continuing faith in ACE.

With best wishes,

Sincerely,

Vijay Agarwal

Chairman and Managing Director



Management Discussion and Analysis

❖ INDUSTRY STRUCTURES AND DEVELOPMENTS

India's economy gained momentum in last fiscal, robust urban consumption and public investment have supported growth, despite dismal global conditions. Despite an expected decline in the growth rate owing to slowdown in manufacturing, decline in budgetary capital expenditure and demonetization, India is expected to continue as the fastest growing large economy.

The country's economic growth is facing challenges such as subdued manufacturing, lower exports of services, and lower private capital expenditure. However, due to favorable indicators such as moderate levels of inflation, reduced Current Account Deficit (CAD), fiscal consolidation and transitory impact of demonetization, the Government expects India's GDP to expand at a growth rate between 6.75–7.5 % during 2017-18. Cheap borrowing costs and fading impact of demonetization could increase the private consumption and thereby further drive economic growth.

India's construction equipment industry, which was down in the dumps during last four years, has shown signs of recovery from 2016, on the back of increased highway construction; improved government spending on water revitalization and building new cities across the India. Growing public & private infrastructure, FDI reforms for construction sector, highway

projects and growing economy has led to the overall surge of construction equipment market in India.

India's construction equipment market is projected to reach 131 thousand units by 2022. The market declined during 2012 to 2016 owing to factors such as delay in project clearance issues and land acquisition delays. However, in coming years, owing to several construction projects in pipeline, the market for construction equipment is expected to witness growth led by surge in construction vehicle segment, followed by earthmoving segment. The Indian construction equipment industry is projected to exhibit a cumulative annual growth rate of 19% during 2013-2018.

The need for boosting infrastructure development has been core to the present Government of India's policies. There have been reforms to boost sectors like roads, railways, power distribution and rural and urban developments. Further initiatives by the government to develop 100 new smart cities and setup industrial hubs in the country through "Make in India" campaign would boost the overall construction equipment market in the country. Construction vehicle segment is leading the revenue market share on account of wide deployment in mining and construction sector.

The recent progress in highway road building activity and coal mining auction augurs well for the future. There is cautious optimism that by 2018-19, the industry will get back to an output level of 70,000 units that was achieved in 2011-12.

The Union budget for FY 2018 has allocated for infrastructure development Rs.3,96,135 crore being 14% increase compared to last year. The Union Budget has proposed to assign infrastructure status to the affordable housing projects, which is aligned with the government's aim to provide "housing to all" by 2022. The proposed positive changes for affordable housing and overall for the entire Real Estate sector will have a positive multiplier effect on many other including ACE tower cranes.

The Indian Government has heavily invested in the development of roads, railway tracks, airports, and overall infrastructure development, which involves the use of excavators, loaders, and other such heavy machinery. The key market players design and develop smart, internet-enabled, fuel & energy-efficient machinery, thus accelerating the market growth.

The Earthmoving and Construction Equipment (ECE) industry is back on track. This growth in the ECE industry is primarily driven by the roads and highways sector. This growth in the sector needs to be sustained, and a lot depends on the execution of the projects that are being announced.

The implementation of Goods and Services Tax (GST) is expected to improve tax compliance and governance, and will provide an impetus to the investments and growth in the country.

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

The Agriculture and Allied sector witnessed an improved rate of growth in FY 2017. This is largely on account of a normal monsoon throughout the country for the current fiscal, as against sub-par monsoon during in FY 2015 and FY 2016.

Focusing on improving rural infrastructure, the government has increased allocation on various schemes such as MNREGA, besides aiming for a smooth flow of agriculture credit and funding under various irrigation schemes.

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, harvesters will increase and will help your Company as it will result in robust growth in tractor volumes as well new products like track harvesters, rotavators launched in the recent past.

As far as the growth of equipment manufacturers (cranes,



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

❖ OPPORTUNITIES

The end-users are demanding world-class technology for better fuel efficiency, higher productivity and profitability; ACE come up with innovative solutions to meet customer expectations.

Demand for construction equipment is likely to rise as a result of growth in traditional end-user industries, including construction and mining. Thus, the ACE in India can tap these markets. Growing urbanization is also set to positively impact the growth of ACE.

Government of India's Make in India campaign, 100 'Smart Cities' project and 'Housing for All' scheme covered in over



300 cities would also provide the necessary boost to the demand for construction equipment in the years to come.

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.

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.

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**

- Many new construction equipment players have emerged in the country and many more will hit the ground in the coming years. Thus, the construction equipment companies in India will have to face stiff competition.

- While construction equipment manufactures in India will continue to put in the market increasingly sophisticated machines in greater numbers, the industry might have to face an increasing shortage of trained manpower to operate and service these machines, thus impacting sales.
- 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.
- Unforeseen business losses.

❖ **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

Company operates mainly in three segments i.e. Cranes, Material Handling/Construction Equipment and Agri Equipment. The Company has a balanced approach to the Cranes, Material Handling/Construction Equipment and Agri Equipment/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 2016-17, Cranes revenues increased by 19.46%, Material Handling/Construction Equipment division revenues increased by 62.13% as compared to previous year whereas Agri Equipment/Tractor division revenues were down by 0.52% in 2017 as compared to 2016.

Cranes division profits increased by 3% because of various cost initiatives taken by the Company.

Material handling / Construction equipment division profit increased by 695% because of increase in revenue and various cost initiative taken by the Company.

Agri Equipment Division profits increased by 173% mainly due cost initiative taken by the Company.

❖ **OUTLOOK**

The construction equipment industry is going to see a change in the coming years due to modifications in the infrastructure, construction and mining sectors in India. India's infrastructure industry has the biggest potential for growth and



opportunities for investment. We see the construction industry on the rise and foresee a positive trend in equipment purchase with more players entering into the aggregate industry. Some factors that are currently driving the demand for construction equipment in India include heavy investments in various infrastructural projects by public and private enterprises in areas like road construction and its maintenance, ports, power plants, telecommunication sector, urban infrastructural developments, smart cities, clean India and fast train projects etc.

The growth is back in India and government financed infrastructure outlays have started, especially in highways, housing, and railways. 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.

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

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

optimization and process with improvement will continue.

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

FY 2018 will be a year for reviving the business with process improvement initiatives which should see better performance of the Company.

❖ 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 sustainability create value for its stakeholders.

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

- **Resource Risks :** This risk refers to the timely availability of resources – particularly raw material, spare parts, fuel and labor. It also includes the risk that the raw material prices might move adversely, variations in prices of steel and other commodities. Rising material costs affect profitability and competitiveness. The major impediments today faced by the construction equipment industry in raising the levels of productivity are the acute shortage of skilled manpower, both at worker and supervisory levels, as well as the lack of experienced construction equipment engineers. The industry as a whole needs to do a lot more to address the lack of talent. Dearth of right talent could restrict the industry growth leading to rise in costs and the success of projects may be compromised.
- **Risks from Competition:** In recent years, India's liberalized regime has created opportunities and also increased competition in the construction equipment business, which has seen significant interest of foreign

players, mean overseas companies winning work at the expense of local players or partnering with them. New competitors entering the market and the current competitors pricing more aggressively intensifies the highly competitive condition that already exists.

- **Risks from Suppliers** : A construction equipment company relies on innumerable third parties for timely supply of specified raw materials, components, equipment and services. Some events could result in the complete or partial failure of supplies or in supplies not being delivered on time. Supply disruptions may also be the result of excessive dependence on a single supplier.
- **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.
- **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 normal monsoon in the current fiscal. Tractor sales run the risk of demand drop in case of significant variations in the monsoons.

❖ INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Management has laid down internal financial controls to be followed by the Company. We have adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies,

the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

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.

❖ FINANCIAL PERFORMANCE REVIEW

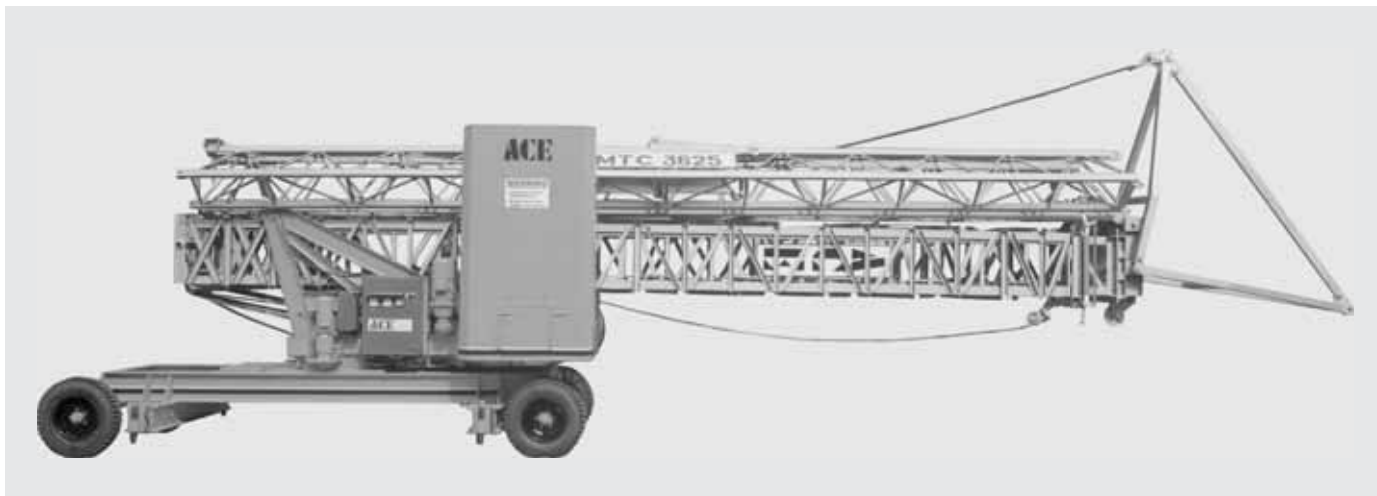
The key highlights of financial performance of standalone business are as under:

- Total Revenue for the FY 2016-17 was Rs 77,551 lakh compared to Rs. 65,005 lakh in the previous year, a growth of 19.30%.
- The profit before depreciation, interest and tax stood at Rs. 5,018 lakh in the year 2016-17, as against Rs. 4,043 lakh in the previous year, representing a growth of 24.12%.
- The profit after tax is Rs.1,964 lakh in the year 2016-17 as against Rs. 881 lakh in the previous year i.e. an increase of 123 %.

The Board has recommended dividend of Rs. 0.30 i.e (15%) per equity share of face value of Rs. 2 each, for the financial year ended March 31, 2017.

❖ MATERIAL DEVELOPMENTS IN HUMAN RELATIONS / INDUSTRIAL RELATIONS

The values and behaviors at ACE have inculcated a deeper sense of connect and engagement for its people. ACE fosters a culture that is performance oriented, promotes rewards for results and helps its people grow. ACE's workforce is one of the most critical resources for the Company and it is working tirelessly to foster a growth driven culture. Over the last couple of years the Company has brought about a major



transformation in its approach towards human resource management. The focus is on development of employees at professional and personal levels using a pioneering, integrated approach to all its employees. ACE is committed to building a system that encourages the development of future leaders from within the folds of the Company.

Industrial relations were cordial throughout the year.

❖ 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.

❖ 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

Dear Members,

The Directors are pleased to present the 23rd Annual Report on the business and operation of the Company together with Audited Statement of Accounts for the financial year ended March 31, 2017.

	(Rs. in Lakh)	
FINANCIAL RESULTS	2016-17	2015-16
Gross Turnover	77,551	65,005
Excise Duty	4,603	3,616
Net Turnover	72,948	61,389
Operating and Other Income	2,821	3,288
Total Income	75,769	64,677
Profit before Depreciation, Interest and Tax	5,018	4,043
Less:		
Depreciation	1,254	1135
Interest	1,305	1401
Provision for Taxation	495	626
Net Profit after Tax	1,964	881
Profit brought forward	6,241	4,894
Balance of Amalgamating Company	—	918
Profit available for Appropriation	8,205	6,693
Appropriations:		
Dividend	594	209
Corporate Tax on Dividend	121	43
Amount transferred to General Reserve	200	200
Profit carried to Balance Sheet	7290	6,241



FINANCIAL PERFORMANCE

During the financial year under review, on a standalone basis, your Company has achieved gross turnover of Rs.77,551 lakh as compared to Rs.65,005 lakh in the previous year, thereby registering a growth of 19.30%. The profit before depreciation, interest and tax stood at Rs. 5,018 lakh in the year 2016-17, as against Rs. 4,043 lakh in the previous year, representing a growth of 24.12%.

The profit after tax is Rs.1,964 lakh in the year 2016-17 as against Rs. 881 lakh in the previous year i.e. an increase of 123 %.

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 the cost and increase its market share in all products.

STATE OF COMPANY'S AFFAIRS

The financial year 2016-17 embarked upon visible improvement in operating margins due to focused cost efficiency measures, price discipline and low commodity prices.

During the year, we 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.

AMOUNTS TRANSFERRED TO RESERVES

Your Company proposes to transfer Rs. 200.00 Lakh to the general reserve out of the amount available for appropriation.

DIVIDEND

The Board has recommended the dividend of 8% on Preference Share Capital of the Company which will result in an outflow of Rs. 290.97 lakh (including Corporate Dividend Tax of Rs. 49.22 lakh).

The Board has recommended a final dividend of Rs. 0.30 i.e (15%) per equity share for the financial year ended March 31, 2017, which will result in an outflow of Rs. 423.62 lakh (including Corporate Dividend Tax of Rs. 71.65 lakh).

The payment of dividends are subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the business of the Company during the financial year ended March 31, 2017.

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.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

Your Company has a wholly Owned Subsidiary and a Fellow Subsidiary as on March 31, 2017, namely:

1. Frested 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.

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement/Highlights of performance of a company's subsidiary or subsidiaries, is given 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

The Board consists of executive and non-executive directors those have wide and varied experience in different disciplines of corporate functioning.

Mrs. Surbhi Garg (DIN:01558782) has been reappointed as Whole Time Director (Executive Director) of the Company by the Board in their meeting held on May 19, 2016 duly approved by the members of the Company in their Annual General Meeting held on September 23, 2016 for a period of three (3) years with effect from April 1, 2017.

In accordance with Article 88(1) of the Articles of Association of the Company, Mr. Sorab Agarwal (DIN : 00057666) will be liable to retire by rotation in ensuing Annual General Meeting and being eligible offer himself for re-appointment at the forthcoming AGM.

The Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

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 the Company is disqualified under Section 164(2) of the Companies Act, 2013 and Rules made there under.

KEY MANAGERIAL PERSONNELS

Pursuant to the Provisions of Section 203 of the Companies



Act, 2013, Mr. Vijay Agarwal, Chairman & Managing Director, Mrs. Mona Agarwal, Mr. Sorab Agarwal & Mrs. Surbhi Garg, Whole-Time Directors, Mr. Rajan Luthra, CFO and Mrs. Yashika, Company Secretary are designated as Key Managerial Personnel of the Company.

ANNUAL GENERAL MEETING

During the Financial Year 2016-17, 22nd Annual General Meeting of the Company was held on September 23, 2016 at 11:00 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001.

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 appropriates 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.

Sitting fee of independent directors for attending the board meetings and other committee meeting has been increased from Rs.10,000/- (Rupees Ten Thousand only) to Rs.15,000/- (Rupees Fifteen Thousand only) per meeting with effect from



February 7, 2017 as decided by Board of directors of the Company.

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.

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 BOARD 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, forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) Have followed in the preparation of Annual Accounts for the financial year 2016-17, the applicable Accounting Standards and no material departures have been made for the same;
- ii) Had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;

- iii) Had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) Had prepared the annual accounts on a going concern basis;
- v) Have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) Have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

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.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

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

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 (CSR)

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 and reviewed time to time by the Board. The CSR policy is available at the website of the Company viz www.ace-cranes.com. The ACE was mandatory required to spend Rs. 22.70 lakh on CSR activities in financial year 2016-17 whereas the Company has spent Rs. 100.00 lakh on CSR activities which are more than the mandatory requirement. The Annual Report on CSR Activities, as stipulated under the Act forms an integral part of this Report and is appended as **Annexure-IV**.

RISK MANAGEMENT

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

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

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

SEXUAL HARASSMENT POLICY

The Company has laid down sexual harassment policy pursuant to provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith. The Company has zero tolerance on sexual harassment at workplace. During the financial year 2016-17, no complaint was received under this policy. This policy is made 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

M/s Rajan Chhabra & Co. Chartered Accountants, Statutory Auditor of the Company were appointed in the 20th Annual General Meeting to hold office until the conclusion of 23rd Annual General Meeting.

As per Companies Act, 2013 ('The Act') and rules made thereunder. M/s Rajan Chhabra & Co have completed their term and are not eligible for re-appointment. Based on recommendation of Audit Committee, your company seeks approval for the appointment of M/s BRAN & Associates, Chartered Accountants (Firm Registration No. 014544N) as the statutory auditors of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting of the Company till the conclusion of the 28th Annual General Meeting to be held in the calendar year 2022.

There is no qualification or reservation or remarks made by the Auditors in their Report. The Notes on Financial Statements referred to in the Auditors report are self-explanatory and do not require any further comments.

COST AUDITORS

In terms of the provisions of Section 148 read with Companies (Cost Record and Audit) Rules, 2014, and other applicable provisions, if any of the Companies Act, 2013, the Board has appointed M/s Vandana Bansal & Associates, Cost Accountants (Firm registration No. 100203) as cost auditors of Company for the financial year 2016-17 to conduct audit of the cost records of the Company. Cost audit report for financial year 2016-17 will be filed with the Ministry of Corporate Affairs within stipulated time period.

Further, as per the provisions of the Companies Act, 2013, the Board of Directors of your Company on the recommendations of the Audit Committee has appointed M/s. Vandana Bansal & Associates, Cost Accountants as the Cost Auditor for the financial year 2017-18. The remuneration proposed to be paid to cost auditor requires ratification of the shareholders of the Company, in view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

SECRETARIAL AUDITOR AND REPORT

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s MZ & Associates, Practicing Company Secretary was appointed to conduct the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report is annexed to this Report as **Annexure V**.

The report is self-explanatory and do not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF THE EMPLOYEES AND RELATED DISCLOSURES

The total number of permanent employees as on March 31,

2017 stood at 1014 employees as compared to 1062 as on March 31, 2016.

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

PUBLIC DEPOSITS

During the year, your Company did not accepted any public deposits under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2017.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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.

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

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

EXTRACT OF ANNUAL RETURN

In accordance with section 134(3)(a) of the Companies Act, 2013, the extract of Annual return pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 in form MGT-9 is annexed herewith as **Annexure -VIII** and forms a 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 2016-17:

1. Issue of shares with differential rights: Not issued
2. Buy back of securities :No
3. Issue of sweat equity shares: Not issued
4. Bonus shares : Not issued
5. Employees stock option: Not issued
6. The Managing Director and the Whole-time Directors does not receive any remuneration or commission from any of its subsidiaries.

7. 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 Limited

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

Place : New Delhi
Dated: May 19, 2017

Annexure-I of Board's Report

Form AOC-I

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

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

Part "A": Subsidiaries

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

S. No.	Details	Particulars	
1.	S. No.	1	2
2.	Name of the subsidiary	Frested Limited, Cyprus-Wholly Owned Subsidiary	SC Forma SA, Romania - Fellow Subsidiary
3	The date since when subsidiary was acquired	29.12.2006	01.02.2007
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	01.01.2016 to 31.12.2016
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	US Dollar, Rs. 64.84	RON, Rs. 15.84
6.	Share capital	0.84	170.31
7.	Reserves & surplus	(2609.74)	(384.79)
8.	Total assets	139.70	407.01
9.	Total Liabilities	2745.72	192.24
10.	Investments	138.63	Nil
11.	Turnover	Nil	2.62
12.	Profit before taxation	(31.24)	(14.07)
13.	Provision for taxation	Nil	Nil
14.	Profit after taxation	(31.24)	(14.07)
15.	Proposed Dividend	Nil	Nil
16.	%age of shareholding	100%	89.50%

Notes: There are no subsidiaries which are yet to commence operations.
There are no subsidiaries which have been liquidated or sold during the year.

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

For and on behalf of the Board of Directors

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

Sd/-
Subhash Chander Verma
Independent Director
DIN No. 00098019

Place : New Delhi
Date : May 19, 2017
Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Yashika Kansal
Company Secretary

Sd/-
Sorab Agarwal
Executive Director
DIN No. 00057666

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 Senior Management. Senior Management means the person holding the designation of President or CEO.

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 belongingness and involvement, besides offering appropriate remuneration packages and other benefits to the directors, KMP and Senior Management. 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, Key Managerial Personnel (KMP) and Senior Management.

Appointment criteria and qualifications

The NRC shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP and Senior Management and recommend to the Board his/her appointment. A person should possess adequate qualifications, expertise and experience for the position 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.

Remuneration of Whole Time Directors including Chairman & Managing Director and Executive Directors reflect 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 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 also subject to 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., Gratuity, etc. as per rules of the Company.

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:

- 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.

Key Managerial Personnel and Senior Management

Remuneration of KMP and 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, Personal Medical Insurance etc.
3. Retirement benefits - contribution to PF, gratuity, etc. as per Company Rules.

4. Variable payments - performance linked variable pay reflecting short and long term performance.
5. Any other payment which may be decided by the Chairman and Managing Director.

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. Any departure from the policy can be undertaken only with the approval of the Board of Directors.

Dissemination the Company's Remuneration Policy shall be disclosed in the Board report.

Annexure III of Board's Report

Form No. AOC-2

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

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

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

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

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

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

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

Date : May 19, 2017

Place : New Delhi

For & on behalf of
Action Construction Equipment Limited

S/d-
Vijay Agarwal
Chairman & Managing Director
DIN No. 00057634

Annexure IV of Board's Report

Annual Report on the Corporate Social Responsibility (CSR) activities for the financial year 2016-17

(Rs. in Lakh)

1	A brief outline of the company's CSR Policy including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and the projects or programs.	a) The CSR Policy of the Company has been uploaded on the website of the Company and can be accessed at www.ace-cranes.com b) For the projects or programs under taken by the Company, please refer to CSR section in this Annual Report.
2	Composition of the CSR Committee	1. Dr. Amar Singal, Chairman 2. Dr. Keshav Chandra Agarwal, Member 3. Mrs. Mona Agarwal, Member
3	Average net profit of the company for the last three financial year years as per Section 198 of the Companies Act, 2013	1134.94
4	Prescribed CSR expenditure (2% of the amount mentioned in item 3 above)	22.70
5	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 2016-17

(Rs. in Lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project/activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project/ Program (1) Local area/ Other, (2) State and district where projects/ programs were undertaken	Amount out-lay (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 2016-17	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	200.00	100.00	100.00	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 : May 19, 2017

Sd/-
Vijay Agarwal

Chairman and Managing Director

Sd/-
Amar Singal

Chairman CSR Committee

Annexure V of Boards' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[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, Dudhola
Palwal, Haryana - 121102,

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 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;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006 regarding the Companies Act and dealing with client;
 - (vi) The Employees State Insurance Act, 1948;
 - (vii) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
 - (viii) Employers Liability Act, 1938;
 - (ix) Environment Protection Act, 1986 and other environmental laws;

- (x) Air (Prevention and Control of pollution) Act, 1981;
- (xi) Factories Act, 1948;
- (xii) Industrial Dispute Act, 1947;
- (xiii) Payment of Wages Act, 1936 and other applicable labour laws;

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the BSE Limited and The National Stock Exchange of India Limited and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that;

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.
- There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under review and as per information provided by the management pursuant to the scheme of amalgamation (merger) approved and sanctioned by Hon'ble High Court of Punjab and Haryana vide order dated 17th November, 2015 between ACE TC Rentals Private Limited (Transferor Company) with Action Construction Equipment Limited (Transferee Company). Pursuant to the said order Action Construction Equipment Limited had allotted 1,83,83,000 equity shares and 3,02,19,380 Cumulative Non-participating Redeemable Preference Shares to the shareholders of ACE TC Rentals Private Limited. Further, Company had applied for listing and trading approvals from both BSE Limited and National Stock Exchange of India Limited. Both BSE Limited and The National Stock Exchange of India Limited gave their in principle approval for listing of equity shares. The National Stock Exchange of India Limited has given their in principle approval of listing of Cumulative Non-participating Redeemable Preference Shares but BSE Limited did not give in principle approval of listing of Cumulative Non-participating Redeemable Preference Shares and referred the matter to SEBI for their approval. As on date, company's case is pending with SEBI for their approval due to which listing of both equity and Cumulative Non-participating Redeemable Preference Shares are pending.

Further, we report that there were no instances of:

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

Date : 10th May, 2017
Place : New Delhi

**For MZ & Associates
Company Secretaries**

Sd/-
CS Mohd Zafar
Partner
FCS 9184
CP: 13875

Annexure VI of Board's Report

Particulars of employees

1. INFORMATION AS PER RULE 5(1) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No.	Requirement of Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	DETAILS			
		Name of Directors	Remuneration (2016-17) (Rs. in lakh)	Ratio to the MRE	
1	The Ratio of the remuneration of each Director to the median remuneration of the employees (MRE) of the company for the Financial Year.	Mr. Vijay Agarwal	267.40	100.90	
		Mrs. Mona Agarwal	134.30	50.68	
		Mr. Sorab Agarwal	36.47	13.76	
		Mrs. Surbhi Garg	18.49	6.98	
		Mr. Girish Narain Mehra*	1.15	0.43	
		Mr. Subhash Chander Verma*	1.35	0.51	
		Dr. Amar Singal*	1.60	0.60	
		Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal*	0.50	0.19	
2	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the Financial Year.	Name of Directors	Remuneration (2016-17) (Rs. in lakh)	Remuneration (2015-16) (Rs. in lakh)	% Change
		Mr. Vijay Agarwal	267.40	266.29	0.42
		Mrs. Mona Agarwal	134.30	134.60	(0.22)
		Mr. Sorab Agarwal	36.47	34.88	4.56
		Mrs. Surbhi Garg	18.49	41.64	(55.60)
		Mr. Girish Narain Mehra*	1.15	1.00	15.00
		Mr. Subhash Chander Verma*	1.35	1.60	(15.63)
		Dr. Amar Singal*	1.60	1.60	0
		Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal*	0.50	0.70	(28.57)
		Name of Key Managerial Personnel (KMP)			
		Mr. Rajan Luthra	52.53	46.68	12.53
		Mrs. Yashika Kansal	5.28	0.75#	N.A.
		*Independent Directors (received only sitting fees for Board and Committee meetings).			
		# for the period 06th Feb. 2016 to 31st March, 2016.			

3.	The percentage increase in the median remuneration of employees in the Financial Year.	9.05%
4	The Number of permanent employees on the rolls of the Company as on 31.03.17.	1014
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional remuneration.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 7.50% whereas average percentile decrease in the managerial remuneration in the last financial year is 2.84%.
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Remuneration paid during the year ended March, 31, 2017 was as per the Remuneration Policy of the Company

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

Particulars of employees pursuant to the Rule 5(2) & (3) of rules the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 to whom the Company pays remuneration aggregating to Rs. one crore and two lakh rupees or more per annum or Rs. eight lakh and fifty thousand rupees per month or more if employed for the part of the year as on 31.03.2017 are given as under:

Name	Designation	Remuneration received (Rs. in lakh)	Nature of employment	Educational Qualification	Experience (in years)	Date of commencement of Employment	Age (years)	Previous Employment	% of equity shares
Mr. Vijay Agarwal	Chairman & Managing Director	267.40	Permanent	BE Mechanical and MBA	46 Years	13.01.1995	68	Bhartiya Cuttler Hammer Ltd., Escorts Ltd.	35.24
Mrs. Mona Agarwal	Whole Time Director	134.30	Permanent	Under Graduate	22 Years	13.01.1995	61	–	25.84

Annexure VII of Board's Report

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

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

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

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 has already issued orders for installation of solar panel which have capacity of generating approximate 1MW of electricity per annum.

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.

B. TECHNOLOGY ABSORPTION

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 Dudholla 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 2016-17:

S. No.	Title & Scope of Ongoing & Future R & D Project
1	Design & Development of ACE Wheel Harvester
2	DI7070-70hp category tractor model 4WD+FEL application
3	60HP 4 Cyl engine implementation
4	Development of DI305NG/25hp/2cyl with NG series engine of ACE
5	Cost reduction in 3PL(point linkage) of 1800 CRE hyd

S. No.	Title & Scope of Ongoing & Future R & D Project
6	Development of 60hp tractor with sliding mesh transmission
7	75hp- design and development
8	4WD- Tractor model 40hp,45hp,50hp & 60hp
9	Development of Higher HP 4 Cylinder Turbocharged Engines with Intercooler (76HP & 90HP)
10	60hp 4WD drive Tractor with Cararro transmission For Export
11	75hp 4WD drive Tractor with carraro transmission for Export
12	4WD -60hp engine and tractor for e- marking for Exprot South Africa /Iran/Morroco
13	4WD -75hp/90hp engine and tractor for e- marking for Exprot South Africa /Iran/Morroco
14	4WD Tractor Model 75 hp MPT With attachments-For Defense
15	4WD Tractor Model 60-65hp GPT With attachments-For Defense
16	90hp 4WD Drive Tractor with Carraro Transmission for Export
17	Development of BETA project
18	Adoption of Cluster in 12XW, 14XW, 15XW models
19	Telehandler attachment for Pick n Carry Cranes
20	Development of Flat Top Tower Crane TC-5040 T/TC-5540 T
21	AF30D with Simpson Engine & Fluid Coupling
22	AF20D with Simpson Engine & Fluid Coupling
23	AF50D – 5 TON (Automatic Transmission)
24	Mast 3.0m STD – AF50D, AF15E
25	Mast 3.6m STD – AF50D, AF15E
26	Mast 4.5m FFL – AF50D, AF15E
27	Mast 6.0m FFL – AF20D/ AF25E/ AF20E
28	Development of TC 6552 Inner climbing
29	COW 40m Tower
30	MTC 1818
31	Modification of Paper Roll Clamp (PRC) with Range 250~1300, 630~1300 & 630~1600
32	Furnace Stoking 30D L=5.5m
33	Lifting Shovel (for lifting of dead animal)
34	Pin type Carriage for 5.0 Ton Forklift
35	Design & development of truck mounted full slew crane of 21 T-m lift capacity (AB213)
36	Design & development of truck mounted full slew crane of 16 T-m lift capacity (AB163)
37	Devlopment of Straight Boom Truck mounted crane 15T(SBC-153)
38	Devlopment of Truck mounted crane 202L (Smerch)
39	Design & development of Lorry Loader Crane AB-83
40	Design & development of truck mounted full slew crane of 21 T-m lift capacity (AB213)
41	Design & development of truck mounted full slew crane of 16 T-m lift capacity (AB163)
42	Devlopment of Straight Boom Truck mounted crane 16T-m(SB-163)
43	Devlopment of Truck mounted crane 202L (Smerch)
44	Design and development of 20 ton full slew mobile crane, 20XW

S. No.	Title & Scope of Ongoing & Future R & D Project
45	Design & development of Heavy recovery vehicle for defence
46	Design & development of 50 hp skid loader
47	Design & development of backhoe attachment for skid loader
48	Design & development of man carrying basket for lorry loader
49	Development of New crane 6xw development
50	Development of New crane 16xw development
51	Man basket attachment for Pick & Carry crane
52	Ram attachment for Pick-n-Carry crane
53	New cabin development for export pick & carry crane
54	Hydraulic connection option add for grabber attachment in pick & carry crane
55	Magnet attachment for carry the plates with magnet
56	Development of F160 with tata engine pick & carry crane
57	Development of box type outriggers on F160 pick & carry crane
58	Development of F210 with Ashok leyland axles pick & carry crane
59	Development of F210 with Eicher axles pick & carry crane

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 :

S. No.	Title & Scope of Ongoing & Future R & D Project
1	Development of ACE Rotavator 8FT (Heavy Duty)
2	Development of ACE Rotavator (Light Weight)
3	Development of ACE Laser Land leveler
4	Development of ACE Baler
5	Development of ACE Straw Reaper
6	Advance Hydraulic Lift for 1200kg/1800kg
7	Hydraulic lift 1800kg upgrade to 2000kg
8	Multi speed Transmission 60hp to 90hp
9	75/90 hp tractor with multispeed transmission
10	Development of 110hp Engine for export
11	Development of 110hp Tractor model with Carraro transmission for export
12	Upgradation of engine 25 hp, 32hp, 40hp, 45hp, 50hp and 60hp for next emission level -Bharat stage Trem IV
13	Development of 75hp engine with common rail (CRDI) EURO IV

S. No.	Title & Scope of Ongoing & Future R & D Project
14	Development of 90hp engine with common rail (CRDI) EURO IV
15	Development of 110 hp engine with common rail (CRDI) EURO IV
16	Development of 75hp 4WD Tractor model with common rail (CRDI) EURO IV for Export
17	Development of 90hp 4WD Tractor model common rail (CRDI) EURO IV for Export
18	Development of 110hp 4WD Tractor model having common rail(CRDI) for Export
19	4WD Tractor Model 75/90hp with Non AC cabin-For Export
20	4WD Tractor Model 75/90hp with AC cabin-For Export
21	Development of Telehandler
22	Development of 30 ton 4 Wheel Drive Pick-n-Carry crane (FX300)
23	Development of Fixed Tower Crane TC-7054
24	Forklift 40D, 30E, 100D
25	Mast 3.0m FFL – AF50D, AF40D
26	Mast 4.5m FFL – AF40D, AF100D
27	Mast 3.6m STD – AF40D
28	Mast 3.0m STD – AF40D, AF100D
29	Development of Crawler Crane 25, 80 & 100 Ton Capacity
30	Self propelled truck mounted crane 25 Ton Capacity
31	Self propelled truck mounted crane 30 Ton, 5 Ton and 75 Ton Capacity
32	Development of TC 6544
33	Development of TC 7060 (Travelling Type)-FSH62 m
34	Crawler 40 Ton and 75 Ton Free Fall with 2 nos separate winches
35	Self propelled truck mounted crane 40 Ton Capacity with Mahindra Drive line
36	Development of Motor Grader AG165
37	Brice block Clamp 700-1900
38	AF50D with Mechanical Transmission
39	Various types of Ram Attachments
40	Development of Defence Forklift with Cold starting device
41	Design & development of straight boom Lorry Loader Crane SB-813
42	Design & development of clamshell bucket for lorry loader
43	Design & development of log grapple for lorry loader
44	Design & development of 6-in-1 bucket for skid loader
45	Design & development of motor grader, 173 hp
46	Design & development of 100 hp dozer
47	Development of BETA project
48	Adoption of Cluster in 12XW, 14XW, 15XW models
49	Telehandler attachment for Pick n Carry Cranes
50	Development of Telehandler ATH300,ATH250
51	Development of 30 ton 4 Wheel Drive Pick-n-Carry crane (FX300)

IV) Expenditure on Research & Development :

S. No.	Particulars	Amount (Rs. in Lakh)
1	Capital Expenditure	2.93
2	Revenue expenditure (Incl. Salary to R&D Staff and other related expenditures)	659.67
	Total	662.60

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:

- 1) Crawler Crane model no 150T (2016-17)
- 2) Tower Cranes model no 5013 (2015-16)
- 3) Tower Cranes model no 5510 (2015-16)
- 4) Crawler Crane model no QUY 25 (2015-16)
- 5) Truck Mounted Crane (2015-16)
- 6) Inner climbing frame (2014-15)
- 7) Tower Cranes model no 6520 (2014-15)
- 8) Tower Cranes model no 7030 (2014-15)
- 9) 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 crawler cranes, which is under absorption.

c) FOREIGN EXCHANGE EARNINGS AND OUTGO :

S. No.	Particulars	Amount (Rs. in Lakh)
1	Foreign Exchange Earned	1,208.65
2	Foreign Exchange Outgo	5,890.18

Annexure VIII of Board's Report
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As at Financial Year Ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (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 :-	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 :-

S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company on the basis of Gross Turnover
1	Cranes	291- Manufacture of general purpose machinery	65.20
2	Material Handling/ Construction Equipment	291- Manufacture of general purpose machinery	13.92
3	Agri Equipment	292-Manufacture of special purpose machinery	20.88

ATTACHMENT-B

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

S. No.	Name & Address of the Company	CIN/GLN	Holding/subsidiary/ Associate	% of Shares Held	Applicable Section
1	FRESTED Limited, Pyndarou 27, Alpha Business Centre, 2nd Floor, P.C. 1060, Nicosia, Cyprus	HE189137	Wholly Owned Subsidiary	100.00	2(87)(ii)
2	SC FORMA SA, Botosani (Romania)	NA	Fellow Subsidiary	89.50	2(87)(ii)

ATTACHMENT-C

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

I Category-wise Share Holding

CATE- GORY CODE	Category of Shareholder	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (As on 01-04-2016)				NO. OF SHARES HELD AT THE END OF THE YEAR (as on 31-03-2017)				% 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	67369047	18383000	85752047	73.09	67376120	18383000	85759120	73.10	0.01
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	67369047	18383000	85752047	73.09	67376120	18383000	85759120	73.10	0.01
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1) + A(2)	67369047	18383000	85752047	73.09	67376120	18383000	85759120	73.10	0.01
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	1592511	0	1592511	1.36	1869048	0	1869048	1.59	0.23
(b)	Financial Institutions /Banks	64493	0	64493	0.05	79471	0	79471	0.07	0.02
(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	2400000	0	2400000	2.05	1989292	0	1989292	1.70	-0.35
(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) :	4057004	0	4057004	3.46	3937811	0	3937811	3.36	-0.10
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	4126946	0	4126946	3.52	4250277	0	4250277	3.62	0.10
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	16108777	65106	16173883	13.79	15243882	64353	15308235	13.05	-0.74
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	5980504	0	5980504	5.10	6532799	0	6532799	5.57	0.47
(c)	Others									
	Clearing Members	132907	0	132907	0.11	368914	0	368914	0.31	0.20
	Non Resident Indians	1098709	0	1098709	0.94	1015754	0	1015754	0.87	-0.07
	NRINON-Repatriation	0	0	0	0.00	148090	0	148090	0.13	0.13
	Trusts	1000	0	1000	0.00	2000	0	2000	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	27448843	65106	27513949	23.45	27561716	64353	27626069	23.55	0.10
	Total B=B(1)+B(2) :	31505847	65106	31570953	26.91	31499527	64353	31563880	29.90	2.99
	Total (A+B) :	98874894	18448106	117323000	100.00	98875647	18447353	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) :	98874894	18448106	117323000	100.00	98875647	18447353	117323000	100.00	0.00

ATTACHMENT-D

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

ii SHARE HOLDING OF PROMOTERS

S.No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2016)			Shareholding at the end of the year (As on 31-03- 2017)			% 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/ encum- bered to total shares	
1	Vijay Agrawal	41341907	35.24	0	41341907	35.24	0	0.00
2	Mona Agrawal	30314407	25.84	0	30314407	25.84	0	0.00
3	Sorab Agarwal	7122650	6.07	0	7122650	6.07	0	0.00
4	Surbhi Garg	6923083	5.90	1.47	6930156	5.91	1.45	0.01
5	Anuradha Garg	50000	0.04	0	50000	0.04	0	0.00

ATTACHMENT-E

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

iii Change in Promoters' Shareholding

S. No.	Name	Shareholding No. of shares at the beginning (01-04-2016)	% of total shares of the Company	Date	Increase / Decrease in share- holding	Reason	Cumulative Share hold- ing during the year (01-04-16 to 31-03-17)	
							No of shares	% of total shares of the Com- pany
1	Vijay Agarwal	41341907	35.24		0		41341907	35.24
2	Mona Agarwal	30314407	25.84		0		30314407	25.84
3	Sorab Agarwal	7122650	6.07		0		7122650	6.07
4	Surbhi Garg	6923083	5.90		0		6923083	5.90
				29.04.2016	7750	Purchase	6930833	5.91
				23.09.2016	677	Transfer	6930156	5.91
5	Anuradha Garg	50000	0.04		0		50000	0.04

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)

S.No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Share holding during the year (01-04-16 to 31-03-17)	
		No. of shares at the beginning (01-04-2016)	% of total shares of the Company				No of shares	% of total shares of the company
1	INDIA OPPORTUNITIES GROWTH FUND LTD - PINEWOOD STR	2400000	2.43	01/04/2016	0		2400000	2.43
				29/04/2016	600000	Purchase	3000000	3.03
				27/05/2016	21158	Purchase	3021158	3.05
				24/02/2017	1000000	Transfer	2021158	1.72
				03/03/2017	339731	Transfer	1681427	1.43
				17/03/2017	83000	Transfer	1598427	1.36
2	EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEISS MF AC- *	1221511	1.23	01/04/2016	0		1221511	1.23
				23/09/2016	12446	Transfer	1209065	1.22
				28/10/2016	29677	Transfer	1179388	1.19
				04/11/2016	128685	Transfer	1050703	1.06
				11/11/2016	17832	Transfer	1032871	0.88
				27/01/2017	15336	Transfer	1017535	0.87
				24/02/2017	140320	Purchase	1157855	0.99
				03/03/2017	150789	Purchase	1308644	1.12
				10/03/2017	12702	Transfer	1295942	1.10
				24/03/2017	13013	Transfer	1282929	1.09
				31/03/2017	13881	Transfer	1269048	1.08
3	DILEEP MADGAVKAR	750000	0.76	01/04/2016	0		750000	0.76
				10/06/2016	10000	Purchase	760000	0.77
				08/07/2016	2166	Purchase	762166	0.77
				15/07/2016	2834	Purchase	765000	0.77
				22/07/2016	1000	Purchase	766000	0.77
				29/07/2016	29000	Purchase	795000	0.80
				05/08/2016	5000	Purchase	800000	0.81
				12/08/2016	1000	Purchase	801000	0.81
				09/09/2016	39000	Purchase	840000	0.85
				16/09/2016	10000	Purchase	850000	0.86
				04/11/2016	10000	Purchase	860000	0.87
				11/11/2016	48000	Purchase	908000	0.77
				18/11/2016	12000	Purchase	920000	0.78

				25/11/2016	10000	Purchase	930000	0.79
				02/12/2016	20000	Purchase	950000	0.81
				09/12/2016	10000	Purchase	960000	0.82
				23/12/2016	20000	Purchase	980000	0.84
				30/12/2016	20000	Purchase	1000000	0.85
				20/01/2017	10000	Purchase	1010000	0.86
				24/02/2017	10000	Purchase	1020000	0.87
				17/03/2017	30000	Purchase	1050000	0.89
4	CHANDER BHATIA	900000	0.91		0		900000	0.91
5	UNION SMALL AND MIDCAP FUND	371000	0.37	01/04/2016	0		371000	0.37
				03/02/2017	39000	Purchase	410000	0.35
				10/02/2017	120000	Purchase	530000	0.45
				03/03/2017	70000	Purchase	600000	0.51
6	INDIANIVESH SECURITIES LIMITED *	7255	0.01	01/04/2016	0		7255	0.01
				08/04/2016	300	Transfer	6955	0.01
				15/04/2016	25956	Purchase	32911	0.03
				22/04/2016	18396	Transfer	14515	0.01
				29/04/2016	2800	Transfer	11715	0.01
				06/05/2016	100	Purchase	11815	0.01
				06/05/2016	8215	Transfer	3600	0.00
				20/05/2016	3300	Purchase	6900	0.01
				27/05/2016	3400	Transfer	3500	0.00
				10/06/2016	3500	Purchase	7000	0.01
				17/06/2016	5000	Purchase	12000	0.01
				24/06/2016	1550	Purchase	13550	0.01
				30/06/2016	905	Purchase	14455	0.01
				01/07/2016	530	Purchase	14985	0.02
				08/07/2016	1415	Purchase	16400	0.02
				15/07/2016	2000	Transfer	14400	0.01
				22/07/2016	6000	Transfer	8400	0.01
				29/07/2016	4500	Purchase	12900	0.01
				05/08/2016	2250	Purchase	15150	0.02
				12/08/2016	12250	Transfer	2900	0.00
				19/08/2016	150	Purchase	3050	0.00
				26/08/2016	50	Transfer	3000	0.00
				02/09/2016	1700	Purchase	4700	0.00
				09/09/2016	5040	Purchase	9740	0.01
				16/09/2016	6640	Transfer	3100	0.00
				23/09/2016	150	Transfer	2950	0.00
				30/09/2016	2878	Transfer	72	0.00

				07/10/2016	250	Purchase	322	0.00
				14/10/2016	100	Purchase	422	0.00
				21/10/2016	2000	Purchase	2422	0.00
				28/10/2016	100	Purchase	2522	0.00
				04/11/2016	2650	Purchase	5172	0.01
				11/11/2016	3625	Purchase	8797	0.01
				18/11/2016	4750	Transfer	4047	0.00
				25/11/2016	2025	Transfer	2022	0.00
				02/12/2016	5500	Purchase	7522	0.01
				16/12/2016	20800	Purchase	28322	0.02
				23/12/2016	2454	Purchase	30776	0.03
				30/12/2016	30400	Transfer	376	0.00
				06/01/2017	376	Transfer	0	0.00
				20/01/2017	5000	Purchase	5000	0.00
				27/01/2017	200	Transfer	4800	0.00
				03/02/2017	123	Purchase	4923	0.00
				10/02/2017	2550	Purchase	7473	0.01
				17/02/2017	5150	Purchase	12623	0.01
				24/02/2017	670	transfer	11953	0.01
				03/03/2017	4720	Purchase	16673	0.01
				10/03/2017	173	Transfer	16500	0.01
				17/03/2017	4000	Transfer	12500	0.01
				24/03/2017	2600	Purchase	15100	0.01
				31/03/2017	547352	Purchase	562452	0.48
7	RAHUL DHRUV	264000	0.27	01/04/2016	0		264000	0.27
				27/05/2016	30000	Purchase	294000	0.30
				10/06/2016	47000	Purchase	341000	0.34
				17/06/2016	22000	Purchase	363000	0.37
				22/07/2016	44000	Purchase	407000	0.41
				19/08/2016	33000	Purchase	440000	0.44
				23/09/2016	10000	Purchase	450000	0.45
				07/10/2016	26500	Purchase	476500	0.48
8	ANUJ ANAND DIDWANIA	127817	0.13	01/04/2016	0		127817	0.13
				11/11/2016	50000	Purchase	177817	0.15
				18/11/2016	202807	Purchase	380624	0.32
				25/11/2016	50851	Purchase	431475	0.37
9	NITIN KAPIL TANDON*	393000	0.40		0		393000	0.40
10	JV AND ASSOCIATES LLP	315944	0.32		0		315944	0.32

				22/04/2016	5000	Purchase	320944	0.32
				11/11/2016	43000	Purchase	363944	0.31
				16/12/2016	46000	Tranfer	317944	0.27
				20/01/2017	15000	Tranfer	302944	0.26
				10/02/2017	10000	Purchase	312944	0.27
11	PROUTY INDIA FUND LIMITED *	0	0	01/04/2016	0		0	0.00
				18/11/2016	60000	Purchase	60000	0.05
				25/11/2016	89800	Purchase	149800	0.13
				02/12/2016	40888	Purchase	190688	0.16
				09/12/2016	109312	Purchase	300000	0.26
12	RAJESH SETH*	289000	0.29	01/04/2016	0		289000	0.29
				08/04/2016	8400	Purchase	297400	0.30
				28/10/2016	2000	Purchase	299400	0.30
				28/10/2016	2000	Transfer	297400	0.30
13	RITA DUGGAL	267500	0.27	01/04/2016	0		267500	0.27
				17/06/2016	23500	Purchase	291000	0.29
				17/02/2017	1999	Purchase	292999	0.25
				24/02/2017	1	Purchase	293000	0.25
14	ANAND DIDWANIA	256834	0.26		0		256834	0.26
15	SHIVANI DIDWANIA*	206969	0.21		0		206969	0.21
16	PARVESH GANDOTRA*	0	0.00	01/04/2016	0		0	0
				03/03/2017	100000	Purchase	100000	0.09
				17/03/2017	100000	Purchase	200000	0.17
17	PATHIK GANDOTRA*	0	0	01/04/2016	0		0	0.00
				20/01/2017	200000	Purchase	200000	0.17

* Not in the list of Top 10 shareholders as on 01-04-2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2017.

ATTACHMENT-G

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

v Shareholding of Directors and Key Managerial Personnel

S.No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Share holding during the year (01-04-16 to 31-03-17)	
		No. of shares at the beginning (01-04-2016)	% of total shares of the Company				No of shares	% of total shares of the Company
1	VIJAY AGARWAL	41341907	35.24		0		41341907	35.24
2	MONA AGARWAL	30314407	25.84		0		30314407	25.84
3	SORAB AGARWAL	7122650	6.07		0		7122650	6.07
4	SURBHI GARG	6923083	5.90	01/04/2016	0		6923083	5.90
				29/04/2016	7750	Purchase	6930833	5.91
				23/09/2016	677	Transfer	6930156	5.91
5	SUBHASH CHANDER VERMA	15000	0.01				15000	0.01
6	RAJAN LUTHRA	3136	0.00	01/04/2016	0		3136	0.00
				08/02/2017	2000	Transfer	1136	0.00
				24/03/2017	1000	Transfer	136	0.00

ATTACHMENT-H

V. INDEBTEDNESS

(Rs. in lakh)

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, 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
Change in Indebtedness during the financial year				
Additions	3477.03	–	–	3477.03
Reduction	(7561.04)	–	–	(7561.04)
Exchange Difference	–	–	–	–
Net Change	(4084.01)	–	–	(4084.01)
Indebtedness at the end of the financial year (31st March, 2017)				
i) Principal Amount	8342.53	–	–	8342.53
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	8342.53	–	–	8342.53

ATTACHMENT-I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in lakh)

S.No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total
		Vijay Agarwal	Mona Agarwal	Sorab Agarwal	Surbhi Garg	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	251.41	126.00	33.60	16.80	427.81
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	15.99	8.30	2.87	1.69	28.85
	(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)	267.40	134.30	36.47	18.49	456.66
	Ceiling as per the Act	Rs. 193.02 Lakh (being 10 % of the net profits of the Company calculated as per Section 197 & 198 of the Companies Act, 2013).				

Note :

- The above mentioned remuneration of Rs. 456.66 lakh is in excess of maximum permissible remuneration as determined under schedule V of the Companies Act, 2013. however the company had filed an application for permission with the Central Government on 21.03.2016 and 22.03.2016 and the Company has received approval from Central government for payment of remuneration to Mr. Vijay Agarwal, Chairman and Managing Director of the Company vide approval letter No. SRN C82288127/2016 –CL –VII dated 01st Sept, 2016 for an Amount of Rs. 267.40 lakh for financial year 2016-17 and Mrs. Mona Agarwal, Whole time Director of the Company vide approval letter No C82400086/2016 –CL –VII dated 01st Sept, 2016 for an Amount of Rs. 134.60 lakh for financial year 2016-17.
- Remuneration to other Directors :Remuneration to Directors other than WTD and MD with in 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:

(Rs. in lakh)

S.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	1.15	0.50	1.35	1.60	4.60
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	Total 1	1.15	0.50	1.35	1.60	4.60
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)	1.15	0.50	1.35	1.60	4.60
	Total Managerial Remuneration					
	Overall Cielling as per the Act	Rs. 19.30 Lakh (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

(Rs. in lakh)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary (Yashika Kansal)	CFO (Rajan Luthra)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NA	5.28	52.13	57.41
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.		0	0.40	0.40
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.		0	0	0
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission as % of profit		0	0	0
5	Others, please specify		0	0	0
	Total		5.28	52.53	57.81

ATTACHMENT-L

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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



Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance refers to the framework of rules and practices by which the Board ensures accountability, fairness, and transparency Company's relationship with all its stakeholders.

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

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

The Board of Directors fully supports and endorses the Corporate Governance practices in accordance with the provisions of Regulation 34(3), and Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. All executive directors are also promoters of the Company. The Executive Directors are authorized for conducting the general business of the Company, but all the other crucial decisions are taken at the Board Level. The Chairman and Managing Director (CMD) provided overall direction and guidance to the Board. The Board of directors of the Company meets at timely intervals and takes the crucial decisions of the Company. 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 2016-17 i.e. on May 19, 2016, June 20, 2016, August 09, 2016, November 11, 2016 and February 7, 2017.

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 23, 2016, and their Directorships and Committee Memberships are as under:

Name of Directors	Position in the Company	Attendance at Board Meeting out of five Meeting	Attendance at AGM	Directorship in other Indian Companies		Position on Audit & Stakeholders Relationship Committee in Indian Companies including ACE	
				Public	Private	As Chairman	As Member
Mr. Vijay Agarwal (DIN:00057634)	Chairman & Managing Director	5	Yes	–	1	–	1
Mrs. Mona Agarwal (DIN:00057653)	Whole-Time Director	5	Yes	–	1	–	–
Mr. Sorab Agarwal (DIN:00057666)	Executive Director	5	Yes	–	1	–	1
Mrs. Surbhi Garg (DIN:01558782)	Executive Director	4	Yes	–	2	–	–
Mr. Girish Narain Mehra (IAS Retd.) (DIN:00059311)	Independent Non-Executive Director	4	Yes	4	–	5	2
Mr. Subhash Chander Verma (DIN:00098019)	Independent Non-Executive Director	5	Yes	–	–	1	1
Dr. Amar Singal (DIN:00035903)	Independent Non-Executive Director	5	No	–	–	1	1
Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal (DIN:00098143)	Independent Non-executive Director	4	Yes	–	–	–	–

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 March 31, 2017 is given below:

S. No.	Name of the Directors	No of shares held
1	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>.

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 May 19, 2016, August 9, 2016, November 11, 2016 and February 7, 2017.

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 the year	Number of meeting Attended
1.	Mr. Subhash Chander Verma	Chairman	Independent	4	4
2.	Mr. Girish Narain Mehra (IAS Retd.)	Member	Independent	4	4
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:

- 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.
- 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.
- Approval of payment to statutory auditors for any other non-audit services rendered by them.
- 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:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
 - The investments made by unlisted subsidiary companies.
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- To mandatorily review the following informations:
 - Management discussion and analysis of financial condition and results of operations.
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management.
 - Management letters/ letters of internal control weaknesses issued by the statutory auditors.

- (d) Internal audit reports relating to internal control weaknesses.
- (e) The appointment, removal and terms of remuneration of the chief internal auditor.
- (f) Statement of deviations:
 - i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus /notice in terms of regulation 32(7).
- 7. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- 8. Evaluation of internal financial controls and risk management systems.
- 9. Reviewing and monitoring of the auditor's independence and performance and effectiveness of audit process.
- 10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 11. Discussion with internal auditors any significant findings and follow up thereon.
- 12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 15. To direct the Company to establish a vigil mechanism for directors and employees to report genuine concerns to the Audit Committee and to ensure that the vigil mechanism provides adequate safeguards against 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 its report directly to the Audit Committee.

The Chairman of the Audit Committee was present in the last Annual General Meeting held on September 23, 2016.

The MD, CFO and the Statutory Auditors 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 ACE 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, one meeting was held on May 19, 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 number of meetings held during the year	Number of meeting Attended
1.	Dr. Amar Singal	Chairman	Independent	1	1
2.	Mr. Subhash Chander Verma	Member	Independent	1	1
3.	Mr. Girish Narain Mehra (IAS Retd.)	Member	Independent	1	1

This Committee is entrusted with the following powers/terms of reference:

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 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).

The Board, in its Meeting held on February 7, 2017, laid down the evaluation criteria for performance evaluation of the Board (Including Independent Directors), its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

REMUNERATION OF DIRECTORS

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

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

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

S. No.	Name of the Directors	Amount Paid (In Rs.)
1.	Mr. Girish Narain Mehra (IAS Retd.)	1,15,000
2.	Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	50,000
3.	Mr. Subhash Chander Verma	1,35,000
4.	Dr. Amar Singal	1,60,000

Increase in sitting fees

Sitting fee of independent directors for attending the Board meetings and other Committee meeting has been increased from Rs.10,000/- (Rupees Ten Thousand only) to Rs. 15,000/- (Rupees Fifteen Thousand Only) per meeting with effect from February 7, 2017 as decided by Board of Directors of the Company.

(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.

Remuneration of Directors (Executive)

A. Remuneration paid to CMD/WTED/ED of the Company during the year 2016-17:

(Rs. in Lakh)

S. No.	Names of the Directors	Salary & Allowances (Fixed)	Other benefits and perquisites (Fixed)	Stock options, Pension etc.	Total
1.	Mr. Vijay Agarwal, Chairman & Managing Director	251.41	15.99	0	267.40
2.	Mrs. Mona Agarwal, Whole- time Director	126.00	8.30	0	134.30
3.	Mr. Sorab Agarwal, Executive Director	33.60	2.87	0	36.47
4.	Mrs. Surbhi Garg Executive Director	16.80	1.69	0	18.49
	Total	427.81	28.85	0	456.66

Note: The Company has received approval from Central government for payment of remuneration to Mr. Vijay Agarwal, Chairman and Managing Director of the Company vide approval letter No SRN C82288127/2016 –CL –VII dated 01st Sept, 2016 for an Amount of Rs.267.40 lacs for financial year 2016-17 and Mrs. Mona Agarwal, Whole time Director of the Company vide approval letter No SRN C82400086/2016 –CL –VII dated 01st Sept, 2016 for an Amount of Rs.134.60 lacs for financial year 2016-17.

Executive Directors are not entitled to any performance linked incentives.

B. Service contracts, notice period, severance fees:

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

C. 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, one meeting was held on May 19, 2016.

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

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

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 was 1(one), all of which was resolved and there was no pending complaint as on March 31, 2017. The Company did not receive any transfer requests directly and hence no request was pending for approval as on March 31, 2017.

Compliance Officer

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.

During the year, two meeting were held on, May 19, 2016 and February 07, 2017.

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

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

The Committee is entrusted with the following powers:

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

Note: ACE'S Company Secretary acts as the Secretary to all the Committees of the Board.

(V) SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During the year, one meeting of the independent directors was held on February 7, 2017.

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

S. No.	Name of the Directors	Designation	Category	Total number of meetings held during the year	Number of meeting Attended
1.	Dr. Amar Singal	Chairman	Independent	1	1
2.	Mr. Subhash Chander Verma	Member	Independent	1	1
3.	Mr. Girish Narain Mehra (IAS Retd.)	Member	Independent	1	1
4.	Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	Member	Independent	1	0

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.

GENERAL BODY MEETINGS:

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

For the Year	2013-14	2014-15	2015-16
AGM	20th	21st	22nd
Date & Time	31.07.2014 11:00 a.m.	25.09.2015 11:00 a.m.	23.09.2016 11:00 a.m.
Venue	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001

Special Resolutions passed in the previous three Annual General Meetings :

Year	Special Resolution Passed
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.
2015-2016	a. Re-appointment of Mrs. Surbhi Garg. (DIN:01558782) Executive Director for the period of three years w.e.f April 01, 2017 and fixation of remuneration.

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

None of the businesses proposed in last year required passing a resolution through Postal Ballot.

Person who conducted the postal ballot exercise:

Not applicable.

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

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

MEANS OF COMMUNICATION:

(a) Quarterly Results:

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

(b) Newspaper:

The Company's quarterly financial results are generally published in Financial Express, 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 any analysts calls. During the year, no such presentations were made.

GENERAL SHAREHOLDER INFORMATION:

Forthcoming Annual General Meeting (AGM): Day, Date, Time and Venue

The 23rd Annual General Meeting of the Company is scheduled on Friday, September 29, 2017 at 11:30 a.m. at Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001.

Financial Year:

The Financial Year of the Company is from 01st April to 31st March of every year.

Financial Calendar (Tentative and subject to change)

Results for the Quarter ending	Tentative date of Reporting
June 2017	2 nd Week of September, 2017
September 2017	2 nd Week of November, 2017
December 2017	2 nd Week of February, 2018
March 2018	4 th week of May, 2018
Annual General Meeting for the year ending March 31, 2018	Last Week of September, 2018

Book Closure Date :

The register of members and share transfer books of the company will remain closed from Friday, September 22, 2017 to Friday September 29, 2017 (both days inclusive), for the purpose of Annual General Meeting and payment of dividend.

Dividend Payment Date

The Board has recommended 8% Dividend on its Preference Share capital of the company subject to approval of the members in the forthcoming Annual General Meeting. The said dividend, if approved, 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 recommended dividend of Rs.0.30 i.e (15%) per share equity shares for the financial year ended March 31, 2017 subject to approval of the members in the forthcoming Annual General Meeting. The said dividend, if approved, by the shareholders shall be paid to all the members as on the date of Annual General Meeting within the statutory limit of 30 days from the date of declaration.

Listing on Stock Exchanges

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

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:

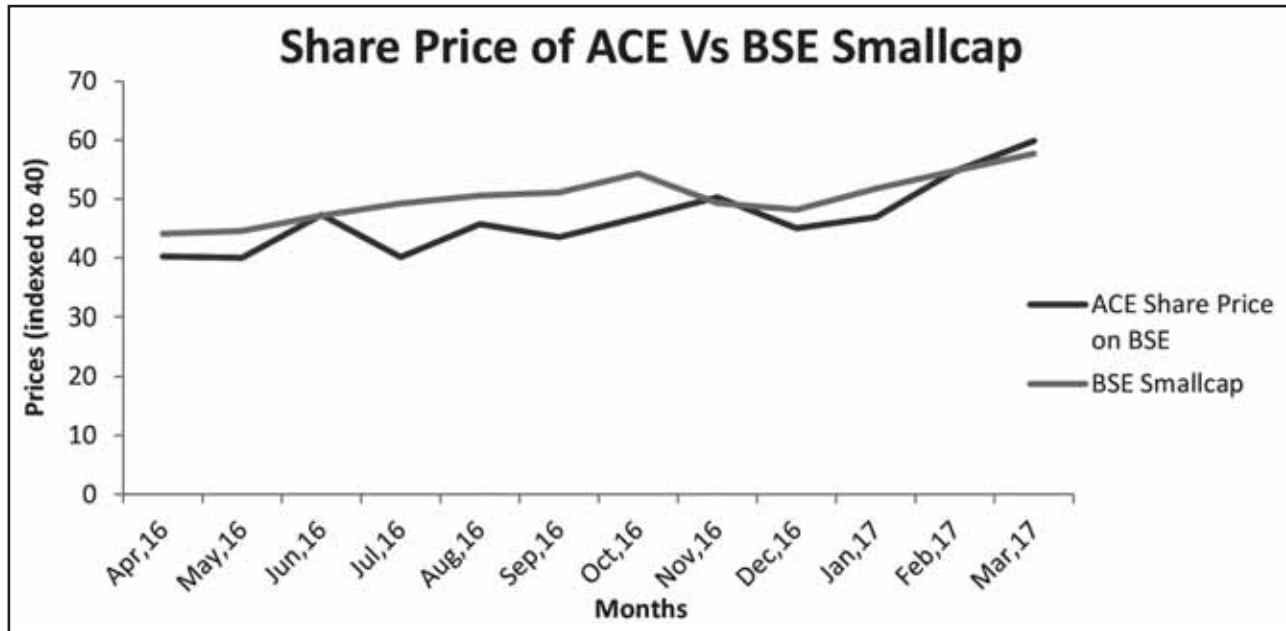
Stock Exchanges	Security Code	Type of Security
BSE Limited	532762	Equity Shares
National Stock Exchange of India Limited (NSE)	ACE	Equity Shares

Listing Fees for the financial year 2017 - 2018 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) 2016-17	NSE		BSE	
	High (In Rs.)	Low (In Rs.)	High (In Rs.)	Low (In Rs.)
April, 16	42.55	37.25	42.45	37.15
May, 16	45.40	39.00	45.35	39.10
June, 16	49.00	37.60	48.95	38.20
July, 16	50.50	41.65	50.50	42.50
August, 16	50.90	41.45	50.85	41.50
September, 16	48.00	41.00	48.00	41.00
October, 16	47.90	43.20	48.00	43.00
November, 16	59.70	40.00	59.70	41.10
December, 16	51.50	43.10	51.45	43.45
January, 17	51.00	44.90	51.00	44.95
February, 17	59.00	46.50	58.75	46.40
March, 17	62.50	50.20	62.55	51.00

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, 2017, 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:

S. No.	Financial Year	Last Date for Claiming Unpaid Dividend
1	Interim Dividend 2009-10	28.05.2017
2	Interim Dividend 2010-11	28.03.2018
3	Final Dividend 2010-11	31.10.2018
4	Final Dividend 2011-12	15.11.2019
5	Final Dividend 2012-13	24.09.2020
6	Final Dividend 2013-14	30.08.2021
7	Final Dividend 2014-15	25.10.2022
8	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 September 23, 2016 on the Company's website (www.ace-cranes.com) and on the website of the Ministry of Corporate Affairs.

Distribution of Shareholding as on 31.03.2017 (On the basis of Ownership)

S. No	Category of Shareholding	Number of Shareholders	No. of Shares held	% of Share
1	Banks	3	79471	0.07
2	Clearing Members	133	368914	0.31
3	Directors	1	15000	0.01
4	Directors and their Relatives	1	20000	0.02
5	Foreign Portfolio Investors	3	1989292	1.70
6	H U F	698	882109	0.75
7	Bodies Corporates	448	4109488	3.50
8	Mutual Funds	5	1869048	1.59
9	NBFC	5	140789	0.12
10	Non Resident Indians	289	1015754	0.87
11	NRI Non-repatriation	77	148090	0.13
12	Promoter Director Relative	1	50000	0.04
13	Promoters & Directors	4	85709120	73.05
14	Resident Individuals	24639	20923925	17.83
15	Trusts	2	2000	0.00
	TOTAL	26309	117323000	100.00

Shareholding Pattern by Size as on March 31, 2017 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	24894	94.60	7513777	6.40
2	5001 – 10000	743	2.82	2815397	2.40
3	10001 – 20000	319	1.21	2415050	2.06
4	20001 – 30000	111	0.42	1405890	1.20
5	30001 – 40000	64	0.24	1140085	0.97
6	40001 – 50000	46	0.17	1057907	0.90
7	50001 – 100000	63	0.24	2261729	1.93
8	100001 & ABOVE	69	0.29	98713165	84.14
	Total:	26309	100.00	117323000	100.00

Dematerialization of Shares and Liquidity:

As on March 31, 2017, 84.28% 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	2645	18447353	15.72
2.	NSDL	14650	83125214	70.85
3.	CDSL	9014	15750433	13.43
4.	Total:	26309	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 March 31, 2017.

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 Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 188 or any other provision, applicable If any, of the Companies Act, 2013 read with rules, during the financial year were in the ordinary course of business and on an arm's length pricing basis. None of the transactions with any of the related parties were in conflict with the Company's interest. These have been approved by the audit committee. 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 victimization, subsequent discrimination or disadvantage thereof.
- c) Reassure the whistle blower(s) that they will be protected from possible reprisals or victimization 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 victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. 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, 2017, the Company had one foreign subsidiary and one follow subsidiary. The Company has no material non-listed Indian Subsidiary Company as defined in regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 <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/codeofConduct/policy.pdf>.

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

Generally forward contracts are used to cover exposures. 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 Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 in-house Internal Audit department for conducting the internal audit and they have 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 SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

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

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, 2017 is annexed with it and forms an integral part of the Annual Report.

CHAIRMAN AND MANAGING DIRECTOR (CMD) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION AS PER (REGULATION 17(8)) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

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

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 : May 19, 2017

Sd/-
Vijay Agarwal
[Chairman & Managing Director]
DIN: 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, 2017, 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, 2017.

For Action Construction Equipment Limited

Place: New Delhi

Date: May 19, 2017

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

**CHAIRMAN AND MANAGING DIRECTOR (CMD) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION
(REGULATION 17(8)) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To
The Board of Directors
Action Construction Equipment Limited

We, the undersigned, in our respective capacities as Chairman and Managing Director (CMD) and Chief Financial Officer (CFO) of Action Construction Equipment Limited ('the Company'), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2017 and to the best of our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) Significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Action Construction Equipment Limited

Place: New Delhi
Date: May 19, 2017

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

Sd/-
Rajan Luthra
Chief Financial Officer

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
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, 2017, as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

Place: Faridabad
Date: May 19, 2017

Sd/-
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 31 March 2017, 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, 2017 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, 2016 ("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 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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": and
- (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.

- (d) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period of 8th November 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the Management.

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

**Sd/-
CA Rajan Chhabra
Partner
Membership No. 088276**

Place : Faridabad
Date : May 19, 2017

Annexure A to the Independent Auditors' Report

The Annexure A referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

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

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

In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and discrepancies noticed on physical verification by the Management have been properly adjusted in books of accounts.
- (iii) The Company has granted loan to subsidiary company FRESTED LIMITED CYPRUS Worth Rs. 2745.72 Lakh

As per terms of supplementary loan agreement:
 - (a) The Company has waived off interest on its above mentioned loan.
 - (b) The repayment of loan has been rescheduled to be repaid by 31/03/2019.
 - (c) No amount is overdue for more than ninety days.
- (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.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Company has maintained books of accounts pursuant to the rules made by the central government for the maintenance of cost records under section 148 of the companies Act 2013 and in our the opinion the prescribed accounts and records have been properly maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the company on account of disputes:

Name of statute	Name of the disputed dues	Amount (Rs. in Lakh)	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 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	3.65	2016-2017	Appeal to be filed
The West Bengal Act, 2003	Sale tax	13.00	2011-12	High Court
The West Bengal Act, 2003	Sale tax	1260.70	2006-07 to 2012-13	Add-Commissioner/ Review Board (West Bengal)
The Haryana Vat Act 2003	Sale Tax	17.30	2004-05 to 2005-06	Jt. Commissioner Faridabad

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

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

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

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

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

Sd/-
CA Rajan Chhabra
Partner
Membership No. 088276

Place : Faridabad
Date : May 19, 2017

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, 2017 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 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 31 March, 2017, 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**

**Sd/-
CA Rajan Chhabra
Partner
Membership No. 088276**

Place : Faridabad
Date : May 19, 2017

Balance Sheet as at 31st March, 2017

Rs. in Lakh

Particulars	Notes	As At 31st March, 2017	As At 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	1	5,368.40	5,368.40
Reserves and Surplus	2	29,367.17	28,267.80
		34,735.57	33,636.20
Non-Current Liabilities			
Long Term Borrowings	3	3,765.67	2,396.89
Deferred Tax Liabilities (Net)	4	1,488.20	1,193.17
Other Long Term Liabilities	5	436.93	437.80
Long Term Provisions	6	686.42	671.79
		6,377.22	4,699.65
Current Liabilities			
Short Term Borrowings	7	2,480.12	8,242.37
Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises		377.03	452.06
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		14,358.92	10,642.29
Other Current Liabilities	8	7,667.98	6,103.65
Short Term Provisions	9	1,239.44	335.08
		26,123.49	25,775.45
TOTAL		67,236.28	64,111.30
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		29,832.96	30,490.52
Intangible Assets		140.06	137.77
Capital Work in Progress		595.20	66.58
		30,568.22	30,694.87
Non-Current Investments	11	770.37	714.15
Long Term Loans and Advances	12	8,243.52	7,436.64
Other Non-Current Assets	13	753.05	297.81
		9,766.94	8,448.60
Current Assets			
Current Investments	14	1,470.89	1,359.65
Inventories	15	11,316.64	12,334.85
Trade Receivables	16	10,441.49	8,132.88
Cash and Cash Equivalents	17	1,257.56	1,054.29
Short Term Loans and Advances	18	2,414.54	2,086.16
		26,901.12	24,967.83
TOTAL		67,236.28	64,111.30
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 and on behalf of the Board of Directors	
For Rajan Chhabra & Co.			
Chartered Accountants			
Firm Registration No. 009520N			
Rajan Chhabra		Vijay Agarwal	Sorab Agarwal
Partner		Chairman & Managing Director	Executive Director
Membership No. 088276		DIN No. 00057634	DIN No. 00057666
Place : New Delhi		Yashika Kansal	Subhash Chander Verma
Date : May 19, 2017		Chief Financial Officer	Independent Director
		Company Secretary	DIN No. 00098019

Statement of Profit & Loss for the Year Ended 31st March, 2017

Rs. in Lakh

Particulars	Notes	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Income			
Revenue from Operations (Gross)	19	79,726.42	67,345.77
Other Income	20	646.04	947.12
Total Revenue		80,372.46	68,292.89
Expenses			
Cost of Materials Consumed	21	52,937.70	43,981.22
Purchase of Stock-in-Trade		344.72	304.82
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(422.20)	125.78
Excise Duty		4,603.13	3,615.82
Employee Benefit Expenses	23	5,865.40	5,547.16
Selling & Distribution Expenses	24	2,289.49	2,015.69
Financial Costs	25	1,305.25	1,401.47
Depreciation and Amortization Expenses	10	1,253.96	1,134.65
Other Expenses	26	9,735.76	8,659.57
Total Expenses		77,913.21	66,786.18
Profit Before Tax		2,459.25	1,506.71
Tax Expenses			
Current tax		524.85	321.56
Deferred tax		295.04	423.60
MAT credit entitlement		(321.57)	(191.44)
Income Tax Written Off for Previous Year		(3.33)	72.10
Profit After Tax		1,964.26	880.89
Earning per equity share (Face Value Rs 2.00 each)			
Basic (Rs.)		1.43	0.74
Diluted (Rs.)		1.43	0.74

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
DIN No. 00057634

Sorab Agarwal
Executive Director
DIN No. 00057666

Place : New Delhi
Date : May 19, 2017

Rajan Luthra
Chief Financial Officer

Yashika Kansal
Company Secretary

Subhash Chander Verma
Independent Director
DIN No. 00098019

Cash Flow Statement for the year ended 31st March, 2017

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax as per statement of Profit & Loss	2,459.25	1,506.71
Adjustments For :		
Depreciation and Amortization Expenses	1,253.96	1,134.65
Interest Expenses	1,305.25	1,401.47
Interest Income	(169.79)	(280.73)
Profit on Sale of Fixed Assets	(68.84)	(334.27)
Loss on Sale of Fixed Assets	55.41	8.54
Revaluation Reserve Income	(1.34)	(1.34)
Foreign Currency Translation Reserve	(148.95)	88.00
Miscellaneous Expenditure Written Off	1.01	1.01
Operating Profit Before Working Capital Changes	4,685.96	3,524.04
Adjustments For :		
Trade & Other Receivable	(2,308.61)	725.89
Inventories	1,018.23	1,789.62
Trade & Other Payable	4,868.87	(406.72)
Loans & Advances	(679.20)	84.03
Cash Generated from Operations	7,585.25	5,716.86
Direct Taxes (Paid) / Refund	(411.39)	26.27
NET CASH FLOW FROM OPERATING ACTIVITIES	7,173.86	5,743.13
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets Including CWIP	(2,317.97)	(3,875.93)
Sale of Fixed Assets	1,204.09	1,357.41
(Purchase)/Sale of Investments	(167.47)	(278.85)
Interest Income	169.79	280.73
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,111.56)	(2,516.64)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From Secured Loans	(4,084.01)	(1,423.25)
Interest Paid	(1,305.25)	(1,401.47)
Dividend & Tax thereon	(13.52)	(475.61)
NET CASH FLOW FROM FINANCING ACTIVITIES	(5,402.78)	(3,300.33)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	659.52	(73.84)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,351.09	1,380.79
BALANCE OF CASH & CASH EQUIVALENTS OF AMALGAMATING CO.	–	44.14
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	2,010.61	1,351.09

Notes:

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

The accompanying Notes are an integral part of Financial Statements

In terms of our report of even date

For and on behalf of the Board of Directors

For Rajan Chhabra & Co.

Chartered Accountants

Firm Registration No. 009520N

Vijay Agarwal
Chairman & Managing Director
DIN No. 00057634

Sorab Agarwal
Executive Director
DIN No. 00057666

Rajan Chhabra

Partner

Membership No. 088276

Place : New Delhi

Date : May 19, 2017

Rajan Luthra
Chief Financial Officer

Yashika Kansal
Company Secretary

Subhash Chander Verma
Independent Director
DIN No. 00098019

Notes to the Financial Statements

1. Share Capital

Particulars	As At 31st March, 2017 (No. of Shares)	As At 31st March, 2017 (Rs. in Lakh)	As At 31st March, 2016 (No. of Shares)	As At 31st March, 2016 (Rs. in Lakh)
Authorised Capital :				
Equity Shares of Rs 2/- Each	125,000,000	2,500.00	125,000,000	2,500.00
8% Cumulative Non-Participating Redeemable Preference Shares of Rs 10/- each	30,250,000	3,025.00	30,250,000	3,025.00
Total	155,250,000	5,525.00	155,250,000	5,525.00
Issued, Subscribed and Fully Paid up :				
Equity Shares of Rs. 2/- each	117,323,000	2,346.46	117,323,000	2,346.46
8% Cumulative Non-Participating Redeemable Preference Shares of Rs. 10/- each.	30,219,380	3,021.94	30,219,380	3,021.94
Total	147,542,380	5,368.40	147,542,380	5,368.40
Reconciliation of number of Shares outstanding				
A) Equity Shares				
At beginning of the year	117,323,000	2,346.46	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	117,323,000	2,346.46
B) Preference Shares (8% Cumulative Non-Participating Redeemable Preference Shares of Rs 10/- each)				
At beginning of the year	30,219,380	3,021.94	–	–
Add: Preference Shares issued to the Shareholders of Amalgamating Company	–	–	30,219,380	3,021.94
As At end of the year	30,219,380	3,021.94	30,219,380	3,021.94

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

Particulars	As At 31st March, 2017 (No. of Shares)	As At 31st March, 2017 (% age)	As At 31st March, 2016 (No. of Shares)	As At 31st March, 2016 (% age)
Mr. Vijay Agarwal / Mrs. Mona Agarwal	41,341,907	35.24%	41,341,907	35.24%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	30,314,407	25.84%	30,314,407	25.84%
Mr. Sorab Agarwal	7,122,650	6.07%	7,122,650	6.07%
Mrs. Surbhi Garg	6,930,156	5.91%	6,923,083	5.90%

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

Particulars	As At 31st March, 2017 (No. of Shares)	As At 31st March, 2017 (% age)	As At 31st March, 2016 (No. of Shares)	As At 31st March, 2016 (% age)
Mr. Vijay Agarwal	12,087,752	40.00%	12,087,752	40.00%
Mrs. Mona Agarwal	6,043,876	20.00%	6,043,876	20.00%
Mr. Sorab Agarwal	6,043,876	20.00%	6,043,876	20.00%
Mrs. Surbhi Garg	6,043,876	20.00%	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/- 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

Rs. in Lakh

Particulars	As At 31st March, 2017		As At 31st March, 2016	
Capital Reserves				
At the beginning and at the end of the year		571.96		571.96
Revaluation Reserve				
At the beginning of the year	2,639.00		5,729.94	
Less: Depreciation	1.35		1.34	
Less: Adjustment under the scheme of Amalgamation	–		3,089.60	
At the end of the year		2,637.65		2,639.00
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	658.58		570.57	
Add: Translation of foreign currency loans	(64.40)		156.87	
Less: Transferred to Statement of Profit & Loss	84.55		68.86	
At the end of the year		509.63		658.58
General Reserves				
At the beginning of the year	9,625.00		9,015.00	
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		9,825.00		9,625.00
Surplus in Statement of Profit & Loss				
At the beginning of the year	6,240.53		4,894.16	
Add: Balance of amalgamating Company	–		917.16	
Add: Profit for the year	1,964.26		880.89	
Less: Appropriations				
Final/Interim Dividend on Equity Shares	351.97		197.88	
Dividend on Preference Shares	241.75		11.23	
Tax on Dividend on Equity Shares & Preference Shares	120.87		42.57	
Transfer to General Reserve	200.00		200.00	
At the end of the year		7,290.20		6,240.53
TOTAL		29,367.17		28,267.80

Notes to the Financial Statements

3. Long Term Borrowings

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Secured		
Term Loans from Banks		
Foreign Currency Loan	–	269.48
Rupee Term Loans	5,808.54	3,887.67
Term Loans from NBFC	53.87	27.02
	5,862.41	4,184.17
Less : Current Maturity of Long Term Borrowings	2,096.74	1,787.28
TOTAL	3,765.67	2,396.89

Terms of Repayment

- (i) Rupee Loan from ICICI Bank Ltd. – Repayable in 118 equated monthly instalments, (including interest @ 9.55%) 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 10.25% p.a.
- (iii) Rupee Loan from Kotak Mahindra Bank Ltd. – Repayable in 60 equated monthly instalments, (including interest @ 9%) starting from 01.04.2017.
- (iv) Commercial Equipment Loan from ICICI Bank Ltd. & HDFC Bank Ltd. – Repayable in equated monthly instalments.
- (v) Vehicle loan from HDFC Bank Ltd. / Daimler Financial Services India Pvt. Ltd. / Kotak Mahindra Prime Ltd. – Repayable in equated monthly instalments.

Security Offered

- (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) (a) Exclusive charge by way of equitable mortgage over property at Plant IV, Dudhola Link Road, Palwal; and
(b) Subservient charge on all existing and future current assets of the Company.
- (iv) Exclusive hypothecation on the Commercial Equipment financed out of these loans.
- (v) Exclusive Hypothecation on the Vehicle financed out of this loan.

4. Deferred Tax Liabilities (Net)

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Deferred Tax Liability		
Difference between Book and Tax Depreciation	1,541.57	1,341.04
	1,541.57	1,341.04
Deferred Tax Assets		
Expenditure disallowed U/s 43B	53.37	71.07
Balance of Amalgamating Company	–	76.80
	53.37	147.87
TOTAL	1,488.20	1,193.17

5. Other Long Term Liabilities

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Security Deposits	436.93	437.80
TOTAL	436.93	437.80

Notes to the Financial Statements

6. Long Term Provisions

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Provision for Employee Benefits	161.42	146.79
Provision for Doubtful Loan and Advances	525.00	525.00
TOTAL	686.42	671.79

7. Short Term Borrowings

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Secured Loans from Banks		
Cash Credit	659.18	1,005.95
Buyers Credit	320.94	2,136.42
Working Capital Demand Loan	1,500.00	5,100.00
TOTAL	2,480.12	8,242.37

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 and machinery financed out of rupee term loan of Axis Bank) on pari passu basis and First charge by the way of equitable mortgage of two of the properties situated at Mumbai on pari passu basis/exclusive basis.

8. Other Current Liabilities

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Current Maturities of Long Term Borrowings	2,096.74	1,787.28
Unpaid Dividends	9.17	68.43
Advances from Customers	1,143.24	828.03
Other payables		
- Statutory Liabilities	697.20	470.31
- Other Payable*	3,721.63	2,949.60
TOTAL	7,667.98	6,103.65

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

9. Short Term Provisions

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Provision for Taxation	524.85	321.56
Proposed Dividend on Equity Shares	351.97	–
Proposed Dividend on Preference Shares	241.75	11.23
Tax on Proposed Dividend	120.87	2.29
TOTAL	1,239.44	335.08

Notes to the Financial Statements

10. Fixed Assets

Rs. in Lakh

Particulars	Gross Block				Depreciation				Net Block	
	As At 01.04.2016	Additions	Sale/adjustment during the year	As At 31.03.2017	As At 01.04.2016	For the Year	On Deletions/ Adjustments	As At 31.03.2017	As At 31.03.2017	As At 31.03.2016
Tangible Assets										
Land	11,796.61	5.22	–	11,801.83	–	–	–	–	11,801.83	11,796.61
Factory Building	5,950.89	117.84	–	6,068.73	1,960.27	176.81	–	2,137.08	3,931.65	3,990.62
Office Building	5,726.45	352.18	–	6,078.63	856.61	63.88	–	920.49	5,158.14	4,869.84
Plant and Machinery	12,894.02	767.00	1,355.03	12,305.99	4,299.26	710.13	278.18	4,731.21	7,574.78	8,594.76
Furnitures & Fixtures	824.17	19.12	–	843.29	436.93	61.17	–	498.10	345.19	387.24
Office Equipment	279.06	36.81	–	315.87	166.86	25.34	–	192.20	123.67	112.20
Motor Vehicles	1,232.01	386.02	225.13	1,392.90	630.96	118.07	111.32	637.71	755.19	601.05
Computer	347.44	35.22	–	382.66	305.12	17.24	–	322.36	60.30	42.32
Electric Equip.& Fittings	246.92	5.33	–	252.25	151.04	19.00	–	170.04	82.21	95.88
	39,297.57	1,724.74	1,580.16	39,442.15	8,807.05	1,191.64	389.50	9,609.19	29,832.96	30,490.52
Capital Work-in-Progress	66.58	585.22	56.60	595.20	–	–	–	–	595.20	66.58
	39,364.15	2,309.96	1,636.76	40,037.35	8,807.05	1,191.64	389.50	9,609.19	30,428.16	30,557.10
Intangible Assets										
Computer Software	586.90	23.22	–	610.12	529.31	30.37	–	559.68	50.44	57.59
Technical Know how	178.94	41.39	–	220.33	98.76	31.95	–	130.71	89.62	80.18
	765.84	64.61	–	830.45	628.07	62.32	–	690.39	140.06	137.77
Total	40,129.99	2,374.57	1,636.76	40,867.80	9,435.12	1,253.96	389.50	10,299.58	30,568.22	30,694.87
Previous Year	36,740.92	5,539.11	2,150.04	40,129.99	8,775.08	1,134.65	474.61	9,435.12	30,694.87	27,965.84

Notes:

- 1) Addition to gross block during the previous financial year, of Rs. 5539.11 Lakh, includes assets of Rs. 1019.43 Lakh purchased in the Scheme of amalgamation.
- 2) Addition during the year includes Rs. 4.75 Lakh (Previous year, Rs.54.66 Lakh) on account of foreign exchange fluctuation in the value of foreign currency loan taken to finance these assets.

11. Non-Current Investments

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
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
Investment in Partnership Firm*	421.88	397.50
3000000 - Units (P.Y. - 3000000 Units) - Reliance Fixed Horizon Fund–XXIX– Series 3 - Growth Plan of Rs 10/- each.	347.91	315.97
TOTAL	770.37	714.15

*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 capital of Rs. 419.52 lakh at the end of current financial year. (Previous Year, Rs. 395.14 Lakh)

Notes to the Financial Statements

12. Long Term Loans and Advances

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Unsecured, Considered Good		
Capital Advances	3,721.28	3,297.48
Loans and Advances to Related Parties		
- Frested Ltd.	2,745.72	2,785.78
Other Loans and Advances		
- Advance Tax	919.85	826.75
- Mat credit entitlement	836.32	514.75
- Advance to Employees	20.35	11.88
TOTAL	8,243.52	7,436.64

13. Other Non-Current Assets

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Misc. Expenditure to the extent not Written Off	–	1.01
Non-Current Fixed Deposits (Refer Note 17)	753.05	296.80
TOTAL	753.05	297.81

14. Current Investments

(Carried at lower of Cost/Fair value)

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
3000000 - Units (P.Y. - 3000000 Units) - Reliance Fixed Horizon Fund XXVI Series 13 - Growth Plan of Rs. 10/- each	381.01	353.40
2750000 - Units (P.Y. 2750000-Units) - Reliance Fixed Horizon Fund XXV Series 12 - Growth Plan of Rs. 10/- each	358.65	332.65
3000000 - Units (P.Y. - 3000000 Units) ICICI Prudential FMP Series 73 - 369 Days Plan of Rs. 10/- each	383.01	356.20
1536956.11 - Units (P.Y. - 1536956.11 Units) - Reliance Regular Savings Fund - Debt Plan - Growth Plan of Rs. 22.6567 each (P. Y. Rs. 19.5191 each)	348.22	317.40
TOTAL	1,470.89	1,359.65

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

(As Verified, Valued and Certified by the Management)

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Raw Material and Components	8,173.71	9,964.10
Work in Progress	531.61	945.41
Finished Goods	2,000.81	1,164.81
Raw Material in Transit	610.51	260.53
TOTAL	11,316.64	12,334.85

Notes to the Financial Statements

16. Trade Receivables

Particulars	Rs. in Lakh	
	As At 31st March, 2017	As At 31st March, 2016
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, Considered Good	1,332.42	1,208.30
Unsecured, Considered Doubtful	–	–
	<u>1,332.42</u>	<u>1,208.30</u>
Less: Provisions for Doubtful Debts	–	–
	<u>1,332.42</u>	<u>1,208.30</u>
Others		
Unsecured, Considered Good	9,109.07	6,924.58
TOTAL	10,441.49	8,132.88

Note : The Trade Receivables includes an amount of Rs. 602.93 Lakh (Previous year, Rs. 682.66 Lakh) due from Companies in which Directors are interested.

17. Cash and Cash Equivalents

Particulars	Rs. in Lakh	
	As At 31st March, 2017	As At 31st March, 2016
Balance with Scheduled Banks		
Current Accounts	63.81	32.98
Unpaid Dividend Accounts	9.17	68.43
Cash in Hand	44.77	45.91
Fixed Deposits		
Fixed Deposit Receipts	1,892.86	1,203.77
Less : Fixed Deposit Receipts - having maturity over 12 months	753.05	296.80
Fixed deposits having maturity period within 12 months	<u>1,139.81</u>	<u>906.97</u>
TOTAL	1,257.56	1,054.29

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

Particulars	Rs. in Lakh	
	As At 31st March, 2017	As At 31st March, 2016
Balance with Excise Authorities	150.79	265.48
Sales Tax Recoverable	136.34	113.37
Advance to Suppliers	1,597.83	1,299.64
Security Deposits	273.16	237.98
Others	256.42	169.69
TOTAL	2,414.54	2,086.16

Notes to the Financial Statements

19. Revenue from Operations

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Sale of Products (Gross)	77,551.00	65,005.02
Other Operating Revenues	2,175.42	2,340.75
TOTAL	79,726.42	67,345.77

Other Operating Revenues

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Service Charges Received	229.83	205.05
Hiring Charges Received	1,795.26	2,095.27
Duty Draw Back Received	94.56	40.43
Other Operating Income	55.77	–
TOTAL	2,175.42	2,340.75

20. Other Income

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Interest Received	169.79	280.73
Rent Received	111.25	95.80
Profit on Sale of Assets	68.84	334.27
Revaluation Reserve Income	1.34	1.34
Return on Investments	143.18	115.82
Other Non-operating Income	151.64	119.16
TOTAL	646.04	947.12

21. Cost of Materials Consumed

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Opening Stock	10,224.63	11,888.48
Add: Purchases (Net of Return)	51,842.01	42,622.19
	62,066.64	54,510.67
Less: Closing Stock	8,784.22	10,224.63
Less: Purchase of Stock-in-Trade	344.72	304.82
TOTAL	52,937.70	43,981.22

Notes to the Financial Statements

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

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Finished Goods		
Opening Stock	1,164.81	1,052.98
Closing Stock	2,000.81	1,164.81
Change during the Year (A)	(836.00)	(111.83)
Work in Progress		
Opening Stock	945.41	1,183.02
Closing Stock	531.61	945.41
Change during the Year (B)	413.80	237.61
Net (Decrease)/Increase [(A) + (B)]	(422.20)	125.78

23. Employee Benefit Expenses

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Salaries, Wages & Bonus	4,882.25	4,561.83
Contribution to Provident and Other Funds	250.45	235.97
Staff Welfare Expenses	279.39	287.76
Director's Remuneration	453.31	461.60
TOTAL	5,865.40	5,547.16

24. Selling & Distribution Expenses

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Selling Expenses	1,457.04	1,390.58
Commission on Sales	832.45	625.11
TOTAL	2,289.49	2,015.69

25. Financial Costs

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Interest on Working Capital Facilities	713.85	899.44
Interest on Term Loans	459.61	382.95
Interest on Other Loans	131.79	119.08
TOTAL	1,305.25	1,401.47

Notes to the Financial Statements

26. Other Expenses

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Manufacturing Expenses		
Manufacturing Expenses	3,061.50	2,596.88
Power & Fuel	447.69	448.02
Repair & Maintenance		
- Plant & Machinery	363.58	344.17
- Building	122.32	114.86
Freight & Forwarding Charges	2,066.71	1,508.81
SUB TOTAL (A)	6,061.80	5,012.74
Other Administrative Expenses		
Rent	183.09	160.90
Rate Fees & Taxes	57.58	70.97
Insurance	79.32	84.24
Travelling & Conveyance	1,096.18	1,084.80
Communication Expenses	216.11	183.27
Auditor's Remuneration	12.16	13.97
Vehicle Expenses	134.54	91.67
Exchange Rate Difference (Net)	11.92	181.06
Miscellaneous Expenses	1,858.70	1,550.61
Provision for Doubtful Loan & Advances	–	225.00
Bad Debts Written Off	24.36	0.34
SUB TOTAL (B)	3,673.96	3,646.83
TOTAL [(A) + (B)]	9,735.76	8,659.57

Auditor's Remuneration Includes

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Audit Fee	10.45	9.60
Taxation Matters	0.90	0.75
Certification	0.81	3.62
TOTAL	12.16	13.97

Notes to the Financial Statements

27. Additional Notes to the Financial Statements

27(A) Significant Accounting Policies

1. System of Accounting :

The Financial Statements 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, except investment in Debt Funds which are valued at cost or Fair Value, whichever is lower. 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

- (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.

Notes to the Financial Statements

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

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.

27(B) Other Notes

- 1 The Board of Director's have recommended final dividend of Rs 0.30/- (15%) per Equity Share and 8% dividend on Preference Shares, subject to approval of the Shareholders 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:

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
(a) Capital Expenditure	2.93	9.54
(b) Revenue Expenditure	659.67	689.06
Total	662.60	698.60

- 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 The information as required to be disclosed under "The Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)", has been determined to the extent such parties have been identified on the basis of information available with the Company during the year 2016-17. During the year no interest is paid to any such enterprises.
5. **Contingent Liabilities, not provided for:**

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Bank Guarantees	2,022.71	2,026.48
Letter of Credits	3,290.39	1,798.63
Claim against the Company, not acknowledge as Debts*	917.44	689.88
Sales Tax, Excise & Income Tax Matters, pending before Assessing / Appellate Authorities*	3,206.12	3,126.32
Total	9,436.66	7,641.31

* 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. 8.03 Lakh (Net of Advance) (Previous Year, Rs. 133.75 Lakh).

Notes to the Financial Statements

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

6. Remuneration paid to Whole-time Directors:

Rs. in Lakh

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	251.41	–	15.99	267.40
2.	Smt. Mona Agarwal*, Whole-time Director	126.00	–	8.30	134.30
3.	Sh. Sorab Agarwal, Executive Director	33.60	–	2.87	36.47
4.	Smt. Surbhi Garg, Executive Director	16.80	–	1.69	18.49
	Total	427.81	–	28.85	456.66

* The above mentioned remuneration of Rs. 456.66 Lakh is in excess of Maximum permissible remuneration as determined under Schedule V of the Companies Act, 2013. However the Central Government vide its letter dated Sept. 01, 2016 have approved remuneration paid/payable to Mr. Vijay Agarwal, Chairman & Managing Director and Mrs. Mona Agarwal, Whole-time Director for the period Oct. 01, 2015 to Sept. 30, 2018.

7. Segment Wise Revenue, Results, Asset & Liabilities

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
1. Segment Revenue		
A) Cranes	47,565.14	39,816.96
B) Material Handling/Construction Equipment	10,151.76	6,261.62
C) Agri Equipment	15,230.97	15,310.62
D) Excise Duty	4,603.13	3,615.82
Sales / Income from Operations	77,551.00	65,005.02
2. Segment Results		
A) Cranes	4,035.53	3,928.45
B) Material Handling/Construction Equipment	628.88	(66.16)
C) Agri Equipment	206.09	75.41
Total	4,870.50	3,937.70
Less: Financial Costs	1,305.25	1,401.47
Less: Other Unallocable Expenses	1,106.00	1,029.52
Profit Before Tax	2,459.25	1,506.71
3. Segment Assets		
A) Cranes	47,978.21	46,960.12
B) Material Handling/Construction Equipment	6,155.18	4,689.53
C) Agri Equipment	3,924.87	4,161.55
D) Unallocated	9,178.02	8,300.10
Total Segment Assets	67,236.28	64,111.30
4. Segment Liabilities		
A) Cranes	14,487.76	10,987.12
B) Material Handling/Construction Equipment	2,435.80	1,265.76
C) Agri Equipment	3,982.00	3,742.46
D) Unallocated	46,330.72	48,115.96
Total Segment Liabilities	67,236.28	64,111.30

Notes to the Financial Statements

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

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

(a) **Associate Companies/ Entities**

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 - NIL**

(e) **Related Party Transactions**

Rs. in Lakh

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		
Sale of Goods	2016-17	–	1,113.76	–	–	–	1,113.76
	2015-16	–	2,195.63	–	–	–	2,195.63
Remuneration Paid	2016-17	–	–	–	–	456.66	456.66
	2015-16	–	–	–	–	477.41	477.41
Licence Fee Paid	2016-17	–	–	–	–	83.27	83.27
	2015-16	–	–	–	–	75.70	75.70
Rent Received	2016-17	–	0.71	–	–	–	0.71
	2015-16	–	0.65	–	–	–	0.65
Interest Received	2016-17	–	60.79	–	–	–	60.79
	2015-16	–	36.72	–	–	–	36.72
Investment in Equity	2016-17	24.39	–	–	–	–	24.39
	2015-16	(0.04)	–	–	–	–	(0.04)
Loan to Subsidiary*	2016-17	–	–	(40.06)	–	–	(40.06)
	2015-16	–	–	164.67	–	–	164.67

* Loan to subsidiary includes Rs. 64.40 Lakh (Previous year, Rs. 156.87 Lakh) on account of change in exchange rate at the year end.

Notes to the Financial Statements

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

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

Rs. in Lakh

Particulars	Amount at the end of Financial Year		Maximum amount outstanding during the Financial Year	
	2016-17	2015-16	2016-17	2015-16
1. Loan and Advances in the nature of loans:				
a. To Subsidiary Companies : FRESTED LIMITED, CYPRUS SC FORMA SA, ROMANIA	2,745.72 –	2,785.78 –	2,810.12 –	2,785.78 –
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

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

Rs. in Lakh

(a) Particulars	Minimum Lease Payments	
	2016-17	2015-16
Payable within one year	69.06	123.10
Payable after one year but within 5 years	104.09	44.82

- (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, 2017 is Rs. 183.09 Lakh (P.Y. Rs. 160.90 Lakh).
11. Disclosure pursuant to Accounting Standard -15 (Revised), issued by The Institute of Chartered Accountants of India.

EMPLOYEE BENEFITS

(a) Expenses recognised in the Statement of Profit & Loss

Rs. in Lakh

Particulars	2016-17	2015-16
a) Current Service Cost	68.73	65.52
b) Interest Cost	23.77	20.93
c) Employee Contribution	–	–
d) Actuarial (Gain)/Loss	(0.58)	0.91
e) Past Service Cost	–	–
f) Settlement Cost	(21.77)	(20.85)
Total Expenses, debited to Statement of Profit & Loss	70.15	66.51

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, 2017

Rs. in Lakh

Particulars	2016-17	2015-16
a) Present Value of defined Benefit Obligation at the end of the year	387.89	341.64
b) Fair Market Value of Plan Assets with LIC at the end of the year	313.58	276.80
Net Asset/(Liability)	(74.31)	(64.84)

(c) Change in the obligation during the year ended 31st March, 2017

Rs. in Lakh

Particulars	2016-17	2015-16
a) Present Value of Defined benefit obligation at the beginning of the year	341.64	279.86
b) Current Service Cost	68.73	65.52
c) Interest Cost	23.77	20.93
d) Settlement Cost	—	—
e) Actuarial (Gain)/Loss	3.23	1.84
f) Benefit Payment	(49.48)	(26.51)
Present Value of Defined benefit obligation at the end of the year	387.89	341.64

(d) Change in the Plan Assets during the year ended 31st March, 2017

Rs. in Lakh

Particulars	2016-17	2015-16
a) Plan assets at the beginning of the year	276.80	236.74
b) Actuarial (Gain)/Loss	3.81	0.93
c) Contribution	60.68	44.79
d) Benefit Payment	(49.48)	(26.51)
e) Return on the Plan Assets	21.77	20.85
Plan assets at the end of the year	313.58	276.80

(e) Actuarial Assumption

a) Discounted Rate	7.50% p.a.
b) Mortality Rate	IAL (2006-08) Ultimate
c) Withdrawal Rate	1% to 3% depending on Age.
d) Salary Escalation	10.00%
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.)

12. CIF Value of Imports

Rs. in Lakh

Particulars	2016-17	2015-16
Raw Materials, Spare Parts & Finished Products	5,666.94	4,989.36

13. I) Capacity & Production:

Particulars	Unit	Licensed Capacity		Installed Capacity		Production Nos. of Equipment	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
a) Cranes	Nos.	N.A	N.A	7500	7500	3572	2918
b) Material Handling/ Construction Equipment	Nos.	N.A	N.A	1300	1300	888	551
c) Agri Equipment	Nos.	N.A	N.A	6000	6000	3594	3491
Total				14800	14800	8054	6960

II) Turnover:

Particulars	2016-17		2015-16	
	Qty. in Nos.	Rs. in Lakh	Qty. in Nos.	Rs. in Lakh
a) Cranes	3599	47,565.14	2890	39,816.96
b) Material Handling / Construction Equipment	846	10,151.76	571	6,261.62
c) Agri Equipment	3460	15,230.97	3447	15,310.62
d) Excise Duty		4,603.13		3,615.82
Total	7905	77,551.00	6908	65,005.02

14. Details of Raw Material Consumed:

S.No.	Items	Qty. in Nos.		Value (Rs. in Lakh)	
		2016-17	2015-16	2016-17	2015-16
1	Engine	7,168	6619	6,792.92	6,083.22
2	Others			46,489.50	38,202.82
Total				53,282.42	44,286.04

15. Raw Material Consumed - Imported & Indigenous:

Rs. in Lakh

Particulars	2016-17		2015-16	
	Value	%age	Value	%age
Imported	5,848.84	11%	4,377.43	10%
Indigenous	47,433.58	89%	39,908.61	90%
Total	53,282.42	100%	44,286.04	100%

Notes to the Financial Statements

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

16. Earning in Foreign Exchange:

Rs. in Lakh

Particulars	2016-17	2015-16
Export of Goods (F.O.B. Value)	1,167.57	813.94
Commission Received	41.08	–
Total	1,208.65	813.94

17. Expenditure in Foreign Currency:

Rs. in Lakh

Particulars	2016-17	2015-16
Foreign Travelling Expenses	76.94	64.96
Sales Promotion	9.23	3.76
Freight	63.48	101.91
Retainership (Fees for non technical services)	28.59	29.45
Interest on ECB Loan/Buyers Credit	26.33	57.31
Commission Paid	8.16	1.33
Office Maintenance	1.34	0.07
Exhibition Expenses	0.48	–
Professional Charges	2.00	–
Tender Fees	1.32	–
Telephone Expenses	0.20	–
Commission on Foreign Bank Guarantee	5.05	8.49
Other Expenses	0.12	0.76
Total	223.24	268.04

18. Earning Per Share (Basic & Diluted):

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

Particulars	2016-17	2015-16
Profit after Tax- (Rs. in Lakh).	1,964.26	880.89
Less: Dividend on Preference Shares (Including Dividend Distribution Tax) (Rs. in Lakh).	290.97	13.52
Profit after Dividend on preference shares (Rs. in Lakh)	1,673.29	867.37
Weighted average no. of Equity Shares of Rs. 2/- each (Basic)	117,323,000	117,323,000
Weighted average no. of Equity Shares of Rs. 2/- each (Diluted)	117,323,000	117,323,000
EPS (In Rupees)- Basic	1.43	0.74
EPS (In Rupees)- Diluted	1.43	0.74

Notes to the Financial Statements

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

19. Specified Bank Note

Rs. in Lakh

Particulars	SBNs	Others	Total
Cash in hand as on 08.11.2016	21.00	49.50	70.50
(+) Permitted receipts	–	52.22	52.22
(–) Permitted payments	–	91.37	91.37
(–) Amount deposited in Banks	21.00	–	21.00
Cash in hand as on 30.12.2016	–	10.35	10.35

- 20 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof Rs. 100.00 Lakh (previous year Rs. 156.72 Lakh).
- 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 Previous years figures have been regrouped to make them comparable with current year figures wherever necessary.
- 24 Note 1 to 27 form integral part of the accounts and are duly authenticated.

In terms of our report of even date		For and on behalf of the Board of Directors	
For Rajan Chhabra & Co. Chartered Accountants Firm Registration No. 009520N			
Rajan Chhabra Partner Membership No. 088276		Vijay Agarwal Chairman & Managing Director DIN No. 00057634	Sorab Agarwal Executive Director DIN No. 00057666
Place : New Delhi Date : May 19, 2017	Rajan Luthra Chief Financial Officer	Yashika Kansal Company Secretary	Subhash Chander Verma Independent Director DIN No. 00098019

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, 2017, 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.139.70 lakh and Rs.407.01 lakh as at March 31, 2017, total Revenue/(Expenditure) of Rs. Nil/(31.24) lakh and Rs. 2.62 lakh/(16.69) lakh respectively and Cash inflows/(outflows) Rs. 78.08 lakh/(Rs. 76.73) lakh and Rs. 52.13 lakh/(53.15) lakh respectively for the year ended on March 31, 2017 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 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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;
 - (i) 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;
 - (ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-
CA Rajan Chhabra
Partner
Membership No. 088276

Place : Faridabad
Date : May 19, 2017

Consolidated Balance Sheet as at 31st March, 2017

Unaudited Balance Sheet as at 31st March, 2017			Rs. in Lakh
Particulars	Notes	As At 31st March, 2017	As At 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	1	5,368.40	5,368.40
Reserves and Surplus	2	27,030.84	25,904.91
Minority Interest		30.90	33.91
		32,430.14	31,307.22
Non-Current Liabilities			
Long Term Borrowings	3	3,765.67	2,396.89
Deferred Tax Liabilities (Net)	4	1,488.20	1,193.17
Other Long Term Liabilities	5	436.93	437.80
Long Term Provisions	6	686.42	671.79
		6,377.22	4,699.65
Current Liabilities			
Short Term Borrowings	7	2,480.12	8,242.37
Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises		377.03	452.06
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		14,362.36	10,839.04
Other Current Liabilities	8	7,859.92	6,113.95
Short Term Provisions	9	1,239.44	335.08
		26,318.87	25,982.50
TOTAL		65,126.23	61,989.37
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		30,487.49	31,140.13
Intangible Assets		370.59	368.30
Capital Work in Progress		709.31	180.69
		31,567.39	31,689.12
Non-Current Investments	11	347.91	316.07
Long Term Loans and Advances	12	5,497.80	4,650.86
Other Non-Current Assets	13	753.05	297.81
		6,598.76	5,264.74
Current Assets			
Current Investments	14	1,470.89	1,359.65
Inventories	15	11,359.72	12,382.30
Trade Receivables	16	10,449.06	8,149.30
Cash and Cash Equivalents	17	1,258.35	1,054.80
Short Term Loans and Advances	18	2,422.06	2,089.46
		26,960.08	25,035.51
TOTAL		65,126.23	61,989.37
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 and on behalf of the Board of Directors	
For Rajan Chhabra & Co.			
Chartered Accountants			
Firm Registration No. 009520N			
Rajan Chhabra	Vijay Agarwal	Sorab Agarwal	
Partner	Chairman & Managing Director	Executive Director	
	DIN No. 00057634	DIN No. 00057666	
Membership No. 088276			
Place : New Delhi		Subhash Chander Verma	
Date : May 19, 2017		Independent Director	
Rajan Luthra	Yashika Kansal	DIN No. 00098019	
Chief Financial Officer	Company Secretary		

Consolidated Statement of Profit & Loss for the Year Ended 31st March, 2017

Rs. in Lakh

Particulars	Notes	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Income			
Revenue from Operations (Gross)	19	79,729.04	67,349.39
Other Income	20	646.04	959.30
Total Revenue		80,375.08	68,308.69
Expenses			
Cost of Materials Consumed	21	52,938.32	43,984.42
Purchase of Stock-in-Trade		344.72	304.82
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-in-Trade	22	(422.20)	125.78
Excise Duty		4,603.13	3,615.82
Employee Benefit Expenses	23	5,872.44	5,554.67
Selling & Distribution Expenses	24	2,289.55	2,015.71
Financial Costs	25	1,305.26	1,401.47
Depreciation and Amortization Expenses	10	1,254.05	1,134.74
Other Expenses	26	9,775.96	8,680.88
Total Expenses		77,961.23	66,818.31
Profit Before Tax		2,413.85	1,490.38
Tax Expenses			
Current tax		524.85	321.56
Deferred tax		295.04	423.60
MAT credit entitlement		(321.57)	(191.44)
Income Tax Written Off for Previous Year		(3.33)	72.10
Profit After Tax before Minority Interest & Share in Result of Associates		1,918.86	864.56
Minority Interest		131.58	130.19
Share of Loss of Associates		0.08	0.09
Profit After Tax		2,050.52	994.84
Earning per equity share (Face Value Rs 2/- each)			
Basic (Rs.)		1.50	0.84
Diluted (Rs.)		1.50	0.84

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 : May 19, 2017

Rajan Luthra
Chief Financial Officer

Vijay Agarwal
Chairman & Managing Director
DIN No. 00057634

Yashika Kansal
Company Secretary

For and on behalf of the Board of Directors

Sorab Agarwal
Executive Director
DIN No. 00057666

Subhash Chander Verma
Independent Director
DIN No. 00098019

Consolidated Cash Flow Statement for the year ended 31st March, 2017

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax as per Statement of Profit & Loss	2,413.85	1,490.38
Adjustments For :		
Depreciation and Amortization Expenses	1,254.05	1,134.74
Interest Expenses	1,305.26	1,401.47
Interest Income	(169.79)	(280.73)
Profit on Sale of Fixed Assets	(68.84)	(334.27)
Loss on Sale of Fixed Assets	55.41	8.54
Foreign Currency Translation Reserve	(58.88)	(66.36)
Miscellaneous Expenses Written Off	1.01	1.01
Operating Profit before Working Capital Changes	4,732.07	3354.78
Adjustments For :		
Trade & Other Receivable	(2,299.76)	739.30
Inventories	1,022.59	1,799.49
Trade & Other Payable	4,857.20	(423.66)
Loans & Advances	(723.52)	248.69
Cash Generated from Operations	7,588.58	5,718.60
Direct Taxes (Paid)/Refund	(411.39)	26.27
NET CASH FLOW FROM OPERATING ACTIVITIES	7,177.19	5,744.87
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets Including CWIP	(2,342.39)	(3,876.23)
Sale of Fixed Assets	1,204.09	1,357.41
(Purchase)/Sale of Investments	(143.09)	(278.89)
Interest Income	169.79	280.73
Change in Minority Interest	(3.01)	(7.39)
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,114.61)	(2,524.37)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From Secured Loans	(4,084.00)	(1,423.25)
Interest Paid	(1,305.26)	(1,401.47)
Dividend & Tax thereon	(13.52)	(475.61)
NET CASH FLOW FROM FINANCING ACTIVITIES	(5,402.78)	(3,300.33)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	659.80	(79.83)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,351.60	1,387.29
BALANCE OF CASH & CASH EQUIVALENTS OF AMALGAMATING CO.	-	44.14
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	2,011.40	1,351.60

Notes:

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

The accompanying Notes are an integral part of Financial Statements

In terms of our report of even date

For and on behalf of the Board of Directors

For Rajan Chhabra & Co.

Chartered Accountants
Firm Registration No. 009520N

Vijay Agarwal
Chairman & Managing Director
DIN No. 00057634

Sorab Agarwal
Executive Director
DIN No. 00057666

Rajan Chhabra
Partner
Membership No. 088276

Place : New Delhi
Date : May 19, 2017

Rajan Luthra
Chief Financial Officer

Yashika Kansal
Company Secretary

Subhash Chander Verma
Independent Director
DIN No. 00098019

Notes to the Consolidated Financial Statements

1. Share Capital

Particulars	As At 31st March, 2017 (No. of Shares)	As At 31st March, 2017 (Rs. in Lakh)	As At 31st March, 2016 (No. of Shares)	As At 31st March, 2016 (Rs. in Lakh)
Authorised Capital :				
Equity Shares of Rs 2/- Each	125,000,000	2,500.00	125,000,000	2,500.00
8% Cumulative Non-Participating Redeemable Preference Shares of Rs 10/- each	30,250,000	3,025.00	30,250,000	3,025.00
Total	155,250,000	5,525.00	155,250,000	5,525.00
Issued, Subscribed and Fully Paid up :				
Equity Shares of Rs 2/- Each	117,323,000	2,346.46	117,323,000	2,346.46
8% Cumulative Non-Participating Redeemable Preference Shares of Rs 10/- each	30,219,380	3,021.94	30,219,380	3,021.94
Total	147,542,380	5,368.40	147,542,380	5,368.40
Reconciliation of number of Shares outstanding				
A) Equity Shares				
At beginning of the year	117,323,000	2,346.46	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	117,323,000	2,346.46
B) Preference Shares (8% Cumulative Non-Participating Redeemable Preference Shares of Rs 10/- each)				
At beginning of the year	30,219,380	3,021.94	–	–
Add: Preference Shares issued to the Shareholders of Amalgamating Company	–	–	30,219,380	3,021.94
As At end of the year	30,219,380	3,021.94	30,219,380	3,021.94

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

Particulars	As At 31st March, 2017 (No. of Shares)	As At 31st March, 2017 (% age)	As At 31st March, 2016 (No. of Shares)	As At 31st March, 2016 (% age)
Mr. Vijay Agarwal / Mrs. Mona Agarwal	41,341,907	35.24%	41,341,907	35.24%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	30,314,407	25.84%	30,314,407	25.84%
Mr. Sorab Agarwal	7,122,650	6.07%	7,122,650	6.07%
Mrs. Surbhi Garg	6,930,156	5.91%	6,923,083	5.90%

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

Particulars	As At 31st March, 2017 (No. of Shares)	As At 31st March, 2017 (% age)	As At 31st March, 2016 (No. of Shares)	As At 31st March, 2016 (% age)
Mr. Vijay Agarwal	12,087,752	40.00%	12,087,752	40.00%
Mrs. Mona Agarwal	6,043,876	20.00%	6,043,876	20.00%
Mr. Sorab Agarwal	6,043,876	20.00%	6,043,876	20.00%
Mrs. Surbhi Garg	6,043,876	20.00%	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/- 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

Rs. in Lakh

Particulars	As At 31st March, 2017		As At 31st March, 2016	
Capital Reserves				
At the beginning and at the end of the year		571.96		571.96
Revaluation Reserve				
At the beginning of the year	2,954.03		6,044.97	
Less: Depreciation	1.35		1.34	
Less: Adjustment under the scheme of Amalgamation	–		3,089.60	
At the end of the year		2,952.68		2,954.03
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	(728.58)		(480.19)	
Add: Translation of foreign currency loans	(124.10)		(179.53)	
Less: Transferred to Statement of Profit & Loss	84.55		68.86	
At the end of the year		(937.23)		(728.58)
General Reserves				
At the beginning of the year	9,625.00		9,015.00	
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		9,825.00		9,625.00
Surplus in Statement of Profit & Loss				
At the beginning of the year	4,949.77		3,489.45	
Add: Balance of amalgamating Company	–		917.16	
Add: Profit for the year	2,050.52		994.84	
Less: Appropriations				
Interim Dividend on Equity Shares	351.97		197.88	
Dividend on Preference Shares	241.75		11.23	
Tax on Dividend on Equity Shares & Preference Shares	120.87		42.57	
Transfer to General Reserve	200.00		200.00	
At the end of the year		6,085.70		4,949.77
TOTAL		27,030.84		25,904.91

Notes to the Consolidated Financial Statements

3. Long Term Borrowings

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Secured		
Term Loans from Banks		
Foreign Currency Loan	–	269.48
Rupee Term Loan	5,808.54	3,887.67
Term Loans from NBFC	53.87	27.02
	5,862.41	4,184.17
Less : Current Maturity of Long Term Borrowings	2,096.74	1,787.28
TOTAL	3,765.67	2,396.89

Terms of Repayment

- (i) Rupee Loan from ICICI Bank Ltd. – Repayable in 118 equated monthly instalments, (including interest @ 9.55%) 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 10.25% p.a.
- (iii) Rupee Loan from Kotak Mahindra Bank Ltd. – Repayable in 60 equated monthly instalments, (including interest @ 9%) starting from 01.04.2017.
- (iv) Commercial Equipment Loan from ICICI Bank Ltd. & HDFC Bank Ltd. – Repayable in equated monthly instalments.
- (v) Vehicle loan from HDFC Bank Ltd. / Daimler Financial Services India Pvt. Ltd. / Kotak Mahindra Prime Ltd. - Repayable in equated monthly instalments.

Security Offered

- (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) (a) Exclusive charge by way of equitable mortgage over property at Plant IV, Dudhola Link Road, Palwal; and
(b) Subservient charge on all existing and future current assets of the Company.
- (iv) Exclusive hypothecation on the Commercial Equipment financed out of these loans.
- (v) Exclusive Hypothecation on the Vehicle financed out of this loan.

4. Deferred Tax Liabilities (Net)

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Deferred Tax Liability		
Difference between Book and Tax Depreciation	1,541.57	1,341.04
	1,541.57	1,341.04
Deferred Tax Assets		
Expenditure disallowed U/s 43B	53.37	71.07
Balance of Amalgamating Company	–	76.80
	53.37	147.87
TOTAL	1,488.20	1,193.17

5. Other Long Term Liabilities

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Security Deposits	436.93	437.80
TOTAL	436.93	437.80

Notes to the Consolidated Financial Statements

6. Long Term Provisions

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Provision for Employee Benefits	161.42	146.79
Provision for Doubtful Loan and Advances	525.00	525.00
TOTAL	686.42	671.79

7. Short Term Borrowings

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Secured Loans from Banks		
Cash Credit	659.18	1,005.95
Buyers Credit	320.94	2,136.42
Working Capital Demand Loan	1,500.00	5,100.00
TOTAL	2,480.12	8,242.37

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 and machinery financed out of rupee term loan of Axis Bank) on pari passu basis and First charge by the way of equitable mortgage of two of the properties situated at Mumbai on pari passu basis/exclusive basis.

8. Other Current Liabilities

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Current Maturities of Long Term Borrowings	2,096.74	1,787.28
Unpaid Dividends	9.17	68.43
Advance from Customers	1,147.17	828.03
Other payables		
- Statutory Liabilities	699.18	472.05
- Other Payable*	3,907.66	2,958.16
TOTAL	7,859.92	6,113.95

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

9. Short Term Provisions

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Provision for Taxation	524.85	321.56
Proposed Dividend on Equity Shares	351.97	—
Proposed Dividend on Preference Shares	241.75	11.23
Tax on Proposed Dividend	120.87	2.29
TOTAL	1,239.44	335.08

Notes to the Consolidated Financial Statements

10. Fixed Assets

Rs. in Lakh

Particulars	Gross Block				Depreciation				Net Block	
	As At 01.04.2016	Additions	Sale/Adjustment during the year	As At 31.03.2017	As At 01.04.2016	For the Year	On Deletions/ Adjustments	As At 31.03.2017	As At 31.03.2017	As At 31.03.2016
Tangible Assets										
Land	12,402.97	29.64	–	12,432.61	–	–	–	–	12,432.61	12,421.09
Factory Building	5,950.89	117.84	–	6,068.73	1,960.27	176.81	–	2,137.08	3,931.65	3,990.62
Office Building	5,778.98	352.18	–	6,131.16	885.30	63.97	–	949.27	5,181.89	4,894.97
Plant and Machinery	12,894.84	767.00	1,355.03	12,306.81	4,300.08	710.13	278.18	4,732.03	7,574.78	8,594.76
Furnitures & Fixtures	824.28	19.12	–	843.40	437.04	61.17	–	498.21	345.19	387.24
Office Equipment	279.06	36.81	–	315.87	166.86	25.34	–	192.20	123.67	112.20
Motor Vehicles	1,232.81	386.02	225.13	1,393.70	631.76	118.07	111.32	638.51	755.19	601.05
Computer	348.01	35.22	–	383.23	305.69	17.24	–	322.93	60.30	42.32
Electric Equip. & Fittings	246.92	5.33	–	252.25	151.04	19.00	–	170.04	82.21	95.88
	39,958.76	1,749.16	1,580.16	40,127.76	8,838.04	1,191.73	389.50	9,640.27	30,487.49	31,140.13
Capital Work-in-Progress	180.69	585.22	56.60	709.31	–	–	–	–	709.31	180.69
	40,139.45	2,334.38	1,636.76	40,837.07	8,838.04	1,191.73	389.50	9,640.27	31,196.80	31,320.82
Intangible Assets										
Computer Software	586.90	23.22	–	610.12	529.31	30.37	–	559.68	50.44	57.59
Technical Know how	178.94	41.39	–	220.33	98.76	31.95	–	130.71	89.62	80.18
Goodwill	230.53	–	–	230.53	–	–	–	–	230.53	230.53
	996.37	64.61	–	1,060.98	628.07	62.32	–	690.39	370.59	368.30
Total	41,135.82	2,398.99	1,636.76	41,898.05	9,466.11	1,254.05	389.50	10,330.66	31,567.39	31,689.12
Previous Year	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

Notes:

- 1) Addition to gross block during the previous financial year, of Rs. 5,539.40 Lakh, includes assets of Rs.1,019.43 Lakh (WDV) purchased in the scheme of amalgamation.
- 2) Addition during the year includes Rs. 4.75 Lakh (Previous year, Rs. 54.66 Lakh) on account of foreign exchange fluctuation in the value of foreign currency loan taken to finance these assets.

11. Non-Current Investments

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Investment in Government Securities		
6 Year National Saving Certificates	–	0.10
Other Investments		
3000000 - Units (P.Y. - 3000000 Units) - Reliance Fixed Horizon Fund–XXIX– Series 3 - Growth Plan of Rs 10/- each.	347.91	315.97
TOTAL	347.91	316.07

Notes to the Consolidated Financial Statements

12. Long Term Loans and Advances

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Unsecured, Considered Good		
Capital Advances	3,721.28	3,297.48
Other Loans and Advances		
- Advance Tax	919.85	826.75
- Mat credit entitlement	836.32	514.75
- Advance to Employees	20.35	11.88
TOTAL	5,497.80	4,650.86

13. Other Non-Current Assets

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Misc. Expenditure to the extent not Written Off	–	1.01
Non-Current Fixed Deposits (Refer Note 17)	753.05	296.80
TOTAL	753.05	297.81

14. Current Investments

(Carried at lower of Cost/Fair value)

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
3000000 - Units (P.Y. - 3000000 Units) - Reliance Fixed Horizon Fund XXVI Series 13 - Growth Plan of Rs. 10/- each	381.01	353.40
2750000 - Units (P.Y. 2750000-Units) - Reliance Fixed Horizon Fund XXV Series 12 - Growth Plan of Rs. 10/- each	358.65	332.65
3000000 - Units (P.Y. - 3000000 Units) ICICI Prudential FMP Series 73 - 369 Days Plan of Rs. 10/- each	383.01	356.20
1536956.11 - Units (P.Y. - 1536956.11 Units) - Reliance Regular Savings Fund - Debt Plan - Growth Plan of Rs. 22.6567 each (P. Y. Rs. 19.5191 each)	348.22	317.40
TOTAL	1,470.89	1,359.65

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

(As Verified, Valued and Certified by the Management)

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Raw Material and Components	8,216.79	10,011.55
Work in Progress	531.61	945.41
Finished Goods	2,000.81	1,164.81
Raw Material in Transit	610.51	260.53
TOTAL	11,359.72	12,382.30

Notes to the Consolidated Financial Statements

16. Trade Receivables

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, Considered Good	1,341.60	1,214.73
Unsecured, Considered Doubtful	9.49	11.20
	1,351.09	1,225.93
Less: Provisions for Doubtful Debts	11.10	11.20
	1,339.99	1,214.73
Others		
Unsecured, Considered Good	9,109.07	6,934.57
TOTAL	10,449.06	8,149.30

Note : The Trade Receivables includes an amount of Rs. 602.93 Lakh (Previous year, Rs. 682.66 Lakh) due from Companies in which Directors are interested.

17. Cash and Cash Equivalents

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Balance with Scheduled Banks		
Current Accounts	64.55	33.24
Unpaid Dividend Accounts	9.17	68.43
Cash in Hand	44.82	46.16
Fixed Deposits		
Fixed Deposit Receipts	1,892.86	1,203.77
Less : Fixed Deposit Receipts - having maturity over 12 months	753.05	296.80
Fixed deposits having maturity period within 12 months	1,139.81	906.97
TOTAL	1,258.35	1,054.80

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

Rs. in Lakh

Particulars	As At 31st March, 2017	As At 31st March, 2016
Balance with Excise Authorities	150.79	265.48
Sales Tax Recoverable	140.57	113.37
Advance to Suppliers	1,597.83	1,299.64
Security Deposits	273.94	238.76
Others	258.93	172.21
TOTAL	2,422.06	2,089.46

Notes to the Consolidated Financial Statements

19. Revenue from Operations

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Sale of Products (Gross)	77,551.73	65,008.64
Other Operating Revenues	2,177.31	2,340.75
TOTAL	79,729.04	67,349.39

Other Operating Revenues

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Service Charges Received	231.72	205.05
Hiring Charges Received	1,795.26	2,095.27
Duty Draw Back Received	94.56	40.43
Other Operating Income	55.77	–
TOTAL	2,177.31	2,340.75

20. Other Income

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Interest Received	169.79	280.73
Rent Received	111.25	95.80
Profit on Sale of Assets	68.84	334.27
Revaluation Reserve Income	1.34	1.34
Return on Investments	143.18	115.82
Other Non-operating Income	151.64	131.34
TOTAL	646.04	959.30

21. Cost of Materials Consumed

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Opening Stock	10,272.08	11,945.79
Add: Purchases (Net of Return)	51,838.26	42,615.53
	62,110.34	54,561.32
Less: Closing Stock	8,827.30	10,272.08
Less: Purchase of Stock-in-Trade	344.72	304.82
TOTAL	52,938.32	43,984.42

Notes to the Consolidated Financial Statements

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

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Finished Goods		
Opening Stock	1,164.81	1,052.98
Closing Stock	2,000.81	1,164.81
Change during the Year (A)	(836.00)	(111.83)
Work in Progress		
Opening Stock	945.41	1,183.02
Closing Stock	531.61	945.41
Change during the Year (B)	413.80	237.61
Net (Decrease) / Increase [(A) + (B)]	(422.20)	125.78

23. Employee Benefit Expenses

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Salaries, Wages & Bonus	4,887.97	4,567.93
Contribution to Provident and Other Funds	251.77	237.38
Staff Welfare Expenses	279.39	287.76
Director's Remuneration	453.31	461.60
TOTAL	5,872.44	5,554.67

24. Selling & Distribution Expenses

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Selling Expenses	1,457.10	1,390.60
Commission on Sales	832.45	625.11
TOTAL	2,289.55	2,015.71

25. Financial Costs

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Interest on Working Capital Facilities	713.85	899.44
Interest on Term Loans	459.61	382.95
Interest on Other Loans	131.80	119.08
TOTAL	1,305.26	1,401.47

Notes to the Consolidated Financial Statements

26. Other Expenses

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Manufacturing Expenses		
Manufacturing Expenses	3,061.50	2,596.88
Power & Fuel	448.40	449.41
Repair & Maintenance		
- Plant & Machinery	363.58	344.17
- Building	122.32	114.86
Freight & Forwarding Charges	2,066.71	1,508.81
SUB TOTAL (A)	6,062.51	5,014.13
Other Administrative Expenses		
Rent	183.09	160.90
Rate Fees & Taxes	58.99	70.97
Insurance	79.37	84.29
Travelling & Conveyance	1,096.19	1,084.82
Communication Expenses	216.80	184.37
Auditor's Remuneration	17.12	18.91
Vehicle Expenses	134.54	91.67
Exchange Rate Difference (Net)	11.55	182.23
Penalties to State Budget & Others	0.13	0.40
Miscellaneous Expenses	1,891.31	1,562.85
Provision for Doubtful Loan & Advances	—	225.00
Bad Debts Written Off	24.36	0.34
SUB TOTAL (B)	3,713.45	3,666.75
TOTAL [(A) + (B)]	9,775.96	8,680.88

Auditor's Remuneration Includes

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Audit Fee	15.41	14.54
Taxation Matters	0.90	0.75
Certification	0.81	3.62
TOTAL	17.12	18.91

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 books 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 for Action Construction Equipment Limited. However, the USD & RON are the functional currencies for its foreign subsidiaries located in the 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, 2017	31st March, 2016
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, except investment in Debt Funds which are valued at cost or Fair Value, whichever is lower. However, provision made for diminution in the value of the 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.

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

Notes to the Consolidated Financial Statements

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

8. Foreign Currency Transactions:

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

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

(b) Post Employment benefits;

(i) Defined Contribution Plans:

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

(ii) Defined Benefits Plans:

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

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 convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Notes to the Consolidated Financial Statements

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

11. Impairment of Assets :

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

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

12. Borrowing Costs :

Borrowing costs that are attributable to the acquisition and construction of an assets that necessarily takes substantial period of time to get ready for its intended use are capitalised as part of cost of the respective asset. All other borrowing costs are recognised as an expense 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 Lakh	
	As At 31st March, 2017	As At 31st March, 2016
Bank Guarantees	2,022.71	2,026.48
Letter of Credits	3,290.39	1,798.63
Claim against the Company, not acknowledge as Debts*	917.44	689.88
Sales Tax, Excise & Income Tax Matters, pending before Assessing / Appellate Authorities*	3,206.12	3,126.32
Total	9,436.66	7,641.31

* 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	Other Benefits and Perquisites	Rs. in Lakh	
					Total	
1.	Sh. Vijay Agarwal*, Chairman & Managing Director	251.41	—	15.99	267.40	
2.	Smt. Mona Agarwal*, Whole-time Director	126.00	—	8.30	134.30	
3.	Sh. Sorab Agarwal, Executive Director	33.60	—	2.87	36.47	
4.	Smt. Surbhi Garg, Executive Director	16.80	—	1.69	18.49	
	Total	427.81	—	28.85	456.66	

* The above mentioned remuneration of Rs. 456.66 Lakh is in excess of Maximum permissible remuneration as determined under Schedule V of the Companies Act, 2013. However the Central Government vide its letter dated Sept. 01, 2016 have approved remuneration paid/payable to Mr. Vijay Agarwal, Chairman & Managing Director and Mrs. Mona Agarwal, Whole-time Director for the period Oct. 01, 2015 to Sept. 30, 2018.

Notes to the Consolidated Financial Statements

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

3. Segment Wise Revenue, Results, Asset & Liabilities

Information about the Primary Business Segments of the Company

Rs. in Lakh

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
1. Segment Revenue		
a) Cranes	47,565.14	39,816.96
b) Material Handling/Construction Equipment	10,151.76	6,261.62
c) Agri Equipment	15,230.97	15,310.62
d) Subsidiaries Business	0.73	3.62
e) Excise Duty	4,603.13	3,615.82
Sales/Income from Operations	77,551.73	65,008.64
2. Segment Results		
a) Cranes	4,035.53	3,928.45
b) Material Handling/Construction Equipment	628.88	(66.16)
c) Agri Equipment	206.09	75.41
d) Subsidiaries Business	(45.39)	(16.33)
Total	4,825.11	3,921.37
Less: Financial Cost	1,305.26	1,401.47
Less: Other Unallocable Expenses	1,106.00	1,029.52
Profit Before Tax	2,413.85	1,490.38
3. Segment Assets		
a) Cranes	47,978.21	46,960.12
b) Material Handling / Construction Equipment	6,155.18	4,689.53
c) Agri Equipment	3,924.87	4,161.55
d) Subsidiaries Business	1,050.61	1,058.63
e) Unallocated	6,017.36	5,119.54
Total Segment Assets	65,126.23	61,989.37
4. Segment Liabilities		
a) Cranes	14,487.76	10,987.12
b) Material Handling / Construction Equipment	2,435.80	1,265.76
c) Agri Equipment	3,982.00	3,742.46
d) Subsidiaries Business	195.38	207.05
e) Unallocated	44,025.29	45,786.98
Total Segment Liabilities	65,126.23	61,989.37

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.

Notes to the Consolidated Financial Statements

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

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 - NIL

(e) Related Party Transactions

Rs. in Lakh

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,		
Sale of Goods	2016-17	–	1,113.76	–	–	–	1,113.76
	2015-16	–	2,195.63	–	–	–	2,195.63
Remuneration Paid	2016-17	–	–	–	–	456.66	456.66
	2015-16	–	–	–	–	477.41	477.41
Licence Fee Paid	2016-17	–	–	–	–	83.27	83.27
	2015-16	–	–	–	–	75.70	75.70
Rent Received	2016-17	–	0.71	–	–	–	0.71
	2015-16	–	0.65	–	–	–	0.65
Interest Received	2016-17	–	60.79	–	–	–	60.79
	2015-16	–	36.72	–	–	–	36.72
Investment in Equity	2016-17	24.39	–	–	–	–	24.39
	2015-16	(0.04)	–	–	–	–	(0.04)
Loan to Subsidiary*	2016-17	–	–	(40.06)	–	–	(40.06)
	2015-16	–	–	164.67	–	–	164.67

* Loan to subsidiary includes Rs. 64.40 Lakh (Previous Year, Rs. 156.87 Lakh) 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 accomodations. 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:

Notes to the Consolidated Financial Statements

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

(a)	Particulars	Rs. in Lakh	
		Minimum Lease Payments	
		2016-17	2015-16
	Payable within one year	69.06	123.10
	Payable after one year but within 5 years	104.09	44.82

(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, 2017 is Rs. 183.09 Lakh (P.Y. Rs. 160.90 Lakh).

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

Particulars	Rs. in Lakh	
	2016-17	2015-16
a) Current Service Cost	68.73	65.52
b) Interest Cost	23.77	20.93
c) Employee Contribution	—	—
d) Actuarial (Gain)/Loss	(0.58)	0.91
e) Past Service Cost	—	—
f) Settlement Cost	(21.77)	(20.85)
Total Expenses, debited to Statement of Profit & Loss	70.15	66.51

(b) Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2017

Particulars	Rs. in Lakh	
	2016-17	2015-16
a) Present Value of defined Benefit Obligation at the end of the year	(387.89)	(341.64)
b) Fair Market Value of Plan Assets with LIC at the end of the year	313.58	276.80
Net Asset/(Liability)	(74.31)	(64.84)

(c) Change in the obligation during the year ended 31st March, 2017

Particulars	Rs. in Lakh	
	2016-17	2015-16
a) Present Value of Defined benefit obligation at the beginning of the year	341.64	279.86
b) Current Service Cost	68.73	65.52
c) Interest Cost	23.77	20.93
d) Settlement Cost	—	—
e) Actuarial (Gain)/Loss	3.23	1.84
f) Benefit Payment	(49.48)	(26.51)
Present Value of Defined benefit obligation at the end of the year	387.89	341.64

Notes to the Consolidated Financial Statements

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

(d) Change in the Plan Assets during the year ended 31st March, 2017

Rs. in Lakh

Particulars	2016-17	2015-16
a) Plan assets at the beginning of the year	276.80	236.74
b) Actuarial (Gain)/Loss	3.81	0.93
c) Contribution	60.68	44.79
d) Benefit Payment	(49.48)	(26.51)
e) Return on the Plan Assets	21.77	20.85
Plan Assets at the end of the year	313.58	276.80

(e) Actuarial Assumption

- a) Discounted Rate 7.50% p.a.
- b) Mortality Rate IAL (2006-08) Ultimate
- c) Withdrawal Rate 1% to 3% depending on Age.
- d) Salary Escalation 10.00%
- 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).

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	2016-17	2015-16
Profit After Tax incl. Minority interest and share of Profit of Associates- (Rs in Lakh)	2,050.52	994.84
Less: Dividend on preference shares (Including Dividend Distribution Tax) (Rs in Lakh)	290.97	13.52
Profit after dividend on preference shares (Rs in Lakh)	1,759.55	981.32
Weighted average no. of Equity Shares of Rs. 2 each (Basic)	117,323,000	117,323,000
Weighted average no. of Equity Shares of Rs. 2 each (Diluted)	117,323,000	117,323,000
EPS (In Rupees)- Basic	1.50	0.84
EPS (In Rupees)- Diluted	1.50	0.84

- 8. Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof Rs. 100.00 Lakh (previous year Rs. 156.72 Lakh).

Notes to the Consolidated Financial Statements

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

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 (Rs. in lakh)	As % of consolidated profit or loss	Amount (Rs. in lakh)
Parent: Action Construction Equipment Limited	107.12	35,159.19	101.88	2,459.25
Namo Metals (Indian)	–	–	(0.00)	(0.09)
Frested Limited, Cyprus (Foreign)	(7.67)	(2,517.84)	(1.29)	(31.24)
SC Forma SA, Romania (Foreign)	0.55	181.51	(0.58)	(14.07)

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 lakh)	SC Forma SA, Romania (Rs. in lakh)
a	Share Capital/ Capital	0.84	170.31
b	Reserves & Surplus	(2,609.74)	(384.79)
c	Total Assets (Fixed Assets + Current Assets)	139.70	407.01
d	Total Liabilities (Debts+ Current Liabilities)	2,745.72	192.24
e	Investments	138.63	–
f	Turnover/Total Income (Including other Income)	–	2.62
g	Profit/(Loss) Before Taxation	(31.24)	(14.07)
h	Provision for Taxation	–	–
i	Profit/(Loss) After Taxation	(31.24)	(14.07)
j	Proposed Dividend	–	–
k	Exchange rate used (in Rs.)	64.84	15.84
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, 2017.

Notes to the Consolidated Financial Statements

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

PART "B" : ASSOCIATES AND JOINT VENTURES - NIL

10. Specified Bank Note

Rs. in Lakh

Particulars	SBNs	Others	Total
Cash in hand as on 08.11.2016	21.00	49.50	70.50
(+) Permitted receipts	–	52.22	52.22
(–) Permitted payments	–	91.37	91.37
(–) Amount deposited in Banks	21.00	–	21.00
Cash in hand as on 30.12.2016	–	10.35	10.35

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

Life Time Club Membership - Rs. Nil (P.Y. Rs. 1.01 Lakh - being amortized over a period of ten years, commencing from 2007-08).

12. 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.

13. 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.

14. Previous years figures have been regrouped to make them comparable with current year figures wherever necessary.

15. Note 1 to 27 form integral part of the accounts and are duly authenticated.

In terms of our report of even date		For and on behalf of the Board of Directors	
For Rajan Chhabra & Co. Chartered Accountants Firm Registration No. 009520N			
Rajan Chhabra Partner Membership No. 088276		Vijay Agarwal Chairman & Managing Director DIN No. 00057634	Sorab Agarwal Executive Director DIN No. 00057666
Place : New Delhi Date : May 19, 2017	Rajan Luthra Chief Financial Officer	Yashika Kansal Company Secretary	Subhash Chander Verma Independent Director DIN No. 00098019



Action Construction Equipment Limited

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

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Third Annual General Meeting** of the Members of **Action Construction Equipment Limited** will be held as per following schedule :

Day	Friday
Date	September 29, 2017
Time	11:30 A.M.
Venue	Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001. (Route Map Attached)

To transact the following businesses:-

ORDINARY BUSINESS:

- To receive, consider and adopt:**
 - The audited standalone financial statements of the Company for the financial year ended March 31, 2017 and the reports of Board of Directors and Auditors' thereon; and
 - The audited consolidated financial statements of the Company for the financial year ended March 31, 2017.
- To declare dividend:**
 - On Preference Shares for the financial year ended March 31, 2017.
 - On Equity Shares for the financial year ended March 31, 2017.
- To appoint a Director in place of Mr. Sorab Agarwal (DIN: 00057666) who retires from office by rotation, and being eligible, offers himself for reappointment.
- To appoint auditor and fix their remuneration and in this regard, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 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, M/s BRAN & Associates, Chartered Accountants (Firm Registration No. 014544N) be and is hereby appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years commencing from conclusion of this Annual General Meeting (AGM) till the conclusion of the 28th Annual General Meeting of the Company to be held in the calendar year 2022, to examine and audit the accounts of the Company at such remuneration as shall be fixed by the Board of Directors of the Company"

SPECIAL BUSINESS:

- To ratify the remuneration of the cost auditors for the financial year ending March 31, 2018, in this regard, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration of Rs.1,00,000/- (Rupees One Lakh only) plus applicable taxes inclusive of all out of

pocket expenses, approved by the by the Board of Directors, to be paid to M/s Vandana Bansal & Associates, Cost Accountants (Firm registration No: 100203), appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2018, be and is hereby ratified."

6. Authorization for making donations to bona fide charitable and other funds, in this regard if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 181 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (herein referred to as 'the Board') to contribute, donate, subscribe or otherwise provide assistance from time to time to any bona fide charitable and other funds, including, public, social, benevolent or general fund, society, trust, association, institutions, Non-Governmental Organization (NGO), Section 25 under Companies Act, 1956 and Section 8 under Companies Act, 2013 Companies, organization, relating/ not relating to the business of the Company or the welfare of its employees, for taking up any programme, activities of social, cultural, educational, economic, rural development of people at large and/or to incur any expenditure on their behalf in any financial year, any amounts the aggregate of which, may exceed five per cent of its average net profits for the three immediately preceding financial years, subject to a limit of Rs.3 (Three) Crores p.a."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution(s), the Board of Directors of the Company or any officer(s) authorized by it be and is hereby authorized to do all acts, and take all such steps as may be necessary, proper or expedient."

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

Place : New Delhi
Date : May 19, 2017
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121002, Haryana, India

Sd/-
Yashika
Company Secretary
Membership No. ACS:31005

NOTES :

1. The Register of Members and the Share Transfer books of the Company will remain closed from September 22, 2017 to September 29, 2017 (both days inclusive) for annual closing and for determining the entitlement of the shareholders to the dividend for FY 2017. The cut off date for e-voting is September 22, 2017.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend and vote in the meeting instead of himself / herself. Such a proxy/ proxies need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. A member holding more than 10 % of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form for the AGM is enclosed, proxy submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/authority, as applicable
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution to the Company authorizing their representative to attend and vote on their behalf at the Meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged during the business hours at the registered office of the Company provided not less than 3 days written notice is given to the Company.
7. Pursuant to SEBI (LODR) Regulations 2015 and such other provisions as may be applicable the Board of Directors had fixed September 22, 2017 as cut-off date for determining the Members who shall be entitled to vote through remote e-voting or voting at the meeting. A member who is not a member as on the cut off date shall treat this notice for information purpose only.
8. In case of joint holders attending the meeting only such joint holder who is higher in order of names will be entitled to vote.
9. Attendance slip, proxy form and the route map of the venue of the meeting are annexed hereto.
10. The Board in their meeting held on May 19, 2017 has recommended dividend of Rs. 0.30 i.e (15%) per equity share for the financial year ended March 31, 2017. The payment of dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company and is proposed to be paid within 30 days from date of ensuing Annual General Meeting.
11. 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.
12. 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.

13. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2008-09, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on September 23, 2016 (date of the previous Annual General Meeting) on the website of the Company and the same can be accessed through the link <http://ace-cranes.com/unclaimed-dividends/> The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: www.mca.gov.in.

Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2008-09 has not been paid or claimed by the members for 7 (seven) consecutive years or more.

14. Members wishing to claim dividend that remain unclaimed are requested to correspond with the Registrar and Shares Transfer Agent, or the Company Secretary at the registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's unpaid dividend account, will, as per section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per section 124 of the Act, and the applicable rules.
15. 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.
16. Electronic copy of the Notice and Annual Report for FY 2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for Financial Year 2016-17 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.
17. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for Financial Year 2016-17 will also be available on the Company 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.
18. 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.
19. **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 Participants (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 associates.mza@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format **"Corporate Name_Event No."**

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the E-Voting Form.
- ii. Please follow all steps from S. 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 Computershare 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. 1-800-34-54-001 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 September 25, 2017 (8:30 a.m.) and ends on September 28, 2017 (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 September 22, 2017 may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e September 22, 2017.
- 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., September 22, 2017, 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. M/s MZ & 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) working days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited/NSE Limited.
20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
21. 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 500 008**. Members must quote their Folio No. in all correspondence with the Company/R&T Agent.
22. 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 Shareholders whose e-mail Id's are not registered with the Company, are requested to register the same so that they would be able to receive the information in quick time and also it would be useful to the environment.
23. 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.
24. Members seeking any information on the accounts are requested to write to the Company at least ten days in advance so as to enable the Management to keep the information ready, in reply to the same at the Annual General Meeting.
25. 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.
26. In term of section 152 of the Act, Mr. Sorab Agarwal, retire by rotation at the Meeting and being eligible, offer himself for re-appointment.
27. Additional information, pursuant to Regulation 36 of the Listing Regulation, in respect of the Director seeking appointment/reappointment at the AGM forms part of the notice.
28. Keeping in view the requirements set out in the Act, the Audit Committee and Board of Directors of the Company have recommended appointment of M/s BRAN & Associates, Chartered Accountants (Firm Registration No. 014544N) as Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 28th Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company. The first year of Audit by the aforesaid Auditors will be of the financial statements of the Company for the financial year ending March 31, 2018.

M/s BRAN & Associates, Chartered Accountants have consented to and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also confirmed that they are not disqualified to be appointed as Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

29. 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 of Director
For Action Construction Equipment Limited**

**Place: New Delhi
Date: May 19, 2017
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121002, Haryana, India**

**Sd/-
Yashika
Company Secretary
Membership No. ACS : 31005**

Additional information on director recommended for appointment/reappointment as required under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A brief profile/resume of Mr. Sorab Agarwal (DIN: 00057666) including nature of his expertise in specific functional areas and names of companies in which he holds directorship and membership of Board Committees, shareholding and relationships with directors/KMP, are as under:

Name of Director	Mr. Sorab Agarwal
DIN	00057666
Date of Birth (Age)	27.02.1977 (40 years)
Date of first appointment on Board	20.03.1998
Relationship with Directors/KMP	Son of Mr. Vijay Agarwal (DIN:00057634) Chairman and Managing Director and Mrs. Mona Agarwal (DIN:00057653) Whole Time Director of the Company
Experience/Expertise in specific functional area	Associated since 1998 with the Company as a Whole Time Director of the Company. Mr. Sorab Agarwal has overall strategic and operational responsibility for the entire Company, he drives the continuous renewal of key processes, systems, and policies across the company in client relationship management, sales effectiveness, quality, leadership development etc.
Qualification	Bachelor Degree in Mechanical Engineering
Board Membership of other Company	VMS Equipment Private Limited (CIN: U74140DL2010PTC206438)
Member of the Committees of Board of Directors of Company	Stakeholders' Relationship Committee
Member of the Board committee of other companies in which he is a director	None
No. of shares held in the Company	Equity Shares (In No.'s) – 71,22,650 Preferences Shares (In No.'s) – 60,43,876

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

ITEM NO 5

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

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Vandana Bansal & Associates, Cost Accountants, (Firm registration No: 100203), to conduct the audit of the cost records of the Company in respect of the applicable products for the financial year ending March 31, 2018, at an annual remuneration of Rs. 1,00,000 (Rupees One Lakh Only) plus applicable taxes inclusive of all out of pocket expenses subject to the deduction of applicable taxes.

M/s. Vandana Bansal & Associates have furnished a certificate regarding their eligibility and consent for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous year under the provisions of the Companies Act.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

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 5 of the Notice.

The Board recommends the Ordinary Resolution set out at item no 5 of the Notice for approval by the members.

ITEM NO. 6

Under Section 181 of the Act, the Board of Directors of the Company is authorized to make contributions to charitable and other funds, provided that prior permission of the Members is required for such contributions during a financial year exceeding five percent of its average net profits during the three immediately preceding financial years. The approval of the Members is being sought, pursuant to Section 181 of the Act, for authorizing the Board of Directors of the Company to contribute, donate, subscribe or otherwise provide assistance from time to time to any bona fide charitable and other funds, including, public, social, benevolent or general fund, society, trust, association, institutions, Non Governmental Organization (NGO), Section 25 under Companies Act, 1956 and Section 8 under Companies Act, 2013, Companies, organization, relating/ not relating to the business of the Company or the welfare of its employees, for taking up any programme, activities of social, cultural, educational, economic, rural development of people at large and/or incur any expenditure on their behalf in a financial year, exceeding five percent of the Company's average net profits during the three immediately preceding financial years subject to a limit of Rs. 3 (Three) crores p.a.

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 Resolution as set out at Item no. 6 of the Notice as an ORDINARY RESOLUTION, for the approval of the Members.



Action Construction Equipment Limited

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 23rd Annual General Meeting of the Company to be held on Friday, September 29, 2017 at 11:30 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 Limited

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 Limited
Registered office:	Dudhola Link Road, Dudhola, Palwal, Haryana-121102

Name of the member(s):

Registered address:

Email Id:

Folio No./Client Id:

DP ID:

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

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

Or Failing Him

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

Or Failing Him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on the September 29, 2017 at 11:30 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001 and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.	Particulars		
Ordinary Business		For	Against
1	To receive, consider and adopt:		
1 (a)	The audited standalone financial statements of the Company for the financial year ended March 31, 2017 and the reports of Board of Directors and Auditors' thereon.		
1 (b)	The audited consolidated financial statements of the Company for the financial year ended March 31, 2017.		
2	To declare dividend :		
2 (a)	On Preference Shares for the financial year ended March 31, 2017.		
2 (b)	On Equity Shares for the financial year ended March 31, 2017.		
3	To appoint a Director in place of Mr. Sorab Agarwal (DIN: 00057666) who retires from office by rotation, and being eligible, offers himself for reappointment.		
4	To appoint auditor and fix their remuneration.		
Special Business			
5	To ratify the remuneration of the cost auditors for the financial year ending March 31, 2018.		
6	Authorization for making donations to bona fide charitable and other funds.		

Signed this..... day of..... 2017

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.

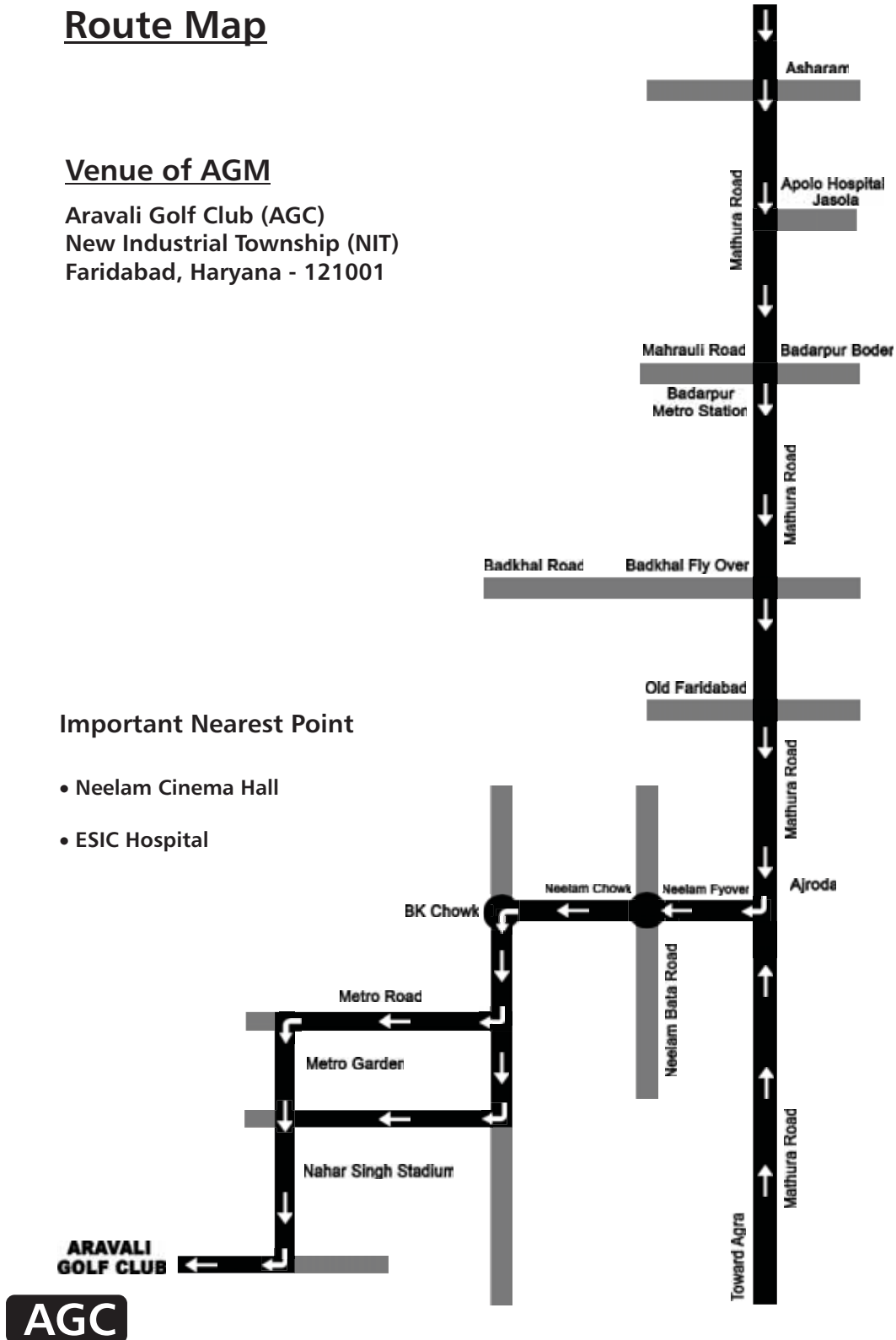
Route Map

Venue of AGM

Aravali Golf Club (AGC)
New Industrial Township (NIT)
Faridabad, Haryana - 121001

Important Nearest Point

- Neelam Cinema Hall
- ESIC Hospital



Corporate Profile

BOARD OF DIRECTORS

- **Vijay Agarwal**
Chairman and Managing Director
- **Mona Agarwal**
Executive 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

Chief Financial Officer (CFO)

Rajan Luthra

Company Secretary & Compliance Officer

Anil Kumar

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.
- Standard Chartered Bank
- Axis Bank Ltd.
- State Bank of India
- Indusind Bank
- Punjab National Bank

Stock Exchanges

BSE Limited

National Stock Exchange of India Limited

Subsidiary Companies

FRESTED LIMITED, Cyprus

SC FORMA SA, Romania

Registered & Corporate Office

Dudhola Link Road,

Village Dudhola, Palwal-121102,

Haryana.

Marketing Office

4th floor, Pinnacle, Surajkund,

Faridabad-121009, 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

If undelivered, please return to :



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(CIN : L74899HR1995PLC053860)

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