Action Construction Equipment Ltd.
Corporate & Regd. Office
Dudhola Link Road, Dudhola, Distt. Palwal - 121102, Haryana, India

ACE
An ISO 9001 Certified Co.

INDIA'S 70 MOST TRUSTED POWER BRANDS

INDIA'S MOST TRUSTED COMPANIES AWARD 2017 INDUSTRY VALIDATED

Date: 29th August, 2018

To,

The Manager Listing
BSE Limited
5th Floor, P.J. Towers,
Dalal Street,
Mumbai-400 001

Scrip Code: 532762

The Manager Listing
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex, Bandra(E), Mumbai-400 051

CM Quote: ACE

Subject: Notice of 24th Annual General Meeting (AGM) and Annual Report of the Company.

Dear Sir/Madam,

Please find enclosed herewith the Notice convening the 24th Annual General Meeting (AGM) of the Company to be held on Friday, 28th September, 2018 at 11:30 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana -121001 and the Annual Report for the financial Year 2017-18.

Further, in order to comply with the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the financial year 2017-18 will be filed with the Stock Exchange(s) after it is adopted by the shareholders of the Company at the 24th AGM to be held on 28th September, 2018.

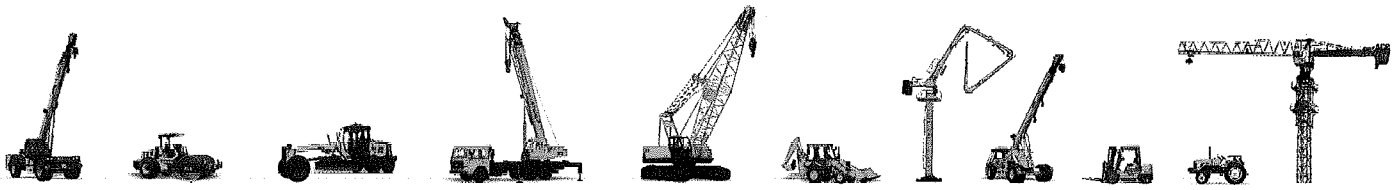
This is for your information and records please.

Thanking you

For Action Construction Equipment Limited

Anil Kumar
Company Secretary

Action Construction Equipment Limited PALWAL



Corporate Office & Regd. Office : Phone : +91-1275-280111 (50 Lines), Fax :+91-1275-280133, E-mail : works2@ace-cranes.com
Mktg. H.Q.: 4th Floor, Pinnacle, Surajkund, Faridabad, NCR-121009, Phone: +91-129-4550000 (100 Lines), Fax : +91-129-4550022, E-mail: marketing@ace-cranes.com
Customer Care No.: 1800 1800 004 (Toll Free), **CIN :** L74899HR1995PLC053860

www.ace-cranes.com

Nothing beats an ACE

ACE

ACTION CONSTRUCTION EQUIPMENT LIMITED

Regd. Office: Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana
Email:cs@ace-cranes.com, Phone:01275-280111, Fax:01275-280133, CIN:L74899HR1995PLC053860,
Website:www.ace-cranes.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Fourth (24th) Annual General Meeting (AGM)** of the Members of Action Construction Equipment Limited will be held as per following schedule:

Day	**Friday**
Date	**September 28, 2018**
Time	**11:30 a.m.**
Venue	**Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001. (Route Map attached)**

To transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt:

(a) The audited standalone financial statement of the Company for the financial year ended March 31, 2018 and reports of Board of Directors and Auditors' thereon; and

(b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and report of Auditors' thereon.

2. To declare dividend:

(a) On Preference Shares for the financial year ended March 31, 2018.

(b) On Equity Shares for the financial year ended March 31, 2018.

3. To appoint a Director in place of Mrs. Mona Agarwal (DIN:00057653) who retires from office by rotation, and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

4. To ratify the remuneration of the cost auditors for the financial year ending March 31, 2019, in this regard, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration of ₹ 70,000/- (Rupees Seventy Thousand only) plus applicable taxes inclusive of all out of pocket expenses, approved by the Board of Directors, to be paid to M/s Goyal & Associates, Cost Accountants (Firm Registration No: 000787), appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2019, be and is hereby ratified."

5. RE-APPOINTMENT OF MR. VIJAY AGARWAL (DIN:00057634) AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY, in this regard, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or any authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Mr. Vijay Agarwal (DIN: 00057634) as Chairman & Managing Director of the Company for a further period of 5 (five) years with effect from October 1, 2018 on terms and conditions including remuneration and perquisites, as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board") or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and/or remuneration in such manner as may be deemed fit by the Board and/or Nomination and Remuneration Committee and agreed by Mr. Vijay Agarwal."

"RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any financial year, the remuneration as set out be paid to Mr. Vijay Agarwal (DIN: 00057634) as minimum remuneration, subject to necessary approval(s), as may be required."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Vijay Agarwal (DIN:00057634), Chairman & Managing Director, including the components of the mentioned remuneration payable to him subject to the overall limit of ₹ 5,25,00,000/- (Rupees Five Crore Twenty Five Lakh only) per annum (including perquisites and allowances)."

"RESOLVED FURTHER THAT consent of the members of the Company be and is hereby also given under Section 196 read with Schedule V of the Companies Act, 2013 for continuation of employment of Mr. Vijay Agarwal, as Chairman & Managing Director of the Company even after attaining the age of 70 years on January 13, 2019, during tenure ending on September 30, 2023."

"RESOLVED FURTHER THAT the Chairman and Managing Director is not liable to retire by rotation and will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors subject to the supervision, superintendence and control of the Board."

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

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

6. RE-APPOINTMENT OF MRS. MONA AGARWAL (DIN:00057653) AS WHOLE-TIME DIRECTOR, DESIGNATED AS EXECUTIVE DIRECTOR OF THE COMPANY, in this regard, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or any authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Mrs. Mona Agarwal (DIN: 00057653) as Whole-Time Director, designated as Executive Director of the Company for a further period of 5 (five) years with effect from October 1, 2018 on terms and conditions including remuneration and perquisites, as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board") and/or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and/or remuneration in such manner as may be deemed fit by the Board and/or Nomination and Remuneration Committee and agreed by Mrs. Mona Agarwal."

"RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any financial year, the remuneration as set out be paid to Mrs. Mona Agarwal (DIN: 00057653) as minimum remuneration, subject to necessary approval(s), as may be required."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mrs. Mona Agarwal (DIN: 00057653), Whole-Time

Director, including the components of the remuneration payable to her subject to the overall limit of ₹ 2,75,00,000/- (Rupees Two Crore Seventy Five Lakh only) per annum (including perquisites and allowances)."

"RESOLVED FURTHER THAT the Whole-Time Director is liable to retire by rotation and will carry out such duties and exercise such powers as may be entrusted to her by the Board of Directors subject to the supervision, superintendence and control of the Board."

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

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

7. RE-APPOINTMENT OF MR. SORAB AGARWAL (DIN:00057666) AS WHOLE-TIME DIRECTOR, DESIGNATED AS EXECUTIVE DIRECTOR OF THE COMPANY, in this regard, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or any authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Mr. Sorab Agarwal (DIN:00057666) as Whole-Time Director, designated as Executive Director of the Company for a further period of 5 (five) years with effect from October 1, 2018 on terms and conditions including remuneration and perquisites, as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board") and/or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and/or remuneration in such manner as may be deemed fit by the Board and/or Nomination and Remuneration Committee and agreed by Mr. Sorab Agarwal."

"RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any financial year, the remuneration as set out be paid to Mr. Sorab Agarwal (DIN: 00057666) as minimum remuneration, subject to necessary approval(s), as may be required."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Sorab Agarwal (DIN:00057666), Whole Time Director, including the components of remuneration payable to him subject to the overall limit of ₹ 1,75,00,000/- (Rupees One Crore Seventy Five Lakh only) per annum (including perquisites and allowances)."

"RESOLVED FURTHER THAT the Whole-Time Director is liable to retire by rotation and will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors subject to the supervision, superintendence and control of the Board."

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

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

8. TO CONSIDER AND DETERMINE THE FEES FOR DELIVERY OF ANY DOCUMENT THROUGH A PARTICULAR MODE OF DELIVERY TO A MEMBER 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 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above."

"RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

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

Place: New Delhi
Date: May 21, 2018
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, Haryana, India
CIN: L74899HR1995PLC053860
Email: cs@ace-cranes.com

Sd/-
Anil Kumar
Company Secretary
M. No. ACS: 37791

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, September 21, 2018 to Friday, September 28, 2018 (both days inclusive) for the purpose of Annual General Meeting and for determining the entitlement of the shareholders to the dividend for FY 2018. The cut-off date for e-voting is Friday, September 21, 2018.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend and vote in the meeting instead of himself / herself. Such a proxy/ proxies need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. A member holding more than 10 % of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form for the AGM is enclosed, proxy submitted on behalf of the Companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.

5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution to the Company authorizing their representative to attend and vote on their behalf at the Meeting.

6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged during the business hours at the registered office of the Company provided not less than 3 days written notice is given to the Company.

7. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed Friday, September 21, 2018 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 21, 2018 has recommended dividend of ₹ 0.50 i.e. (25%) per equity share for the financial year ended March 31, 2018. 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 upto FY 2009-10 and unpaid/unclaimed Interim Dividend FY 2010-11, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on September 29, 2017 (date of the previous Annual General Meeting) on the website of the Company at www.ace-cranes.com in the Investrors Relation section. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed at www.mca.gov.in.

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

dividend (declared up to FY 2009-10 and Interim Dividend FY 2010-11) has not been paid or claimed by the members for 7 (seven) consecutive years or more, to IEPF Authority.

14. Members wishing to claim dividend that remain unclaimed are requested to correspond with the Registrar and shares transfer agent (RTA) or the Company Secretary of the Company. Members are requested to note that as per section 124 of the Companies Act, 2013 the applicable rules, dividends that are not claimed within seven years from the date of transfer to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF) and shares on which dividend remains unclaimed for seven consecutive years will also be transferred to the IEPF.

15. Members holding shares in electronic mode:
    (a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
    (b) are advised to contact their respective DPs for registering the nomination.
    (c) are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.

16. Members holding shares in physical mode:
    (a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Karvy (RTA), if not registered with the Company as mandated by SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.
    (b) are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website at www.ace.cranes.com in investor relation section.
    (c) are requested to register / update their e-mail address with the Company / Karvy for receiving all communications from the Company electronically.

17. Non-Resident Indian members are requested to inform Karvy(RTA) / respective DPs, immediately of:
    (a) Change in their residential status on return to India for permanent settlement.
    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

18. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

19. Electronic copy of the Notice and Annual Report for FY 2018 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 2017-18 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.

20. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for Financial Year 2017-18 will also be available on the Company's website www.ace-cranes.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Palwal for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@ace-cranes.com.

21. 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 venue of the meeting.

22. Voting through electronic means

I. **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all

resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email 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 Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM through ballot process. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact to Mr. V Kishore, Asstt. Manager, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 or at evoting@karvy.com or phone no. 040 – 6716 1585 or call Karvy's toll free No. 1800-345-4001 for any further clarifications.

b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c. The remote e-voting period will commence on Monday, September 24, 2018 (8:30 a.m.) and ends on Thursday, September 27, 2018 (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 21, 2018 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 21, 2018.

e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date i.e., September 21, 2018. 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 sendSMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.

      Example for NSDL:
      MYEPWD <SPACE> IN12345612345678

      Example for CDSL:
      MYEPWD <SPACE> 1402345612345678

      Example for Physical:
      MYEPWD <SPACE> XXXX1234567890

   ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

   iii. Member may call Karvy's toll free number 1800-345-4001.

   iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall 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 at www.ace-cranes.com and on the website of www.evoting.karvy.com within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange(s).

23. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturday, Sunday and public holidays up to the day of meeting. The said documents will be available for inspection by the memebers at the meeting venue.

24. For effecting change of Address/Bank details/Electronic Clearing Service (ECS) Mandate, if any, Members are requested to notify the same to the Company and/or Registrar and Share Transfer Agent (R&T Agent) of the Company, i.e. Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Serilingampally, Hyderabad-500008. Members must quote their Folio No./ Client ID in all correspondence with the Company/R&T Agent.

25. Members are further informed that as a part of Green initiative taken by Ministry of Corporate Affairs, the Company is sending this notice with Annual Report and would send all the future Notices and Communications to the e-mail addresses of the shareholders,

whose e-mail are registered with the Company or with the Depository. However, the Shareholders of whose e-mail ids are not registered with the Company or with the depository would continue to receive the same in physical form. Any shareholder desirous of receiving physical copy of any document can apply for the same to the Company. **The Shareholders whose e-mail Id's are not registered with the Company, are requested to register the same so that they would be able to receive the information in quick time and also it would be useful to the environment.**

26. 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.

27. 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.

28. In term of section 152 of the Act, Mrs. Mona Agarwal, retire by rotation at the Meeting and being eligible, offer herself for re-appointment.

29. 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 as **Annexure**.

30. The Requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is omitted by Companies (Amendment) Act, 2017 vide notification dated May 7, 2018 issued by the Ministry of Corporate affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditor, who was appointed in the Annual General Meeting, held on September 29, 2017.

31. 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 specimen signatures registered with the R&T Agent/Depository Participant (DP). **Please carry Original photo ID card for identification/verification purposes.**

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

Place: New Delhi
Date: May 21, 2018
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, Haryana, India
CIN: L74899HR1995PLC053860
Email: cs@ace-cranes.com

Sd/-
Anil Kumar
Company Secretary
M. No. ACS: 37791

ANNEXURE

Details of Directors retiring by rotation/seeking appointment/re-appointment as required under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings.

Name of Directors	Mr. Vijay Agarwal	Mrs. Mona Agarwal	Mr. Sorab Agarwal
DIN	00057634	00057653	00057666
Date of Birth (Age)	13.01.1949 (69)	18.11.1955 (62)	27.02.1977 (41)
Date of first appointment on Board	13.01.1995	13.01.1995	20.03.1998
Qualification	BE Mechanical and MBA	Under Graduate	BE Mechanical
Relationship with Directors/KMP	Mrs. Mona Agarwal, Mr. Sorab Agarwal and Mrs. Surbhi Garg, Whole-Time Directors of the Company are relatives under clause 77 of section 2 of Companies Act, 2013 read with rules thereof.	Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Sorab Agarwal and Mrs. Surbhi Garg, Whole-Time Directors of the Company are relatives under clause 77 of section 2 of Companies Act, 2013 read with rules thereof.	Mr. Vijay Agarwal, Chairman & Managing Director, Mrs. Mona Agarwal and Mrs. Surbhi Garg, Whole-Time Directors of the Company are relatives under clause 77 of section 2 of Companies Act, 2013 read with rules thereof.
Experience/Expertise in specific functional area	Associated with the Company since date of Incorporation i.e. 13.01.1995. He is a Promoter Director, designated as Chairman & Managing Director of the Company. He is having over 47 years of industry experience in the field of material handling and heavy engineering industry to his credit. He has overall strategic and operational responsibility for the entire Company, previously worked with Bhartiya Cuttler Hammer Ltd. and Escorts Ltd.	Associated with the Company since date of Incorporation i.e. 13.01.1995. She is a Promoter Director, designated as Whole Time Director of the Company. She is having over 24 years of industry experience in the field of administrative and Human Resource affairs to her credit. Under her guidance, the company's administrative affairs are being handled in a professional manner and company had formulated effective policies.	Associated since 1998 with the Company as a Whole Time Director of the Company. He 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.
Terms and Conditions of appointment/ re-appointment	Refer Item No. 5	Refer Item No. 6	Refer Item No. 7
Details of Remuneration last drawn (FY-2017-18) (₹ in Lakhs)	₹ 285.86	₹ 142.00	₹ 46.97
Membership of the Committees of Board of Directors of Company	Audit Committee	CSR Committee	Stakeholders' Relationship Committee

Directorship in other Companies	VMS Equipment Pvt. Ltd.	VMS Equipment Pvt. Ltd.	VMS Equipment Pvt. Ltd.
Membership of the Board committee of other companies in which he/she is a Director	None	None	None
No. of Board Meetings attended during the year.	Total Meetings held : 4 Total Meetings attended : 4	Total Meetings held : 4 Total Meetings attended : 4	Total Meetings held : 4 Total Meetings attended : 4
No. of shares held in the Company	4,14,01,907 no. of equity shares of ₹ 2 each and 50,00,000 no. of Preference Shares of ₹ 10 each	2,53,14,407 no. of equity shares of ₹ 2 each.	71,48,650 no. of equity shares of ₹ 2 each and 60,43,876 no. of Preference Shares of ₹ 10 each

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

ITEM NO. 4

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

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Goyal & Associates, Cost Accountants, (Firm registration No: 000787), to conduct the audit of the cost records of the Company in respect of the applicable products for the financial year ending March 31, 2019 at an annual remuneration of ₹ 70,000 (Rupees Seventy Thousand Only) plus applicable taxes inclusive of all out of pocket expenses subject to the deduction of applicable taxes.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

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. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 4 of the notice for approval by the members.

ITEM NO. 5

Pursuant to the provision of the Companies Act, 2013, the members of the Company have re-appointed Mr. Vijay Agarwal as Chairman & Managing Director of the Company through the postal ballot held on May 8, 2015 for a period of three years w.e.f. October 1, 2015 and current term of his appointment as Chairman and Managing Director will expire on September 30, 2018.

Mr. Vijay Agarwal, aged 69 years, is a promoter and Chairman & Managing Director of the Company. Mr. Agarwal is having over 47 years of industry experience in the field of material handling and heavy engineering industry to his credit. He has a degree in Mechanical Engineering & MBA from Faculty of Management Studies (FMS), Delhi. Due to his vast experience in his field and continuous efforts, the company has achieved overwhelming success in a short span of 24 years. It was due to his persistence and never tiring efforts, that the Company is able to achieve the growth in the past. He has single handedly mentored the Company and has proved to be a guiding light throughout all these years of the Company's journey. He has excellent grasp and thorough knowledge with overall experience of general management including engineering & technology. Considering his knowledge of various aspects relating to the Company's affairs and vast business experience, the Board of Directors is of the opinion that the services of Mr. Vijay Agarwal should be available to the Company for a further period of five (5) years with effect from October 1, 2018 for smooth and efficient running of the business.

Pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the rules made thereunder and as recommended by the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on May 21, 2018, re-appointed Mr. Vijay Agarwal (DIN: 00057634) as Chairman and Managing Director of the Company with effect from October 1, 2018, for further period of five years.

Mr. Vijay Agarwal, will be attaining the age of 70 (seventy) years during his tenure. In compliance of Section 196 read with schedule V of the Companies Act, 2013, the Board of Directors have also recommended, in their meeting held on May 21, 2018, to the members for approving the proposed resolution as a special resolution for continuation of employment of Mr. Vijay Agarwal as Chairman and Managing Director till 30.09.2023.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution.

Keeping in view that Mr. Vijay Agarwal has a rich and varied experience in the Industry and has been involved in the operations of the Company since date of its incorporation; it would be in the interest of the Company to continue the employment of Mr. Vijay Agarwal as Chairman and Managing Director.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Vijay Agarwal as Chairman & Managing Director of the Company, in terms of the applicable provisions of the Act as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

Broad particulars of the terms of re-appointment and remuneration payable to Mr. Vijay Agarwal, as Chairman and Managing Director of the Company are as under:

1. **Designation:** Chairman & Managing Director.

2. **Tenure:** 5 (Five) years, from October 1, 2018 to September 30, 2023.

3. **Remuneration including allowance and perquisites as under:**

(a) Salary, Perquisites and Allowances per annum:

Salary per annum	In the scale of ₹ 300 lakhs to ₹ 450 lakhs.
Perquisites and Allowances	In the scale of ₹ 25 lakhs to ₹ 75 lakhs.

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

(b) Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging including for Mr. Vijay Agarwal's spouse and dependents during business trips, any medical assistance provided for his family members and provision of car(s) for use on Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(c) Other facilities and benefits as under:

(i) He will be provided with a Car for effective discharge of his official duties. All expenses of car (including expenses of fuel, repair, and maintenance, insurance & salary of Driver) shall be borne by the Company.

(ii) He will be entitled to re-imbursement of entrance fees for membership of any club/society, which in his opinion is essential to promote the business of the Company and in the interest of the Company.

4. General:

(a) Chairman and Managing Director will be in overall charge of the business, administration and other affairs of the Company, subject to the control and directions of the Board of Directors, and shall guide, control and supervise the employees including Key Managerial Personnel (KMP) of the Company, their functions, the business carried on by the Company and all administrative matters.

(b) Chairman and Managing Director shall have all the powers and authorities of the Board of Directors as provided in Articles of Association of the Company and in the Companies Act; however, subject to the control and directions of the Board of Directors and except the powers which are required to be exercised by the Board in meeting.

(c) Chairman and Managing Director will have power to sign all contracts, deeds and documents proposed to be executed by the Company, to make sign, draw, accept, endorse, negotiate, sell and transfer on behalf of the Company all cheques, bills of exchange,

drafts, hundies, promissory notes, dock warrants, purchase/delivery orders and other negotiable instruments and securities and to represents the Company in dealings with others including Government and other authorities and also to sign all pleadings, applications and other papers required to be filed in any court proceedings by or against the Company.

(d) Chairman and Managing Director will have power to institute, defend, prosecute, conduct, compound, refer to arbitration and to abandon and to compromise legal or other proceedings, claims and disputes by or against the Company or in which the Company may be concerned or interested.

(e) Chairman and Managing Director will have power to appoint and dismiss all employees (including of whatever grade or position), as per the conduct rules of the Company and allot them work and exercise control over them.

(f) Sitting fees: The Chairman and Managing Directors shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof.

(g) The Chairman and Managing Director will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(h) Chairman and Managing Director shall adhere to the Company's Code of Conduct & Ethics for Directors and Management Personnel.

(i) Chairman and Managing Director shall comply with all the policies, rules and regulations of the Company from time to time in force and shall not disclose any business secret, business plans, policies to any person, firm, companies etc. He shall not solicit the customers of the Company for his personal gain or interest.

(j) Chairman and Managing Director will act diligently and to the best of his ability in the discharge of the duties and he will be responsible for the proper administration and functioning of the Company's business.

(k) The Company shall execute a power of Attorney in favour of the Chairman and Managing Director conferring on him all the necessary powers and authority as the Board of Directors may think fit.

(l) Chairman and Managing Director may delegate any of the above work to any Employee/officer of the company, consultants, advocates, professionals and may appoint any of them as their constituted attorney/Authorities on behalf of the Company.

Save and except as provided in the foregoing paragraph, Mr. Vijay Agarwal satisfies all the conditions set out under Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Vijay Agarwal under Section 190 of the Act.

Details of Mr. Vijay Agarwal are provided in **"Annexure"** to the Notice pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Vijay Agarwal is interested in the resolution set out at Item no. 5 of the Notice. Mrs. Mona Agarwal, Whole-Time Director, Mr. Sorab Agarwal, Executive Director, Mrs. Surbhi Garg, Executive Director being related to Mr. Vijay Agarwal may be deemed to be interested in the resolution set out at Item no. 5 of the Notice. The other relatives of Mr. Vijay Agarwal may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mr. Vijay Agarwal.

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

ITEM NO. 6

Pursuant to the provision of the Companies Act, 2013, the members of the Company have re-appointed Mrs. Mona Agarwal as Whole Time Director of the Company through the postal ballot held on May 8, 2015 for a period of three years w.e.f. October 1, 2015 and current term of her appointment as Whole-Time Director will expire on September 30, 2018.

Mrs. Mona Agarwal, aged 62 years, is a Promoter and Whole-Time Director of the Company. She is having over 24 years of industry experience in the field of administrative and Human Resource affairs. Under her guidance, the company's administrative affairs are being handled in a professional manner and she has helped the company to formulate effective policies. She has proved to be a guiding light throughout all these years of the Company's journey. She has excellent grasp and thorough knowledge with overall experience of general management. Considering her knowledge of various aspects relating to the Company's affairs and vast business experience, the Board of Directors is of the opinion that the services of Mrs. Mona Agarwal should be available to the Company for a further period of five (5) years with effect from October 1, 2018 for smooth and efficient running of the business.

Pursuant to the provisions of Sections 196, 197, 198,203 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the rules made thereunder and as recommended by the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on May 21, 2018, re-appointed Mrs. Mona Agarwal (DIN: 00057653) as the Whole-Time Director of the Company with effect from October 1, 2018, for further period of five years.

Keeping in view that Mrs. Mona Agarwal has a rich and varied experience in the Industry and has been involved in the operations of the Company since its date of incorporation; it would be in the interest of the Company to continue the employment of Mrs. Mona Agarwal as Whole-Time Director.

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

Broad particulars of the terms of re-appointment and remuneration payable to Mrs. Mona Agarwal, as the Whole-Time Director of the Company are as under:

1. **Designation:** Executive Director.
2. **Tenure:** 5 (Five) years, from October 1, 2018 to September 30, 2023.
3. **Remuneration including allowance and perquisites as under:**

(a) Salary, Perquisites and Allowances per annum:

Salary per annum	In the scale of ₹ 140 lakhs to ₹ 225 lakhs.
Perquisites and Allowances	In the scale of ₹ 10 lakhs to ₹ 50 lakhs.

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

(b) Reimbursement of Expenses:

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

(c) Other facilities and benefits as under:

(i) She will be provided with a Car for effective discharge of her official duties. All expenses of car (including expenses of fuel, repair, and maintenance, insurance & salary of Driver) shall be borne by the Company.

(ii) She will be entitled to re-imbursement of entrance fees for membership of any club/society, which in her opinion is essential to promote the business of the Company and in the interest of the Company.

4. General:

(a) Executive Director will be in overall charge of the business, administration and other affairs of the Company, subject to the control and directions of the Board of Directors, and shall guide, control and supervise the employees of the Company, their functions, the business carried on by the Company and all administrative matters.

(b) Executive Director shall have all the powers and authorities of the Board of Directors as provided in Articles of Association of the Company and in the Companies Act; however, subject to the control and directions of the Board of Directors and except the powers which are required to be exercised by the Board in meeting.

(c) Executive Director will have power to sign all contracts, deeds and documents proposed to be executed by the Company, to make sign, draw, accept, endorse, negotiate, sell and transfer on behalf of the Company all cheques, bills of exchange, drafts, hundies, promissory notes, dock warrants, purchase/delivery orders and other negotiable instruments and securities and to represents the Company in dealings with others including Government and other authorities and also to sign all pleadings, applications and other papers required to be filed in any court proceedings by or against the Company.

(d) Executive Director will have power to institute, defend, prosecute, conduct, compound, refer to arbitration and to abandon and to compromise legal or other proceedings, claims and disputes by or against the Company or in which the Company may be concerned or interested.

(e) Executive Director will have power to appoint and dismiss all employees (including of whatever grade or position), as per the conduct rules of the Company and allot them work and exercise control over them.

(f) Sitting fees: The Executive Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof.

(g) Executive Director will perform her respective duties as such with regard to all work of the Company and she will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(h) Executive Director shall adhere to the Company's Code of Conduct & Ethics for Directors and Management Personnel.

(i) Executive Director shall comply with all the policies, rules and regulations of the Company from time to time in force and shall not disclose any business secret, business plans, policies to any person, firm, companies etc. She shall not solicit the customers of the Company for her personal gain or interest.

(j) Executive Director will act diligently and to the best of her ability in the discharge of the duties and she will be responsible for the proper administration and functioning of the Company's business.

Save and except as provided in the foregoing paragraph, Mrs. Mona Agarwal satisfies all the conditions set out under Section 196 of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

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

Details of Mrs. Mona Agarwal are provided in **"Annexure"** to the Notice pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mrs. Mona Agarwal is interested in the resolution set out at Item no. 6 of the notice. Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Sorab Agarwal, Executive Director, Mrs. Surbhi Garg, Executive Director being related to Mrs. Mona Agarwal may be deemed to be interested in the resolution set out at Item No. 6 of the notice. The other relatives of Mrs. Mona Agarwal may be deemed to be interested in the resolution set out at Item No. 6 of the notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is concerned or interested,

financially or otherwise, in the aforementioned resolution.

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mrs. Mona Agarwal.

The Board recommends the Special Resolution set out at item no. 6 of the notice for approval by the Members.

ITEM NO. 7

Pursuant to the provision of the Companies Act, 2013, the members of the Company have re-appointed Mr. Sorab Agarwal as Whole Time Director of the Company through the postal ballot held on May 8, 2015 for a period of three years w.e.f. October 1, 2015 and current term of his appointment as Whole Time Director will expire on September 30, 2018.

Mr. Sorab Agarwal, aged 41 years has a degree in Mechanical Engineering and is looking after the marketing functions of the Company. Mr. Sorab Agarwal has been associated with the company for last 21 years and under his guidance and remarkable marketing capabilities, the Company has ventured into new territories and its market share has increased considerably. He has played a major role in setting up all India competent Sales & Services network, aimed at achieving target oriented results. He takes care for brand building of the Company. He has excellent grasp and thorough knowledge and experience of general management besides technology & engineering aspect of products and marketing ability. The Board of Directors is of the opinion that the services of Mr. Sorab Agarwal should be available to the Company for a further period of five (5) years with effect from October 1, 2018 for smooth and efficient running of the business.

Pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the rules made thereunder and as recommended by the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on May 21, 2018, re-appointed Mr. Sorab Agarwal (DIN: 00057666) as the Whole-Time Director of the Company with effect from October 1, 2018, for further period of five years.

Keeping in view that Mr. Sorab Agarwal has a rich and varied experience in the Industry and has been involved in the operations of the Company since its initial stage; it would be in the interest of the Company to continue the employment of Mr. Sorab Agarwal as Whole Time Director.

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

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Sorab Agarwal, as the Whole-Time Director of the Company are as under:

1. **Designation:** Executive Director.
2. **Tenure:** 5 (Five) years, from October 1, 2018 to September 30, 2023.
3. **Remuneration including allowance and perquisites as under:**

   (a) Salary, Perquisites and Allowances per annum:

Salary per annum	In the scale of ₹ 55 lakhs to ₹ 150 lakhs.
Perquisites and Allowances	In the scale of ₹ 5 lakhs to ₹ 25 lakhs.

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

(b) Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging including for Mr. Sorab Agarwal's spouse and dependents during business trips, any medical assistance provided for his family members and provision of car(s) for use on Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(c) Other facilities and benefits as under:

(i) He will be provided with a Car for effective discharge of his official duties. All expenses of car (including expenses of fuel, repair, and maintenance, insurance & salary of Driver) shall be borne by the Company.

(ii) He will be entitled to re-imbursement of entrance fees for membership of any club/society, which in his opinion is essential to promote the business of the Company and in the interest of the Company.

4. General:

(a) Executive Director will be in overall charge of the business, administration and other affairs of the Company, subject to the control and directions of the Board of Directors, and shall guide, control and supervise the employees of the Company, their functions, the business carried on by the Company and all administrative matters.

(b) Executive Director shall have all the powers and authorities of the Board of Directors as provided in Articles of Association of the Company and in the Companies Act; however, subject to the control and directions of the Board of Directors and except the powers which are required to be exercised by the Board in meeting.

(c) Executive Director will have power to sign all contracts, deeds and documents proposed to be executed by the Company, to make sign, draw, accept, endorse, negotiate, sell and transfer on behalf of the Company all cheques, bills of exchange, drafts, hundies, promissory notes, dock warrants, purchase/delivery orders and other negotiable instruments and securities and to represents the Company in dealings with others including Government and other authorities and also to sign all pleadings, applications and other papers required to be filed in any court proceedings by or against the Company.

(d) Executive Director will have power to institute, defend, prosecute, conduct, compound, refer to arbitration and to abandon and to compromise legal or other proceedings, claims and disputes by or against the Company or in which the Company may be concerned or interested.

(e) Executive Director will have power to appoint and dismiss all employees (including of whatever grade or position), as per the conduct rules of the Company and allot them work and exercise control over them.

(f) Sitting fees: The Executive Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof.

(g) Executive Director will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(h) Executive Director shall adhere to the Company's Code of Conduct & Ethics for Directors and Management Personnel.

(i) Executive Director shall comply with all the policies, rules and regulations of the Company from time to time in force and shall not disclose any business secret, business plans, policies to any person, firm, companies etc. He shall not solicit the customers of the Company for his personal gain or interest.

(j) Executive Director will act diligently and to the best of his ability in the discharge of the duties and he will be responsible for the proper administration and functioning of the Company's business.

Save and except as provided in the foregoing paragraph, Mr. Sorab Agarwal satisfies all the conditions set out under Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Sorab Agarwal under Section 190 of the Act.

Details of Mr. Sorab Agarwal are provided in **"Annexure"** to the notice pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Sorab Agarwal is interested in the resolution set out at Item no. 7 of the notice. Mr. Vijay Agarwal, Chairman & Managing Director, Mrs. Mona Agarwal, Whole-Time Director, Mrs. Surbhi Garg, Executive Director being related to Mr. Sorab Agarwal may be deemed to be interested in the resolution set out at Item No. 7 of the notice. The other relatives of Mr. Sorab Agarwal may be deemed to be interested in the resolution set out at Item No. 7 of the notice, to the extent of their shareholding interest, if any, in the Company.

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

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mr. Sorab Agarwal.

The Board recommends the Special Resolution set out at item no. 7 of the notice for approval by the Members.

ITEM NO. 8

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him/her by Post or by Registered post or by Speed post or by Courier or by delivering at his/her office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him/her through a particular mode for which he/she shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting. The Directors accordingly rescommend the Ordinary Resolution at item no. 8 of the accompanying notice, for the approval of the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.8 of the accompanying Notice.

ACTION CONSTRUCTION EQUIPMENT LIMITED

Regd. Office: Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana
Email:cs@ace-cranes.com, Phone:01275-280111, Fax:01275-280133, CIN:L74899HR1995PLC053860,
Website:www.ace-cranes.com

ATTENDANCE SLIP

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

Folio No./Client ID No.*	
DP ID *	
No. of shares	
Name	
Address	

*Applicable for the members holding shares in the electronic form.

I hereby record my presence at the 24th Annual General Meeting of the Company to be held on Friday, September 28, 2018 at 11:30 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana -121001.

Signature of Shareholder/Proxy

Note:

Members / Proxies are requested to:-

(a) Bring their copy of Annual Report and attendance slip duly filled 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 Original photo ID card for identification/verification purposes.**

Blank

ACTION CONSTRUCTION EQUIPMENT LIMITED

Regd. Office: Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana
Email:cs@ace-cranes.com, Phone:01275-280111, Fax:01275-280133, CIN:L74899HR1995PLC053860,
Website:www.ace-cranes.com

Form No. MGT-11

Proxy form

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

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

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

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

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

Or Failing Him

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

Or Failing Him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Friday, September 28, 2018 at 11:30 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	For	Against
Ordinary Business			
1	**To receive, consider and adopt:**		
(a)	The audited standalone financial statement of the Company for the financial year ended March 31, 2018 and the reports of Board of Directors and Auditors' thereon; and		
(b)	The audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and report of Auditors' thereon.		
2	**To declare dividend:**		
(a)	On Preference Shares for the financial year ended March 31, 2018.		
(b)	On Equity Shares for the financial year ended March 31, 2018.		
3	To appoint a Director in place of Mrs. Mona Agarwal (DIN: 00057653) who retires from office by rotation, and being eligible, offers herself for reappointment.		
Special Business			
4	To ratify the remuneration of the cost auditors for the financial year ending March 31, 2019.		
5	Re-appointment of Mr. Vijay Agarwal (DIN: 00057634) as Chairman & Managing Director of the Company.		
6.	Re-appointment of Mrs. Mona Agarwal (DIN: 00057653) as Whole-Time Director, Designated as Executive Director of the Company.		
7	Re-appointment of Mr. Sorab Agarwal (DIN: 00057666) as Whole-Time Director, Designated as Executive Director of the company.		
8.	To consider and determine the fees for delivery of any document through a particular mode of delivery to a member.		

Signed this..... day of..... 2018.

Affix Revene Stamp

Signature of shareholder.....

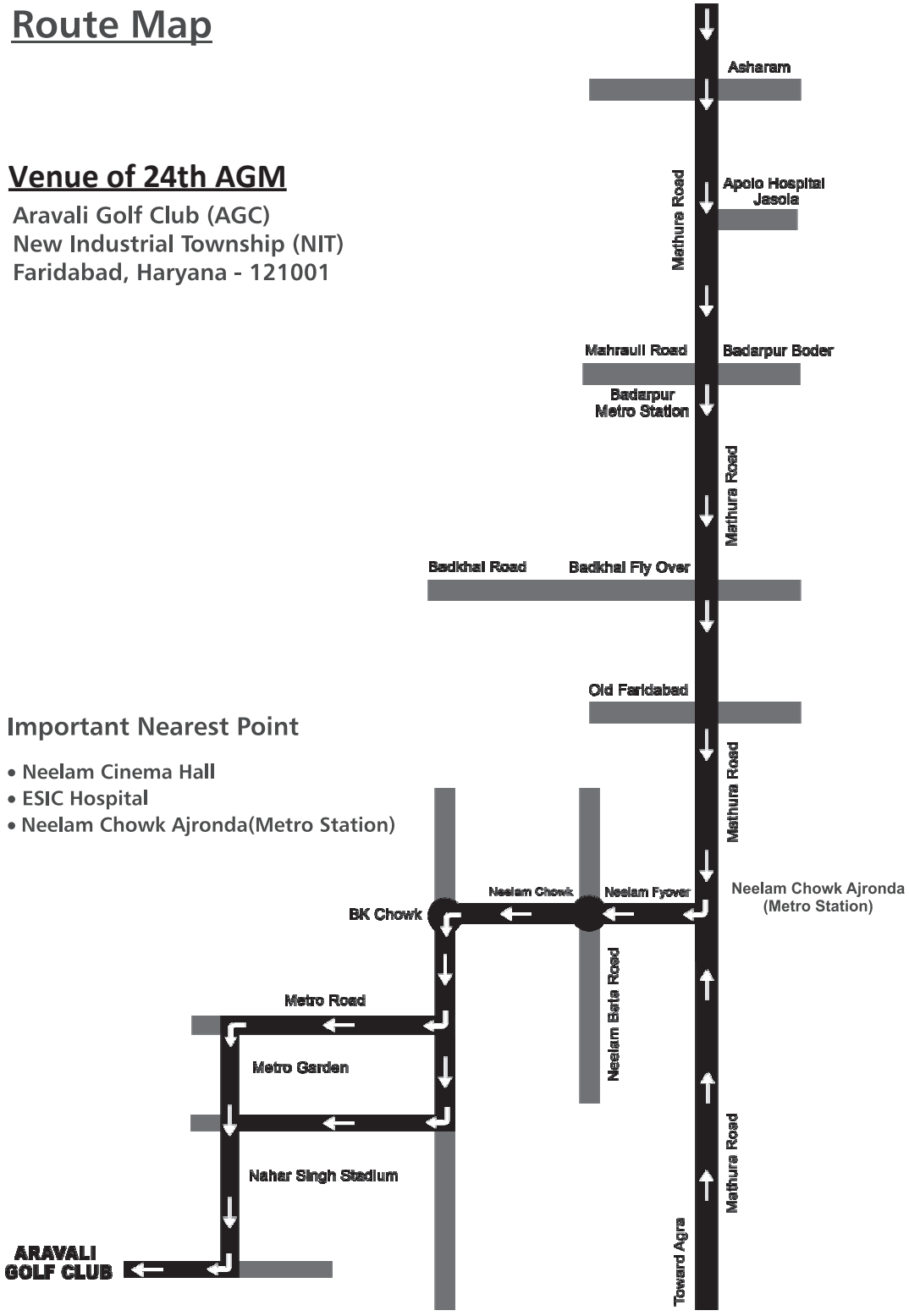
Signature of Proxy holder(s).....

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

Route Map

Venue of 24th AGM

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



Important Nearest Point

- Neelam Cinema Hall
- ESIC Hospital
- Neelam Chowk Ajronda(Metro Station)

ACE

Action Construction Equipment Limited

24th Annual Report











2017-18

LIFTING INDIA'S GROWTH

Road Equipment



Agri Equipment



Material Handling Equipment



Cranes





CONTENTS

Chairman's Speech	02
Management Discussion and Analysis Report	04
Board's Report	09
Corporate Governance Report	43
Certificate regarding compliance of conditions of Corporate Governance	62
Auditor's Report on Standalone Financial Statements	63
Standalone Balance Sheet	68
Standalone Statement of Profit and Loss	69
Standalone Cash Flows Statement	71
Notes to the Standalone Financial Statements	73
Auditor's Report on Consolidated Financial Statements	118
Consolidated Balance Sheet	120
Consolidated Statement of Profit and Loss	121
Consolidated Cash Flow Statement	123
Notes to the Consolidated Financial Statements	125
Notice to the Shareholders (24th AGM)	172
Attendance Slip	191
Proxy Form	193
Route Map	195

Chairman's Speech



Dear Shareholders,

It gives me immense pleasure to announce another year of good performance on both financial and operational parameters across our business segments. The fiscal year 2017-18 turned out to be a watershed year in the history of your Company as our total revenues including other income and EBITA increased to about ₹ 1,106 crores and ₹ 100 crores respectively. Your Company showed a significant improvement in its performance as compared to the previous year and posted net profit of ₹ 52 crores reflecting an increase of 264% YoY.

In order to achieve our target of becoming a debt free Company, Board has recomended dividend @ 25% in FY 2018 to conserve cash. Going forward, our dividend pay out will align with the cash generated.

The inherent strength in our strong balance sheet coupled with a low debt-equity ratio and conservative financial profile has led to upward revision in the long-term credit rating twice in the last financial year. We continue to work hard on our working capital and Return on Capital Employed (ROCE) and are sure of improving it further.

While the global economy continues to grow, the Indian economy is firing on all cylinders now and has reclaimed its fastest growing economy tag after posting a strong 7.7% increase in the last quarter of 2017-18. The Indian economy has overcome the temporary disruptions caused by the implementation of the Goods and Services Tax (GST) in the first half of 2017 and by the second half of the year, the economy witnessed upsurge in investments, consumption, as well as government spending. Industrial activity rebounded and services indicators also showed positive trends. Moreover, India has moved into the top 100 rankings on the World Bank's 'ease of doing business' index for the first time, on the back of a series of sustained structural policy reforms undertaken by the government over the past several years. The improvement in the rankings is likely to help the country to attract new investments, both from foreign and domestic investors.

Riding on structural policy reforms, thrust on infrastructure spending by the government, robust private consumption and strengthening investment and increased manufacturing activities, the Indian economy is expected to strengthen further and is expected to clock a growth of about 7.3% in 2018-19. Though the outlook for the year remains positive, we continue to see emerging headwinds in the form of rising trade protectionism, geo political risks and increase in prices of steel, crude oil and commodity leading to inflationary risk. As such, we are keenly keeping track of all the events which might lead the government to revisit its policies and impose unforeseen hurdles on India's road to higher growth rate. Finally, the outcome of the 2019 General Elections will also have an impact on our growth plans if there are any marked deviations from the existing policies by the new government.

Your Company continues to benefit from integrated business model, wide product portfolio and scale economics which provide us with a high degree of earnings stability. India remains a key growth market for infrastructure development and we are actively targeting to capture a slice of the growing domestic demand by using our unutilized capacity. Each of our four verticals have enormous potential for growth as each vertical represents a strong pivot for the development of Indian economy – agriculture, infrastructure, construction and manufaturing and are aligned with India's development story. All our businesses endeavor to deliver superior value to our stakeholders. Our customer base has been continuously increasing and we have been able to strengthen our leadership / market positions. Our thrust on developing next generation cranes has given us significant competitive edge as compared to our competitors. We have developed several new pathbreaking products which have received good acceptance from our customers leading to increase in the market share. Going forward, we will be introducing cetain game changing products and technologies in our existing product categories which will enable us to rise above the competitive landscape.

Looking at the tremendous global opportunities, we have also strengthened our export arm and forayed into new territories with our tractors, cranes and construction equipments. Going forward, we intend to enhance the quantum of our exports substantially as there is an increasing demand for our products, which are being well accepted by the global customers.

Sharp focus on marketing, vibrant customer relationship, extensive product offerings suiting the needs of every customer coupled with continuing investments in R&D will drive the future growth of your Company. Our products stand out in terms of value-for-money, low maintenance cost and attractive resale value. We continue to leverage our world class R&D infrastructure to deliver high quality products at a cost effective prices. Our dedicated R&D Centers have allowed us to focus on various innovative product categories and helped us in launching new products that are in tune with

the customer needs. We keep abreast of new developments and ongoing technological challenges and work with an open mind to arrive at the best possible solutions. Our R&D teams work with a focus to ensure that ACE always remains at the forefront of innovation enabling us to capitalize on emerging new opportunities.

We are taking various initiatives at strategic and ground level and are committed to continue with our operational excellence journey in the coming financial year.

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

As we step into our 24th Year, we are cognizant of the fact that while much has been done, we live in a world full of volatility, uncertainty and complexity and only the fittest survive. Keeping this in perspective, we will continue to work towards taking the Company to newer heights and enhancing shareholder value.

I would like to place on record my sincere appreciation to the Board of Directors for their guidance. I would also like to express my gratitude to all our stakeholders for their continuing faith in ACE.

With best wishes,

Sincerely,
Vijay Agarwal
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

❖ INDUSTRY STRUCTURE AND DEVELOPMENTS

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world in the next 10-15 years, backed by favourable demographics and ongoing structural reforms. India's GDP is estimated to have increased by 6.7% in 2017-18 and is expected to grow 7.3% in 2018-19. Moreover, as the economy has overcome short term disruptions caused by major reforms such as the Goods and Services Tax (GST) and demonetization, the rate of growth could surprise on the upside in 2018-19.

The fast pace of growth of Indian economy over the last decade has placed immense pressure on the existing infrastructure of the nation. In case of Railways, the infrastructure is ageing and requires investment and similarly, road sector is under developed. As such, efficient use of the existing infrastructure and fast & timely construction of new assets has become very important. The government has responded in the right manner by increasing allocation in the infrastructure sector in its budget presentations over the last 2 years.

Construction Equipment sector which has experienced growth in the range of 12-15% in last few years, is expected to see heightened business activities on the back of increased thrust on the infrastructure sector by the government and is estimated to grow by 15-18% during 2018-19. Based on the trend seen over the last three years in infra development, road sector is expected to be the main growth driver for the Construction Equipment industry.

In its 2018-19 budget, the government accelerated the implementation of its big, ambitious schemes and projects that were announced in the last three years. These include Smart Cities, Sagarmala, Jal Marg Vikas, AMRUT, Housing for All, Diamond Quadrilateral for high-speed railways, river linkages, bullet train, and Bharatmala project to uplift the condition of roads and highways. The outlook for the infra and construction sectors looks promising and is likely to lead to sustained growth in the Construction Equipment industry for the next few years.

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

Some of the recent initiatives and developments undertaken by the government which are positive for the Construction Equipment (CE) industry are:

- Construction of 3,21,567 additional houses across 523 cities under the Pradhan Mantri Awas Yojana (Urban).
- Investment of ₹ 7 trillion for construction of new roads and highways over the next five years.
- Fixing a target of awarding contracts for development of roads for 20,000 kms for 2018-19 which is 25% more than 17,055 kms awarded in 2017-18.
- Massive push to the infrastructure sector by allocating ₹ 5.97 lakhs crore in the budget for the financial year 2018-19.

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 government's continued thrust on promoting rural development and farmer welfare in the Union Budget continues to augur well for the farm sector, with the budget laying significant emphasis on the government's endeavour to double the farmers' income by FY22. The agriculture sector in India is expected to witness positive growth momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage.

Additionally, increased haulage demand from usage of tractors in construction activities, as investments in infrastructure creation picked up across country, coupled with various government's support programmes, has supported demand to an extent.

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



❖ OPPORTUNITIES

To improve the country's infrastructure and to boost the economy, the Government has taken several steps and your Company is optimistic about capturing the upcoming opportunities. Some of the exciting opportunities that could be addressed include:

- Housing for all coupled with the government's credit linked subsidy schemes and a rising middle class will drive demand for affordable houses thus leading to increase in demand of tower cranes.
- The GST reform should help in streamlining the manufacturing sector and boost investments and growth.
- Central government's Smart City Mission for developing smart cities across India.
- With both government and private bodies heavily investing to boost infrastructure development across the country, the construction equipment industry stands to benefit immensely. This will positively impact the business for construction equipment manufacturers, rental companies and the resale market for these machines.
- Export opportunities in the emerging economies looks promising. Your company has set up a dedicated team to export our products to these countries as our products are cost competitive & therefore have a great demand in emerging markets of Asia & Africa.
- We believe that our proactive steps in providing innovative solutions to our customers and implementation of our strategies have prepared us for next leg of growth.
- Your company continues to focus on various strategies and initiatives to overcome the existing challenges. These include consolidation of new generation cranes in the targeted market segments. ACE continues to maintain its market leadership position and is well positioned to achieve growth in terms of volumes and market share through better service levels and by providing the best of technology at an affordable price.
- In the Agri segment, the Company is looking at significant product expansions and improving its market share. We have increased our presence in most of the states and are focusing on providing customers with a complete range of crop solutions. To implement this strategy, the Company has also started production of Harvesters, Rotavators etc.
- The Company is focused on bringing cost & operational efficiencies to achieve profitable growth in the present competitive business environment. Our endeavor is to lower costs while maintaining quality.
- The Company will continue to focus on reducing the working capital levels by emphasis on speedy customer collections and reducing inventory levels.

❖ THREATS

- Any change in the government policy or its budgetary allocation towards the infrastructure sector will have an impact on the Company's business.
- Increasing trade protectionism globally poses the risk of trade war which can curb the economic momentum.
- While construction equipment manufactures in India will continue to deliver increasingly sophisticated machines in huge quantity, the industry might have to face an increasing shortage of trained manpower to operate and service these machines, thereby impacting sales.
- Significant increase in raw material pricing, hardening of fuel prices and weak currency will translate into pressure on margins.



- There is no consistency in the demand owing to the fluctuations in the market thereby making capacity planning challenging for the equipment suppliers.
- Unforeseen business losses.

❖ SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

- The Cranes division revenues increased by 50.94% to ₹ 74,900.28 lakh in the year ended March 31, 2018 as against ₹ 49,621.63 lakh in the year ended March 31, 2017. EBIT increased by 107.21% to ₹ 8,267.94 lakh in the year ended March 31, 2018 as against ₹ 3,990.14 lakh in year ended March 31, 2017.
- Construction equipment division revenues increased by 47.17% to ₹ 7,189.99 lakh in the year ended March 31, 2018 as against ₹ 4,885.47 lakh in the year ended March 31, 2017. EBIT increased by 425.39% to ₹ 346.55 lakh in the year ended March 31, 2018 as against ₹ 65.96 lakh in the year ended March 31, 2017.
- Material Handling division revenues increased by 52.65% to ₹ 8,075.31 lakh in the year ended March 31, 2018 as against ₹ 5,290.01 lakh in the year ended March 31, 2017. EBIT increased by 73.73% to ₹ 973.41 lakh in the year ended March 31, 2018 as against ₹ 560.28 lakh in the year ended March 31, 2017.
- Agri Equipment revenues increased by 20.76% to ₹ 18,483.25 lakh in the year ended March 31, 2018 as against ₹ 15,306.09 lakh in the year ended March 31, 2017. EBIT increased by 132.35% to ₹ 469.65 lakh in the year ended March 31, 2018 as against ₹ 202.13 Lakh in year ended March 31, 2017.

❖ OUTLOOK

Infrastructure sector is one of the key drivers of the Indian economy. The increased spending on the sector has a multiplier effect on overall economic growth and as such enjoys intense focus from Government.

The Indian economy grew at its fastest pace in seven quarters and posted a growth of 7.7% bolstered by strong performance in construction, manufacturing and public services hinting at a revival. The outlook for the ongoing fiscal year FY 2018-19 and beyond remains optimistic on the back of increased infrastructure spending, policy reforms and uptick in manufacturing activity. The economy is expected to accelerate further to 7.3% in FY 2018-19 and 7.5% in FY 2019-20.

The Government has renewed its focus on the infrastructure sector with a budgetary outlay of almost ₹ 6 lakh crores in 2018-19. In order to completely realize the growth potential of the sector, an increase in Public Private Partnerships (PPP) is indispensable. It is encouraging to see that the Government is taking steps to address this issue by trying out innovative new modes of project award and alternative sources of funding. Led by the Government's unwavering focus and several big-ticket projects on the horizon, the infrastructure landscape of India is on the threshold of a major transformation.



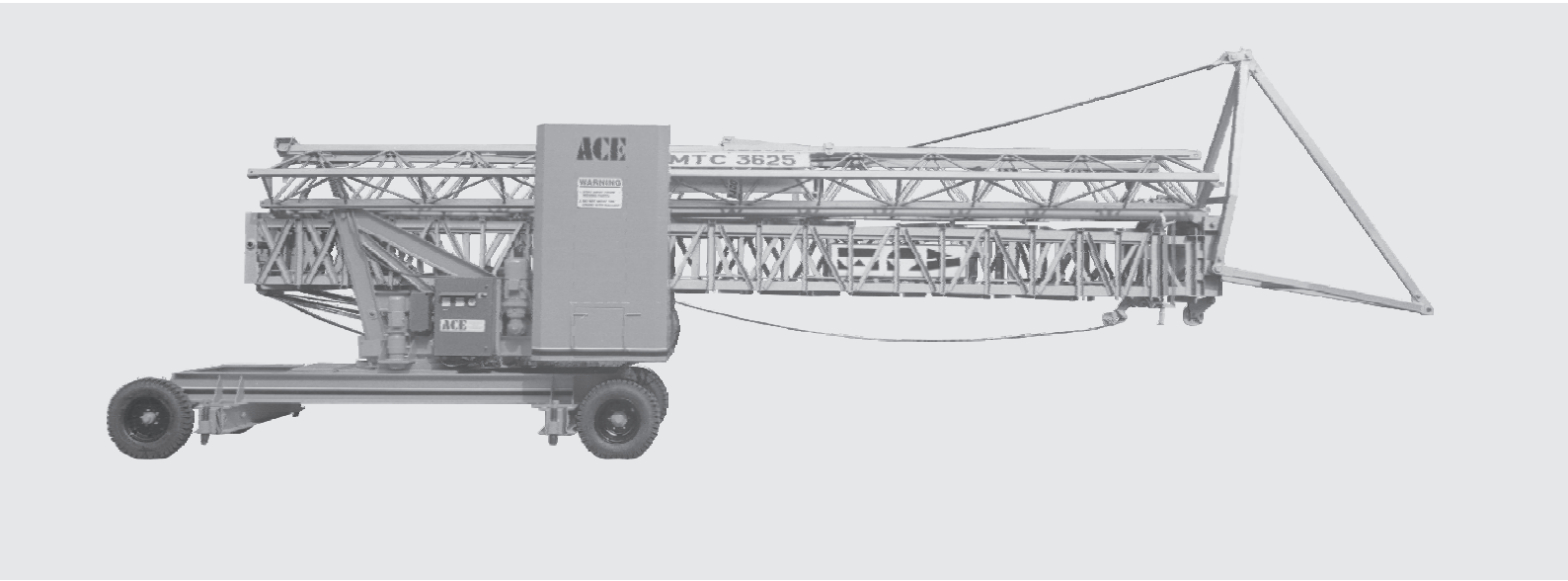
The Government has set the ball rolling on a couple of the biggest infrastructure projects like Bharatmala Project, Sagarmala Project, etc. ever to be undertaken in India, which are expected to have a sustained positive impact on the business space your Company operates in. These projects comprises of economic corridors, expressways, logistics parks, feeder routes, border and coastal connectivity roads, creation of new mega ports, modernization of existing ports, and the development of Coastal Economic Zones and Coastal Economic Units.

The agriculture sector is also expected to grow in the current fiscal year on account of positive prospects on Rabi harvest and normal monsoon, contributing significantly to the national GDP.

Recory in the industrial production (IIP), due to rising consumption demand, which is reflected by increase in production levels, an upswing in vehicle sales, cement, steel, mining activities etc.

The above factors will also lead to increase in demand of most of our products like cranes, forklifts, tracators, harvesters, rotavators etc.

The order book of your Company, with a healthy pipeline of orders, is a clear indicator of the extended growth phase that the infrastructure sector is poised to enter. Your Company has shown signs of significant improvement in the performance during the year under review. On the export front, your Company expects significant opportunities to arise in the future.



Expanded product line, improved employee productivity, aggressive cost reduction, effective working capital management, streamlined supply chain, better price realization and sustained leadership position in the segments that the company operates in are going to be the most pressing imperatives in the ongoing fiscal year. As always, your Company remains prepared to address these challenges and is sufficiently geared to capitalize on all relevant opportunities that will emerge in the near term and beyond. Though the rate of competitive intensity is expected to increase, your Company remains confident of penetrating newer markets and increase its market share owing to its world class product at a reasonable price and good customer relationship.

❖ RISKS AND CONCERNS

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

The impact of the key risks, which are potentially significant are listed below has been identified through a formal process by the management. Your Company recognizes that every business has its inherent risks and the Company has been taking proactive approach to identify and mitigate them on a continuous basis. Some of the risks that are potentially significant in nature and need constant monitoring are listed below:

- **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.
- **Risks from Competition:** Aggressive focus on infrastructural development has created opportunities and also increased competition in the construction equipment business, which has seen significant interest of foreign players.
- **Risks from Suppliers:** The Company relies on its vendors for timely supply of specified raw materials and components. These vendors have not increased their capacities, in line with the increase in demand, which could result in the complete or partial failure of supplies or in supplies not being delivered on time.
- **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.
- **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.
- **Foreign Currency Risks:** Exchange rate fluctuations may have an adverse impact on the Company.
- **Liquidity Crunch:** The infrastructure development is directly dependent on the availability of capital. With the recent escalating NPAs of the public and private sectors banks, there exists the risk of liquidity crunch for our customers.
- **Monsoon:** Monsoon is the major risk associated with the tractor industry as more than 50% of the sowing land is

dependent on rainfall. On the other hand, construction equipment sales, to some extent, run the risk in case of above normal monsoon. With normal monsoon and infra spending from the government, we expect both tractor and construction equipment industry to grow in double digit percentage terms in near future.

❖ INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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 basis are as under:

- The Company scaled new heights by achieving total revenue from operation growth of 37.84% to ₹ 1,09,864 lakh in the year ended March 31, 2018 as against ₹ 79,706 lakh in the year ended March 31, 2017.
- The Earnings before interest, tax, depreciation and amortization (EBITA) went up by 109.79% to ₹ 10,007 lakh in the year ended March 31, 2018 as against ₹ 4,770 lakh in the year ended March 31, 2017.
- The profit before tax (PBT) went up by 279% to ₹ 7,461 lakh in the year ended March 31, 2018 as against ₹ 1,967 lakh in the year ended March 31, 2017.
- The profit after tax (PAT) went up by 264% to ₹ 5,264 lakh in the year ended March 31, 2018 as against ₹ 1,447 lakh in the year ended March 31, 2017.

❖ MATERIAL DEVELOPMENTS IN HUMAN RELATIONS / INDUSTRIAL RELATIONS

The company believes that its HR policies should be dynamic and therefore takes adequate steps to review and realign them to ensure that they address changing workforce trends, best practices, and legislative requirements to help your organization achieve its evolving objectives. The company is focused on its people strategy to create a high performing work culture and fosters a culture that is performance oriented, promotes rewards for results and helps its people grow. Your company recognizes that its workforce is one of the most critical resources and it is working tirelessly to foster a growth driven culture. The focus is on development of employees at professional and personal levels using a pioneering, integrated approach to all its employees.

Industrial relations were harmonious and cordial throughout the year.

❖ RISK MANAGEMENT AND GOVERNANCE

The company recognizes that effective risk management is crucial to its continued profitability and long-term sustainability of its business.

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

❖ CAUTIONARY STATEMENT

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



BOARD'S REPORT

Dear Members,

The Directors are pleased to present the 24th Annual Report on the business and operation of the Company together with Audited Statement of Accounts for the financial year ended March 31, 2018.

FINANCIAL RESULTS

(₹ in Lakhs)

PARTICULARS	2017-18	2016-17
Revenue from operations	**1,09,864.26**	**79,706.33**
Other Income	794.28	781.06
Total Income	**1,10,658.54**	**80,487.39**
Profit Before Depreciation, Finance cost and Tax	**10,007.43**	**4,770.43**
Less:		
Depreciation and amortisation expenses	1,193.35	1,206.87
Finance Costs	1,352.66	1,596.22
Profit Before Tax	**7,461.42**	**1,967.34**
Tax expense	2,197.92	520.73
Profit After Tax	**5,263.50**	**1,446.61**
Other Comprehensive income for the year (net of tax)	3.31	0.84
Total Comprehensive income for the year	**5,266.81**	**1,447.45**



FINANCIAL PERFORMANCE OVERVIEW (STANDALONE BASIS)

The brief highlights of the Company's performance (standalone) for the financial year ended March 31, 2018 are:-

- Total Revenue from operations of the Company for FY 2018 of ₹ 1,09,864 Lakhs was higher by 37.84% over the last year (₹ 79,706 Lakhs in FY 2017).
- Profit Before Interest, Depreciation, Amortisation, Exceptional Items & Tax stood at ₹ 10,007 Lakhs was higher by 109.78%.
- Profit Before Tax (PBT) stood at ₹ 7,461 Lakhs and Profit After Tax (PAT) stood at ₹ 5,264 Lakhs higher by 279.31% and 263.79% respectively.
- Earnings per share is ₹ 4.49 for the year under review.

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 2017-18 was a significant year in terms of growth and sustainability and the Company has been able to clock the highest ever turnover in the history of the Company during this financial year.

Against the backdrop of challenging market environment, your Company's business continues to track ahead satisfactorily on the back of dynamic response to market trends, enduring customer relationships, "Customer First approach" and strong product portfolio.

The financial year 2017-18, saw a resilience in the operating margins due to focused cost efficiency measures, price discipline and optimzation of working capital requirements in order to minimize financing Costs. We believe that these measures will continue to be our focus in the future as we move towards increasing our margin profile.

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.

INDIAN ACCOUNTING STANDARDS (Ind AS)

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), your Company is required to prepare financial statements under Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from April 1, 2017. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.

Accordingly, your Company has adopted Indian Accounting Standard ("Ind AS") with effect from April 1, 2017 with the transition date of April 1, 2016 and the Financial Statements for the year ended March 31, 2018 have been prepared in accordance with Ind AS. The financial statements for the year ended March 31, 2017 have been restated to comply with Ind AS to make them comparable.

Explanations capturing areas of differences and reconciliations from Indian GAAP to Ind AS have been provided in the notes to accounts to the standalone and consolidated financial statements.

AMOUNTS TRANSFERRED TO RESERVES

The Company proposes to transfer ₹ 100 lakhs in the General Reserve and ₹ 1,313.16 lakhs in the Capital Redemption Reserve out of the amount available for appropriation in the Profit & Loss account.

DIVIDEND

The Board has recommended a final dividend of ₹ 0.50 i.e. (25%) per equity share for the financial year ended March 31, 2018, which will result in an outflow of ₹ 706.04 lakhs (including Corporate Dividend Tax of ₹ 119.42 lakhs).

The Board has recommended a dividend of 8% on Preference Share Capital of the Company which will result in an outflow of ₹ 287.50 lakhs (including Corporate Dividend Tax of ₹ 48.63 lakhs).

The payment of dividends is 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 was no change in the nature of the business of the Company during the financial year ended March 31, 2018.

LISTING OF SHARES

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). The listing fee for the year 2018-19 has already been paid to the credit of both the Stock Exchanges.

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

CREDIT RATING

During the year CRISIL has upgraded Company's rating on the long term bank facilities to CRISIL A+/stable from CRISIL A/positive and reaffirmed the rating on the short-term bank facilities and commercial paper programme at CRISIL A1.

The rating upgrade reflects expectation of continued improvement in the business risk profile over medium term, driven by sustained pick-up in demand from the construction sector, particularly roads. The ratings reflect a diversified customer base in the material-handling equipment, cranes, and tractor industries, a strong market position in the cranes business, and comfortable liquidity.

SUBSIDIARY COMPANIES

As at financial year ended March 31, 2018, your Company has one wholly owned subsidiary (WOS) viz; Frested Limited, Mauritius and one Indirect subsidiary (Fellow Subsidiary) i.e. SC Forma SA, Romania.

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 (Act). 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, the Company has prepared consolidated financial statements of the Company and its subsidiaries, which form part of the Annual Report. For details please refer the Consolidated Financial Statements.

Further, a statement containing the salient features of the financial



statement/highlights of performance of our subsidiaries in the prescribed Form AOC 1 is attached as **Annexure-1** to this Report.

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

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

BOARD OF DIRECTORS

In accordance with the provisions of Companies Act, 2013 (hereinafter referred as "the Act") and Articles of Association of the Company, Mrs. Mona Agarwal (DIN: 00057653), Whole-Time Director will retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment.

The Board of Directors, in their meeting held on May 21, 2018, had recommended the re-appointment and remuneration of Mr. Vijay Agarwal (DIN:00057634), as Chairman & Managing Director, Mrs. Mona Agarwal (DIN:00057653), as Executive Director and Mr. Sorab Agarwal (DIN:00057666) as Executive Director for a further period of 5 years w.e.f. October 1, 2018, subject to the approval of the shareholders in the ensuing Annual General Meeting. Their appointment is appropriate and in the best interest of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "the Listing Regulations").

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of



the Non-Executive and Executive Directors. In accordance with the Policy, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors. The remuneration policy for directors, key managerial personnel and other employees is annexed as **Annexure–2** and forms an integral part of this Report.

The brief resumes and other details relating to the Directors who are proposed to be appointed/ re-appointed, as required to be disclosed under the Listing Regulations is given in the **Annexure** to the Notice of the 24th AGM.

Your Directors recommend the appointment/ reappointment of the above said Directors at the ensuing AGM.

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

KEY MANAGERIAL PERSONNELS (KMP)

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

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

During the year, Mr. Anil Kumar has been appointed as Company Secretary and Compliance officer of the Company in place of Mrs. Yashika Kansal who has resigned from the post of Company Secretary and Compliance Officer.

NUMBER OF BOARD MEETINGS

During the financial year 2017-18, four (4) Board Meetings were held. For details thereof kindly refer to the Corporate Governance Report forming part of this Annual Report.

ANNUAL GENERAL MEETING

During the financial year 2017-18, 23rd Annual General Meeting of the Company was held on September 29, 2017 at 11:30 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001.

COMMITTEES OF THE BOARD

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

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 2017-18, 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, 2018 and of the profit of the Company for the year ended on that date;

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

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

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

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

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

Pursuant to the provisions of Companies Act, 2013 and Regulation 25 (3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Independent Directors at their separate meeting, without participation of the Non-Independent Directors and Management have considered and evaluated the Board's performance and performance of the

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

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

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

STATUTORY AUDITORS

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

Statutory Auditors' Report

The observations of Statutory Auditor in its reports on standalone and consolidated financials are self-explanatory and therefore do not call for any further comments.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s MZ & Associates were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending March 31, 2018.

Secretarial Audit Report

A Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **Annexure-3**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

COST AUDITORS

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice.

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s Vandana Bansal & Associates, Cost Accountants (Firm registration No. 100203) was appointed as the Cost Auditor of the Company for the year ending March 31, 2018.

Cost audit report for financial year 2017-18 will be filed with the Ministry of Corporate Affairs within stipulated time period.

INTERNAL AUDIT

On the recommendation of the Audit Committee, the Board of Directors of the Company has appointed M/s Ernst and Young LLP as Internal Auditors of the Company to audit the function and activities of the Company and to review various operations of the Company; the Company continued to implement their suggestions and recommendations to improve the control environment.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

ACE is an early adopter of Corporate Social Responsibility (CSR) initiatives. The Company works primarily through its trust namely ACE Emergency Response Services. The CSR Committee of the Board of Directors has been formed comprising of three directors with Chairman being Independent Director. CSR Committee has framed and formulated a CSR Policy indicating the activities to be undertaken by the Company, in accordance with schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued under the Act. The same has also been approved and reviewed from time to time by the Board. The CSR policy is available at the website of the Company at www.ace-cranes.com. The ACE was mandatory required to spend ₹ 35.60 lakhs on CSR activities in financial year 2017-18 whereas the Company has spent ₹ 40.00 lakhs on CSR activities which are more than the mandatory requirement. The Annual Report on CSR Activities, as stipulated under the Act forms an integral part of this Report and is appended as **Annexure-IV**.

CORPORATE GOVERNANCE

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year as stipulated under Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is separately given and forms part of this Annual Report and

provides a more detailed analysis on the performance of individual businesses and their outlook.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

DISCLOSURE ON AUDIT COMMITTEE

The Audit Committee as on March 31, 2018 comprises of the following Directors: Mr. Subhash Chander Verma (Chairman), Mr. Vijay Agarwal, Mr. Grish Narain Mehra (IAS Retd.) and Dr. Amar Singhal as Members. For more details kindly refer to the section `Committees of the Board-Audit Committee', in the Corporate Governance Report, which forms part of this Annual Report. All recommendations of Audit Committee were accepted by the Board of Directors.

RISK MANAGEMENT

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

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

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

INTERNAL FINANCIAL CONTROLS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of effected Director(s) and Employee(s). In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on Company's website at www.ace-cranes.com.

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

The Company has laid down sexual harassment policy pursuant to provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. The objective of this policy is to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith. The Company has zero tolerance on sexual harassment at workplace. During the financial year 2017-18, no complaint was received under this policy. This Policy is made available at the website of the Company at www.ace-cranes.com.

RESEARCH AND DEVELOPMENT

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

The Company has dedicated R&D 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.

REDEMPTION OF PREFERENCE SHARES

The Company has partly redeemed preference shares as per terms and conditions of redemption as per details given below:

- 15,00,000, 8% cumulative non-participating redeemable preference shares of ₹ 10 each, on January 11, 2018.
- 1,16,31,628, 8% cumulative non-participating redeemable preference shares of ₹ 10 each, on March 31, 2018.

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

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

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.

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES

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

PUBLIC DEPOSITS

During the year, your Company did not accept any public deposits under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2018.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 as at the end of the financial year 2017-18 are provided in the notes to standalone financial statements.

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

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

EXTRACT OF THE ANNUAL RETURN

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

INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends upto FY 2009-10 and unpaid/unclaimed Interim Dividend FY 2010-11, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on September 29, 2017 (date of the previous Annual General Meeting) on the website of the Company at www.ace-cranes.com. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed at www.mca.gov.in. The due date for transfer of unpaid dividend to IEPF for subsequent years is given in the Corporate Governance Report.

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 transferred all shares in respect of which dividend declared up to FY 2009-10 and Interim Dividend FY 2010-11 which has not been paid or claimed by the members for 7 (seven) consecutive years or more, to IEPF Authority.

AWARDS AND RECOGNITIONS

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

- Best Seller in Mobile Cranes Category Award-4th Equipment India;
- "70 Most Trusted Power Brands of India" Award;
- Economic Times "Infra Focus" Award;
- India's Most Trusted Company Award-IBC, USA;
- India's Top Challengers Award-Construction World;
- Best Seller in Mobile Cranes Category Award-5th Equipment India;
- India's Best Material handling & Construction Equipment Manufacturing Company Award-IBC USA.

OTHER INFORMATION

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on

these items during the year under review or said items are not applicable to the Company:

1. The Managing Director and the Whole-Time Directors has not received any remuneration or commission from any of its subsidiaries.
2. Issue of shares with differential right: Not issued.
3. Buy back of securities: No.
4. Issue of sweat equity shares: Not Issued.
5. Bonus shares: Not Issued.
6. Employees Stock option: Not Issued.
7. Business Responsibility Report: Not applicable.
8. Dividend Distribution Policy: Not applicable.

ACKNOWLEDGEMENT

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

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

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

Place: New Delhi
Dated: May 21, 2018

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 **(₹ in Lakhs)**

S. No.	Details	Particulars	
		1	2
1.	Name of the subsidiary	Frested Limited, Mauritius-Wholly Owned Subsidiary	SC Forma SA, Romania-Fellow Subsidiary
2.	The date since when subsidiary was acquired	29.12.2006	01.02.2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	01.01.2017 to 31.12.2017
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	US Dollar, ₹ 65.04	RON, ₹ 16.35
5.	Share capital	0.59	175.88
6.	Reserves & surplus	(2625.75)	(433.32)
7.	Total Assets	139.07	397.39
8.	Total Liabilities	2764.24	168.63
9.	Investments	139.07	NIL
10.	Turnover	NIL	6.99
11.	Profit before taxation	(7.76)	(53.03)
12.	Provision for taxation	NIL	NIL
13.	Profit after taxation	(7.76)	(53.03)
14.	Proposed Dividend	NIL	NIL
15.	%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: 00057634

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Place: New Delhi
Date: May 21, 2018

Sd/-
Rajan Luthra
Chief Financial Ofiicer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Sorab Agarwal
Executive Director
DIN: 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. Presently, sitting fee is fixed as ₹ 15,000/- per meeting of the Board or its Committee meeting.

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:-

a) Review the performance of non-independent directors and the Board as a whole.

b) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.

Key Managerial Personnel and Senior Management

Remuneration of KMP and 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.

ACE

Annexure-III of Board Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[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, 2018** 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, 2018 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 Company got the listing and trading approval for 1,83,83,000 (One Crore Eighty Three Lacs Eighty Three Thousand only) Equity Shares of Rs. 2/- each which were allotted pursuant to the Scheme of Arrangement made by the Company. The above shares had been listed and trading done at both the exchanges. Further Board of Directors of the Company at their meeting held on 11th November,2017 have approved the scheme of amalgamation between Frested Limited and Action Construction Equipment Limited and their respective shareholders and creditors of the Company under section 230 to 232 and 234 of the Companies Act, 2013 and section 261 to 264 of Mauritius Act, 2001.

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.

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

Place: New Delhi
Date: 01st May, 2018

For MZ & Associates
Company Secretaries

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

ANNEXURE A

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi
Date: 01st May, 2018

For MZ & Associates
Company Secretaries

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

Annexure-IV to Board's Report

Annual Report on the Corporate Social Responsibility (CSR) activities for the financial year 2017-18

(₹ in Lakhs)

1.	A brief outline of the company's CSR Policy including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and the projects or programs.	(a) The CSR Policy of the Company has been uploaded on the website of the Company and can be accessed at www.ace-cranes.com. (b) For the projects or programs under taken by the Company, please refer to CSR section in this Annual Report.
2.	Composition of the CSR Committee	1. Dr. Amar Singhal, Chairman 2. Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal, Member 3. Mrs. Mona Agarwal, Member
3.	Average net profit of the company for the last three financial years as per Section 198 of the Companies Act, 2013.	1780.10
4.	Prescribed CSR expenditure (2% of the amount mentioned in item 3 above)	35.60
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 2017-18

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR project/ activity identified**	**Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)**	**Project/ Program (1) Local area/ Other, (2) State and district where projects/ programs were undertaken**	**Amount outlay (Budget) Project / Program Wise**	**Amount spent on the projects/ Programs Sub Heads: (1) Direct Expenditure, (2) Overheads**	**Cumulative expenditure upto the reporting period i.e. FY 2017-18**	**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	50.00	40.00	40.00	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.

Sd/-
Vijay Agarwal
Chairman & Managing Director

Sd/-
Dr. Amar Singhal
Chairman CSR Committee

Place: New Delhi
Date: May 21, 2018

Annexure-V of Board's Report

Form No. AOC-2

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

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

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

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

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

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

Note:

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

For & on behalf of
Action Construction Equipment Limited

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

Date: May 21, 2018
Place: New Delhi

Annexure-VI of Board's Report
Particulars of Employees

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

(₹ in Lakhs)

S.No.	Requirement of Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	Details			
		Name of Directors	**Remuneration (2017-18)**	**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	285.86	88.23	
		Mrs. Mona Agarwal	142.00	43.83	
		Mr. Sorab Agarwal	46.97	14.46	
		Mrs. Surbhi Garg	47.60	14.70	
		Mr. Girish Narain Mehra (IAS Retd.)*	1.20	0.37	
		Mr. Subhash Chander Verma*	1.65	0.51	
		Dr. Amar Singhal*	1.65	0.51	
		Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal*	0.60	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 (2017-18)**	**Remuneration (2016-17)**	**% Change**
		Mr. Vijay Agarwal	285.86	267.40	6.90
		Mrs. Mona Agarwal	142.00	134.30	5.73
		Mr. Sorab Agarwal	46.97	36.47	28.79
		Mrs. Surbhi Garg	47.60	18.49	157.43
		Mr. Girish Narain Mehra (IAS Retd.)*	1.20	1.15	4.35
		Mr. Subhash Chander Verma*	1.65	1.35	22.22
		Dr. Amar Singhal*	1.65	1.60	3.12
		Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal*	0.60	0.50	20.00
		Name of Key Managerial Personnel (KMP)			
		Mr. Rajan Luthra	55.96	52.53	6.53
		Mrs. Yashika Kansal	1.08 #	5.28	N.A.
		Mr. Anil Kumar	3.84 $	N.A.	N.A.
		* Independent Directors (received only sitting fees for Board and Committee meetings). # for the period April, 2017 to May, 2017. $ for the period July, 2017 to March, 2018.			

3.	The percentage increase in the median remuneration of employees in the Financial year.	22.27%
4.	The Number of permanent employees on the rolls of the Company as on March 31, 2018.	1069
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 11.90% whereas average percentile increase in the managerial remuneration in the last financial year is 13.35%.
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	The Remuneration paid during the year ended March 31, 2018 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 rupees one crore and two lakh or more per annum or rupees eight lakh and fifty thousand per month or more if employed for the part of the year as on March 31, 2018 are given as under:

Particulars	**Details**	
Name	**Mr. Vijay Agarwal**	**Mrs. Mona Agarwal**
Designation	Chairman & Managing Director	Whole-Time Director
Remuneration received (₹ in Lakh)	285.86	142.00
Nature of employment	Contractual	Contractual
Educational Qualification	BE Mechanical and MBA	Under Graduate
Experience (in years)	47	24
Date of commencement of Employment in ACE	January 13, 1995	January 13, 1995
Age (in Years)	69	62
Previous Employment	Bhartiya Cuttler Hammer Limited, Escorts Limited	-
% of equity shares	35.29	21.58

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 and commissioned PV Solar Power plant of 1190 KWP capacity across various roofs and parking space.

(b) Impact of above measures :

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

(c) Steps in utilisation of alternate source of Energy :

The Company has already issued additional orders for installation of PV Solar Power plant of 745 KWP capacity.

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

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

B. TECHNOLOGY ABSORPTION

(a) The efforts made towards technology absorption:

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

(b) Research and Development (R&D)

In order to meet with the growing demand for latest technology products and to compete in the market place, the Company continued its efforts in strengthening of R&D activities. Efforts continued to enhance the in-house capabilities to bring operational efficiencies and product up-gradation to meet the customer needs. The Company is having a full-fledged dedicated R&D centres at Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh, Faridabad and Dudhola Link Road, Village Dudhola, Palwal. 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.

(i) Specific areas in which R & D was carried out by the company during the year ended 2017-18:

S. No.	Title & Scope of ongoing & Future R & D Project
1	Development of Straight Boom Truck mounted crane SB-163 (16T-m)
2	Design & development of straight boom Lorry Loader Crane SB-813
3	Design and development of 20 ton full slew mobile crane (20XW)
4	Concept Design of Recovery attachment for 6X6 - HMV for defense
5	Design & development of 50 hp skid loader
6	Design & development of backhoe attachment for skid loader
7	Design and technology release of clamshell bucket for lorry loader
8	Design and technology release of log graple for lorry loader
9	Design & development of 6-in-1 bucket for skid loader

10	Design & development of motor grader, 173 hp
11	Concept design & feasibility study of 100 hp dozer for Defense
12	Improvements in performance and aesthetics of Backhoe loader loader AX124
13	Concluding field trials of 202L crane with Defense
14	Advance Hydraulic Lift for 1200kg/1800kg
15	Hydraulic lift 1800kg upgrade to 2000kg
16	60HP/ 75HP 4WD drive Tractor with Cararro transmission For Export
17	4WD -60hp/ 75hp/90hp engine and tractor for e-marking for Exprot South Africa
18	90HP 4WD Drive Tractor with Carraro Transmission for Export
19	Development of Project BETA
20	Development of 30 ton Pick & carry crane (Model-F300)
21	Development of 16 ton Pick & carry crane with 360 degree slew(Model-F160NX)
22	Compact Man basket attachment for Pick & Carry Cranes
23	Compansation Fork attachment on Pick & carry crane with 42' boom length
24	Development of AF50D – 5 TON (Automatic Transmission)
25	Self propelled truck mounted crane 40 Ton Capacity
26	Development of Fixed Tower Crane TC-7054
27	Development of Mast 3.0m FFL – AF50D
28	Development of Mast 3.6m STD – AF15E
29	Development of TC 6552 Inner climbing
30	Crawler 40 Ton Free Fall with 2 nos separate winches
31	Development of COW 40m Tower
32	Development of MTC 1818
33	Modification of Paper Roll Clamp (PRC) with Range 250~1300/ 630~1300/ 630~1600
34	Development of Furnace Stoking 30D L=5.5m and Lifting Shovel attachment
35	Development of Defense Forklift with Cold starting device
36	Pin type Carriage for 5.0 Ton Forklift

(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.
- ✓ Product cost optimization through Value engineering.
- ✓ Up gradation of existing product and processes.

(iii) Future plan of action

S. No.	Title & Scope of Ongoing & Future R & D Project
1	Improvements and technology release for bulk production of 202L crane
2	Finalising Concept Design of Recovery attachment for 6X6- HMV for Defense
3	Indigenous development of 6x6 HMV chassis for Defense application including HRV
4	Proto development of clamshell bucket for lorry loader
5	Proto development of log graple for lorry loader
6	Proto testing and improvements of motor grader, 173 hp

7	Design and development of 3/ 10 Ton lorry loader for Defense application
8	Concept design and feasibility study of 2-4 ton RTFLT tele handler for Defense
9	Concept design and feasibility study of trailer transporter cum crane for Defense
10	Design Improvements in performance and aesthetics of Backhoe loader loader AX124
11	Design Improvements in Mini-compactor
12	Highly sensitive Hydraulic lift with EHR/EHC(Electronic Hitch Control) 1200 to 2000Kg- Feature for Export and optional for domestic.
13	Development of 110hp Engine for export
14	Development of 110hp Tractor model with Carraro transmission for export
15	Upgradation of engine 25HP/ 32Hp/ 40HP/ 45HP and 50HP for next emission level -Bharat stage Trem IV
16	Development of 60HP/ 75HP/ 90HP/ 110HP engine with common rail (CRDI Bharat stage trem IV/EURO IV
17	Development of 60hp/ 75hp/ 90hp/ 110HP 4WD Tractor model with common rail (CRDI) Bharat Stage IV/EURO IV for Export
18	4WD Tractor Model 75/90hp with AC/ Non AC cabin-For Export
19	4WD Tractor Model 75 hp MPT/ GPT With attachments-For Defense
20	Orange peel grab attachment on pick & carry crane
21	Man Basket with jib with 18meter height on pick & carry crane
22	Development of 16XW/ 20XW with 72' boom length
23	Development of 30 ton Pick & carry crane with 360 degree slew(Model-F300NX)
24	BS IV Engine(above 50 HP) implementation in all models (10 models)
25	Aesthatic improvement in pick & carry crane (Cabin/Bonnet/Counter weight)
26	Development of Forklift 40D/ 100D and Forklift 30E
27	Mast 4.5m FFL/ 3.6m STD/ 3.0m STD/ 3.0m FFL – AF40D
28	Mast 4.5m FFL/ 3.0m STD – AF100D
29	Mast 6.0m FFL – AF50D
30	Development of Crawler Crane 25, 80, 100 and 150 Ton Capacity
31	Self propelled truck mounted crane 25/ 30 Ton, 50/75 Ton Capacity
32	Development of TC 6544
33	Development of TC 7060 (Travelling Type)-FSH62 m
34	Crawler 75 Ton free fall with 2 nos seperate winches
35	Self propelled truck mounted crane 40 Ton Capacity with Mahindra Drive line
36	Development of Motor Grader 15 Ton
37	Motor grader 10/ 12 Ton
38	Brice block Clamp 700-1900
39	AF50D with Mechanical Transmission
40	Crawler on truck 40 Ton
41	Fabricated Counter Weight for AF25E
42	Development of Inhouse steering axle of 25E
43	Barrel handler attachments (4 Drum - Mechanical type)
44	Furnace stocker Ram & rotating type attachment
45	Modification in BBC & BC attachments (Forging type joint)
46	Load Stablizer 900~1600 for Forklift
47	Wheel Loader ALN 300 with Ashok leyland Engine

48	Dozzer/ Ripper Attachment for motor grader
49	Modification in Diesle operated simpson Forklift 20/30D
50	Front/ Mid Scarifier Attachment for Motor Grader
51	Canopy design for Motor Grader
52	Motor Grader 15 Ton with Avtec transmission & Ashok leyland Engine

(iv) Expenditure on Research & Development

S. No.	Particulars	Amount (₹ in Lakhs)
1.	Capital Expenditure	32.68
2.	Revenue expenditure (Incl. Salary to R&D Staff and other related expenditures)	962.51
	Total	**995.19**

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

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

(i) Technology imported with year of import

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

(ii) Absorption of Imported technologies

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

S.No.	Particulars	Amount (₹ in Lakhs)
1	Foreign Exchange earned	1,969.13
2	Foreign Exchange outgo	8,599.69

Annexure-VIII of Board's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year Ended on March 31, 2018

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

I		**REGISTRATION & OTHER DETAILS:**		
	i)	CIN	L74899HR1995PLC053860	
	ii)	Registration Date	January 13, 1995	
	iii)	Name of the Company	Action Construction Equipment Limited	
	iv)	Category/Sub-category of the Company	Limited By Shares/Public Indian Non Government Company	
	v)	Address of the Registered office & contact details	Dudhola Link Road, Dudhola, Palwal, Haryana - 121102, Phone: +911275-280111 (50 Lines), Fax:+91-1275-280133, E-mail : cs@ace-cranes.com	
	vi)	Whether listed company	Yes	
	vii)	Name , Address & Contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Serilingampally, Hyderabad-500008 Phone: +91 040 6716 2222 (Board) Fax:+91 2300 1153 Email: kishore.bv@karvy.com, einward.ris@karvy.com	
II		**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**		
		All the business activities contributing 5% or more of the total turnover of the company.		As per Attachment A
III		**PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**		As per Attachment B
IV		**SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PER PERCENTAGE OF TOTAL EQUITY)**		
	i)	Category-wise Share Holding		As per Attachment C
	ii)	Shareholding of Promoters		As per Attachment D
	iii)	Change in Promoters' Shareholding		As per Attachment E
	iv)	Shareholding Pattern of top 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 other than MD/MANAGER/WTD		As per Attachment K
VII		**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**		As per Attachment L

ATTACHMENT-A

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company on the basis of Gross Turnover
1	Cranes	291-Manufacture of general purpose machinery	69.05
2	Material Handling	291-Manufacture of general purpose machinery	7.48
3	Construction Equipment	291-Manufacture of general purpose machinery	6.63
4	Agri Equipment	292-Manufacture of special purpose machinery	16.84

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, Suite 204, Grand Baie Business Quarter, Chemin Vingt Pieds, Grand Bay-30529, Mauritius.	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

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (01-04-2017)				NO. OF SHARES HELD AT THE END OF THE YEAR (31-03-2018)				% 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	67376120	18383000	85759120	73.10	80845120	0	80845120	68.91	-4.19
(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)	**67376120**	**18383000**	**85759120**	**73.10**	**80845120**	**0**	**80845120**	**68.91**	**-4.19**
(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)	**67376120**	**18383000**	**85759120**	**73.10**	**80845120**	**0**	**80845120**	**68.91**	**-4.19**

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (01-04-2017)				NO. OF SHARES HELD AT THE END OF THE YEAR (31-03-2018)				% 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)
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	1869048	0	1869048	1.58	1719201	0	1719201	1.47	-0.11
(b)	Financial Institutions /Banks	79471	0	79471	0.07	86726	0	86726	0.07	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1989292	0	1989292	1.70	4294898	0	4294898	3.66	1.96
(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)	**3937811**	**0**	**3937811**	**3.35**	**6100825**	**0**	**6100825**	**5.20**	**1.85**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	4250277	0	4250277	3.62	3501767	0	3501767	2.98	-0.64
(b)	Individuals									
(i)	Individuals holding nominal share capital upto Rs.1 lakh	15243882	64353	15308235	13.05	16222001	59302	16281303	13.87	0.82
(ii)	Individuals holding nominal share capital in excess of Rs.1 lakh	6532799	0	6532799	5.57	8772767	0	8772767	7.48	1.91
(c)	Others									
	Clearing Members	368914	0	368914	0.31	407858	0	407858	0.35	0.04
	IEPF	0	0	0	0.00	7897	0	7897	0.01	0.01
	Non Residents Indians	1015754	0	1015754	0.87	1103579	0	1103579	0.94	0.07
	NRI Non-Repritation	148090	0	148090	0.13	240884	0	240884	0.21	0.08
	Trusts	2000	0	2000	0.00	61000	0	61000	0.05	0.05
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2)	**27561716**	**64353**	**27626069**	**23.55**	**30317753**	**59302**	**30377055**	**25.89**	**2.34**
	Total B=B(1)+B(2)	**31499527**	**64353**	**31563880**	**26.90**	**36418578**	**59302**	**36477880**	**31.09**	**4.19**
	Total (A+B)	**98875647**	**18447353**	**117323000**	**100.00**	**117263698**	**59302**	**117323000**	**100.00**	**(0.00)**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**									
(1)	**Promoter and Promoter Group**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
(2)	**Public**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	GRAND TOTAL (A+B+C)	**98875647**	**18447353**	**117323000**	**100.00**	**117263698**	**59302**	**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 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Mr. Vijay Agarwal	41341907	35.24	0	41401907	35.29	0	0.05
2	Mrs. Mona Agarwal	30314407	25.84	0	25314407	21.58	0	-4.26
3	Mr. Sorab Agarwal	7122650	6.07	0	7148650	6.09	0	0.02
4	Mrs. Surbhi Garg	6930156	5.91	1.45	6930156	5.91	0	0.00
5	Mrs. Anuradha Garg	50000	0.04	0	50000	0.04	0	0.00

ATTACHMENT-E

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

(iii) Change in Promoters' Shareholding

S. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Share holding during the year (01-04-17 to 31-03-18)	
		No. of shares at the beginning of the year (01-04-2017)	% of total shares of the Company				No of shares	% of total shares of the Company
1	Mr. Vijay Agarwal	41341907	35.24	01.04.2017	0		41341907	35.24
				15.11.2017	60000	Purchase	41401907	35.29
				31.03.2018	**0**		**41401907**	**35.29**
2	Mrs. Mona Agarwal	30314407	25.84	01.04.2017	0		30314407	25.84
				28.11.2017	(10000)	Sale	30304407	25.83
				29.11.2017	(4990000)	Sale	25314407	21.58
				31.03.2018	**0**		**25314407**	**21.58**
3	Mr. Sorab Agarwal	7122650	6.07	01.04.2017	0		7122650	6.07
				15.11.2017	26000	Purchase	7148650	6.09
				31.03.2018	**0**		**7148650**	**6.09**
4	Mrs. Surbhi Garg	6930156	5.91	01.04.2017	0		6930156	5.91
				31.03.2018	**0**		**6930156**	**5.91**
5	Mrs. Anuradha Garg	50000	0.04	01.04.2017	0		50000	0.04
				31.03.2018	**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 (01-04-17 to 31-03-18)	
		No. of shares at the beginning of the year (01-04-2017)	% of total shares of the company				No of shares	% of total shares of the company
1	GMO EMERGING DOMESTIC OPPORTUNITIES FUND, A SERIES	0	0.00	01.04.2017	0		0	0.00
				08.12.2017	1067007	Purchase	1067007	0.91
				02.02.2018	483409	Purchase	1550416	1.32
				31.03.2018	**0**		**1550416**	**1.32**
2	CHANDER BHATIA	900000	0.77	01.04.2017	0		900000	0.77
				23.06.2017	300000	Purchase	1200000	1.02
				14.07.2017	116000	Purchase	1316000	1.12
				20.10.2017	100000	Purchase	1416000	1.21
				27.10.2017	84000	Purchase	1500000	1.28
				31.03.2018	**0**		**1500000**	**1.28**
3	AJAY UPADHYAYA	0	0.00	01.04.2017	0		0.00	0.00
				17.11.2017	50000	Purchase	50000	0.04
				05.01.2018	85000	Purchase	135000	0.12
				12.01.2018	15000	Purchase	150000	0.13
				26.01.2018	650000	Purchase	800000	0.68
				02.02.2018	75000	Purchase	875000	0.75
				09.02.2018	125050	Purchase	1000050	0.85
				23.02.2018	15000	Purchase	1015050	0.87
				02.03.2018	18471	Purchase	1033521	0.88
				09.03.2018	66479	Purchase	1100000	0.94
				31.03.2018	**0**		**1100000**	**0.94**
4	DILEEP MADGAVKAR	1050000	0.89	01.04.2017	0		1050000	0.89
				21.07.2017	10000	Purchase	1060000	0.90
				28.07.2017	10000	Purchase	1070000	0.91
				11.08.2017	5000	Purchase	1075000	0.92
				20.10.2017	25000	Purchase	1100000	0.94
				31.03.2018	**0**		**1100000**	**0.94**
5	INDIA OPPORTUNITIES GROWTH FUND LTD - PINEWOOD STR	1598427	1.36	01.04.2017	0		1598427	1.36
				14.04.2017	(50000)	Sale	1548427	1.32

				16.06.2017	(150000)	Sale	1398427	1.19
				17.11.2017	(50000)	Sale	1348427	1.15
				02.02.2018	(69243)	Sale	1279184	1.09
				16.02.2018	(200000)	Sale	1079184	0.92
				31.03.2018	**0**		**1079184**	**0.92**
6	EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEISS MF AC-	1269048	1.08	01.04.2017	0		1269048	1.08
				07.04.2017	(12221)	Sale	1256827	1.07
				14.04.2017	(9887)	Sale	1246940	1.06
				23.06.2017	(11215)	Sale	1235725	1.05
				21.07.2017	(9231)	Sale	1226494	1.05
				06.10.2017	78710	Purchase	1305204	1.11
				13.10.2017	25183	Purchase	1330387	1.13
				27.10.2017	(7646)	Sale	1322741	1.13
				10.11.2017	(2906)	Sale	1319835	1.12
				24.11.2017	(132033)	Sale	1187802	1.01
				16.03.2018	(197201)	Sale	990601	0.84
				31.03.2018	**0**		**990601**	**0.84**
7	RAJESH SETH	297400	0.25	01.04.2017	0		297400	0.25
				02.06.2017	6000	Purchase	303400	0.26
				07.07.2017	255000	Purchase	558400	0.48
				14.07.2017	90000	Purchase	648400	0.55
				25.08.2017	2700	Purchase	651100	0.55
				29.09.2017	27500	Purchase	678600	0.58
				06.10.2017	13250	Purchase	691850	0.59
				06.10.2017	(10700)	Sale	681150	0.58
				13.10.2017	5750	Purchase	686900	0.58
				20.10.2017	6500	Purchase	693400	0.59
				17.11.2017	74500	Purchase	767900	0.65
				02.02.2018	550	Purchase	768450	0.65
				23.02.2018	(1550)	Sale	766900	0.65
				31.03.2018	**0**		**766900**	**0.65**
8	UNION SMALL CAP FUND	600000	0.51	01.04.2017	0		600000	0.51
				31.03.2018	**0**		**600000**	**0.51**
9	FORSTA AP-FONDEN AS MANAGED BY GMO UK LTD	0	0	01.04.2017	0		0	0.00
				08.12.2017	533990	Purchase	533990	0.46
				31.03.2018	**0**		**533990**	**0.46**
10	ANUJ ANAND DIDWANIA	431475	0.37	01.04.2017	0		431475	0.37
				31.03.2018	**0**		**431475**	**0.37**

11	RITA DUGGAL	293000	0.25	01.04.2017	0		293000	0.25
				21.04.2017	30000	Purchase	323000	0.28
				23.06.2017	40000	Purchase	363000	0.31
				30.06.2017	1000	Purchase	344000	0.29
				18.08.2017	1000	Purchase	365000	0.31
				27.10.2017	50250	Purchase	415250	0.35
				31.03.2018	**0**		**415250**	**0.35**
12	NITIN TANDON	393000	0.33	01.04.2017	0		393000	0.33
				31.03.2018	**0**		**393000**	**0.33**
13	GMO EMERGING MARKETS FUND, A SERIES OF GMO TRUST	0	0	01.04.2017	0		0	0.00
				02.02.2018	317300	Purchase	317300	0.27
				31.03.2018	**0**		**317300**	**0.27**
14	DINKAR DUTT	85000	0.07	01.04.2017	0		85000	0.07
				30.06.2017	170000	Purchase	255000	0.22
				20.10.2017	50000	Purchase	305000	0.26
				03.11.2017	10876	Purchase	315876	0.27
				10.11.2017	(10876)	Sale	305000	0.26
				17.11.2017	1058	Purchase	306058	0.26
				24.11.2017	6050	Purchase	312108	0.27
				15.12.2017	(1108)	Sale	311000	0.27
				19.01.2018	(1000)	Sale	310000	0.26
				02.02.2018	(3000)	Sale	307000	0.26
				23.02.2018	4476	Purchase	311476	0.27
				30.03.2018	(657)	Sale	310819	0.26
				31.03.2018	**0**		**310819**	**0.26**
15	JASMINE INDIA FUND	90865	0.08	01.04.2017	0		90865	0.08
				28.04.2017	22780	Purchase	113645	0.10
				05.05.2017	21895	Purchase	135540	0.12
				12.05.2017	11445	Purchase	146985	0.13
				26.05.2017	1430	Purchase	148415	0.13
				02.06.2017	18564	Purchase	166979	0.14
				09.06.2017	54616	Purchase	221595	0.19
				16.06.2017	13250	Purchase	234845	0.20
				18.08.2017	8200	Purchase	243045	0.21
				29.09.2017	6100	Purchase	249145	0.21
				06.10.2017	392	Purchase	249537	0.21
				13.10.2017	463	Purchase	250000	0.21
				09.02.2018	10000	Purchase	260000	0.22
				31.03.2018	**0**		**260000**	**0.22**

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 Shareholding during the year(01-04-17 to 31-03-18)	
		No. of shares at the beginning of the year (01-04-2017)	% of total shares of the Company				No of shares	% of total shares of the Company
1	Mr. Vijay Agarwal	41341907	35.24	01.04.2017	0		41341907	35.24
				15.11.2017	60000	Purchase	41401907	35.29
				31.03.2018	**0**		**41401907**	**35.29**
2	Mrs. Mona Agarwal	30314407	25.84	01.04.2017	0		30314407	25.84
				28.11.2017	(10000)	Sale	30304407	25.83
				29.11.2017	(4990000)	Sale	25314407	21.58
				31.03.2018	**0**		**25314407**	**21.58**
3	Mr. Sorab Agarwal	7122650	6.07	01.04.2017	0		7122650	6.07
				15.11.2017	26000	Purchase	7148650	6.09
				31.03.2018	**0**		**7148650**	**6.09**
4	Mrs. Surbhi Garg	6930156	5.91	01.04.2017	0		6930156	5.91
				31.03.2018	**0**		**6930156**	**5.91**
5	Mr. Subhas Chander Verma	15000	0.01	01.04.2017	0		15000	0.01
				31.03.2018	**0**		**15000**	**0.01**
6	Mr. Rajan Luthra	136	0	01.04.2017	0		136	0.00
				07.04.2017	(135)	Sale	1	0.00
				19.01.2018	90	Purchase	91	0.00
				31.03.2018	**0**		**91**	**0.00**

ATTACHMENT-H

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year (April 1, 2017)				
i) Principal Amount	8,342.55	3,021.94	-	11,364.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	290.97	-	290.97
Total (i+ii+iii)	**8,342.55**	**3,312.91**	**-**	**11,655.46**
Change in Indebtedness during the financial year				
Additions	3,269.97	287.50	-	3,557.47
Reduction	5,491.41	1,604.13	-	7,095.54
Exchange Difference	-	-	-	-
Net Change	**(2,221.44)**	**(1,316.63)**	**-**	**(3,538.07)**
Indebtedness at the end of the financial year (March 31, 2018)				
i) Principal Amount	6,121.11	1,708.78	-	7,829.89
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	287.50	-	287.50
Total (i+ii+iii)	**6,121.11**	**1,996.28**	**-**	**8,117.39**

Note:-

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

ATTACHMENT-I

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total
		Mr. Vijay Agarwal	Mrs. Mona Agarwal	Mr. Sorab Agarwal	Mrs. Surbhi Garg	
1	**Gross salary**					
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	270.00	133.80	44.11	44.40	**492.31**
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	15.86	8.20	2.86	3.20	**30.12**
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-	-	**-**
2	Stock option	-	-	-	-	**-**
3	Sweat Equity	-	-	-	-	**-**
4	Commission as % of profit	-	-	-	-	**-**
5	Others, please specify	-	-	-	-	**-**
	Total	**285.86**	**142.00**	**46.97**	**47.60**	**522.43**
	Ceiling as per the Act	**₹ 798.61 Lakhs (being 10 % of the net profits of the Company calculated as per Section 197 & 198 of the Companies Act, 2013).**				

Note:-

The Company has received approval from Central government for payment of remuneration to Mr. Vijay Agarwal, Chairman and Managing Director of the Company vide approval letter No SRN C82288127/2016 –CL –VII dated September 1, 2016 for an Amount of ₹ 286.50 lakhs for financial year 2017-18 and Mrs. Mona Agarwal, Whole-Time Director of the Company vide approval letter No SRN C82400086/2016 –CL –VII dated September 1, 2016 for an Amount of ₹ 142.25 lakhs for financial year 2017-18.

ATTACHMENT-J

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B Remuneration to other directors:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	NON-EXECUTIVE DIRECTORS				Total
		Mr. Girish Narain Mehra (IAS Retd.)	Dr. Amar Singhal	Mr. Subhash Chander Verma	Maj. Gen. (Retd.) Dr. K. C. Agrawal	
1	**Independent Directors**					
	(a) Fee for attending board / committee meetings	1.20	1.65	1.65	0.60	**5.10**
	(b) Commission	-	-	-	-	**-**
	(c) Others, please specify	-	-	-	-	**-**
	Total (1)	**1.20**	**1.65**	**1.65**	**0.60**	**5.10**
2	**Other Non-Executive Directors**					
	(a) Fee for attending board/ committee meetings	-	-	-	-	**-**
	(b) Commission	-	-	-	-	**-**
	(c) Others, please specify.	-	-	-	-	**-**
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**1.20**	**1.65**	**1.65**	**0.60**	**5.10**
	Overall Ceiling as per the Act.	**₹ 79.86 Lakhs (being 1 % of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).**				

ATTACHMENT -K

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Mr. Rajan Luthra (CFO)	Mr. Anil Kumar (CS)*	Mrs. Yashika Kansal (CS)#	
1	**Gross Salary**	NA				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		55.56	3.84	1.08	**60.48**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.		0.40	-	-	**0.40**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.		-	-	-	**-**
2	Stock Option		-	-	-	**-**
3	Sweat Equity		-	-	-	**-**
4	Commission as % of profit		-	-	-	**-**
5	Others, please specify		-	-	-	**-**
	Total		**55.96**	**3.84**	**1.08**	**60.88**

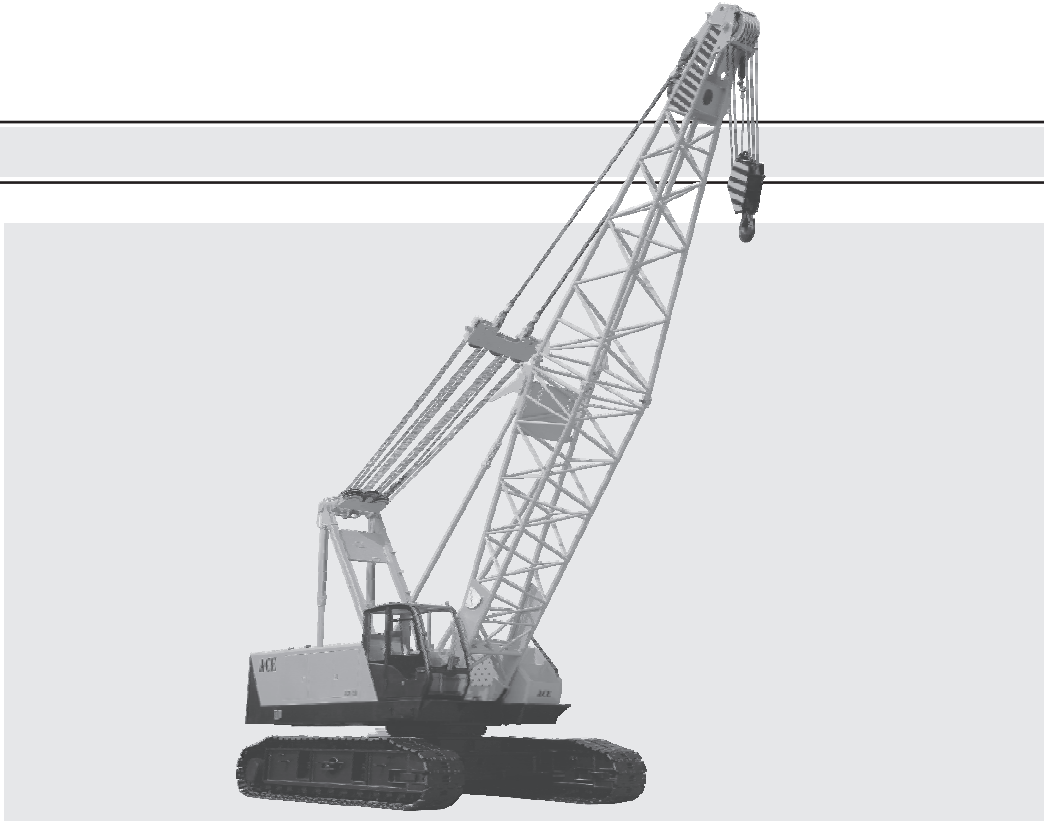
* Appointment w.e.f. July 3, 2017.
From April, 2017 to May, 2017.

ATTACHMENT-L

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

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

NIL



Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance refers to the framework of rules and practices by which the Board ensures accountability, fairness, and transparency in 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

Composition and category of Board of Directors

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

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

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

All executive directors are promoters of the Company. The Executive Directors are authorized for conducting the general business of the Company, but all the other crucial decisions are taken at the Board Level. The Chairman and Managing Director (CMD) provided overall direction and guidance to the Board. The Board of directors of the Company meets at timely intervals and takes the crucial decisions of the Company.

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

Number of Board Meetings

During the financial Year 2017-18, four (4) Board Meetings were held i.e. on May 19, 2017, September 7, 2017, November 11, 2017 and January 25, 2018.

Directors' attendance record and their other Directorships/Committee memberships

As mandated by Regulation 26 of the Listing Regulations, none of the Directors is a member of more than ten Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2018 are given below:

Name of Directors	Position in the Company	Attendance at Board Meeting out of four(4)	Attendance at AGM (29.09.2017)	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	4	Yes	-	1	-	1
Mrs. Mona Agarwal (DIN:00057653)	Whole-Time Director	4	Yes	-	1	-	-
Mr. Sorab Agarwal (DIN:00057666)	Executive Director	4	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	3	No	4	-	5	2
Mr. Subhash Chander Verma (DIN:00098019)	Independent Non–Executive Director	4	Yes	-	-	1	1
Dr. Amar Singhal (DIN:00035903)	Independent Non–Executive Director	4	No	-	-	1	1
Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal (DIN:00098143)	Independent Non–Executive Director	3	Yes	-	-	-	-

Disclosure of relationships between Directors inter-se

Mr. Vijay Agarwal, Chairman & Managing Director is the husband of Mrs. Mona Agarwal, Whole-Time Director and father of Mr. Sorab Agarwal and Mrs. Surbhi Garg, 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.

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 Independent Directorships

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, they does not hold the position of Independent Director in more than three listed companies.

Shareholding of Non-Executive Directors

Number of Equity shares held by non-executive directors as on March 31, 2018 is given below:

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

Independent Directors

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

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

Separate meeting of the Independent Directors

Independent Directors of the Company met separately on January 25, 2018 without the presence of Non-Independent Directors and members of management.

The detail and Attendance of the Independent Directors are given below:-

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

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

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

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

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

Familiarization programs for Independent Directors

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

Performance evaluation of the Board, its committees and individual Directors, including Independent Directors

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

For evaluation of the entire Board, its Committees and evaluation of individual Director's performance, a structured questionnaire, covering various aspects of the functioning of the Board and its Committee is in place.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2017-18.

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

Information supplied to the Board

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

Agenda papers of the Boards and its Committee meetings are circulated to the Directors well in advance of the meetings, supported with significant information including that as enumerated in Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. The Company Secretary records minutes of proceedings of each Board and Committee 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.

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 ₹)
1.	Mr. Girish Narain Mehra (IAS Retd.)	1,20,000
2.	Mr. Subhash Chander Verma	1,65,000
3.	Dr. Amar Singhal	1,65,000
4.	Maj. Gen. (Retd.) Dr. Keshav Chandra Agrawal	60,000

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

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

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

(c) Disclosure with respect to remuneration:

(i) Element of remuneration package of individual Executive Directors of the Company during the year 2017-18.

(₹ in Lakhs)

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	270.00	15.86	-	**285.86**
2.	Mrs. Mona Agarwal Whole- Time Director	133.80	8.20	-	**142.00**
3.	Mr. Sorab Agarwal Executive Director	44.11	2.86	-	**46.97**
4.	Mrs. Surbhi Garg Executive Director	44.40	3.20	-	**47.60**
	Total	**492.31**	**30.12**	**-**	**522.43**

Note:

(1) The Company has received approval from Central government for payment of remuneration to Mr. Vijay Agarwal, Chairman and Managing Director of the Company vide approval letter No SRN C82288127/2016 –CL –VII dated September 1, 2016 for an Amount of ₹ 286.50 lakhs for financial year 2017-18 and Mrs. Mona Agarwal, Whole Time Director of the Company vide approval letter No SRN C82400086/2016 –CL –VII dated September 1, 2016 for an Amount of ₹ 142.25 lakhs for financial year 2017-18.

(2) Remuneration of CMD and Whole Time Directors of the company have been increased w.e.f. October 1, 2017 subject to overall limits as approved by the members of the Company and Central Government i.e. Ministry of Corporate Affairs.

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

Directors are not entitled to any performance linked incentives.

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

The appointments of the Executive Directors are governed by resolutions passed by the Shareholders of the Company, which cover the

terms and conditions of such appointment, read with the service rules of the Company. A separate service contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

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

Not applicable

COMMITTEES OF BOARD

ACE has following mandatory Board Level Committees:

A. Audit Committee (AC)
B. Nomination and Remuneration Committee (NRC)
C. Stakeholders' Relationship Committee (SRC)
D. Corporate Social Responsibility Committee (CSR)

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

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

A. AUDIT COMMITTEE

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

During the year, four meetings were held i.e. on May 19, 2017, September 7, 2017, November 11, 2017 and January 25, 2018.

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

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

This Committee has the following powers, roles and terms of reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment, terms of appointment and, if required, the replacement or removal of the statutory auditors, and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other non-audit services rendered by them.
4. Reviewing, with the management, the quarterly/ annual standalone and consolidated financial statements and auditors' report thereon, before submission to the Board for approval, with particular reference to:
   (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.
   (b) Changes, if any, in accounting policies and practices and reasons for the same.
   (c) Major accounting entries involving estimates based on the exercise of judgment by management.
   (d) Significant adjustments made in the financial statements arising out of audit findings.
   (e) Compliance with listing and other legal requirements relating to financial statements.
   (f) Disclosure of any related party transactions.
   (g) Qualifications in the draft audit report.
   (h) The investments made by unlisted subsidiary companies.

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

6. To mandatorily review the following information:

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

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

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

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

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

   (f) Statement of deviations:

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

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

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

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

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

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

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

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

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

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

15. To direct the Company to establish a vigil mechanism for directors and employees to report genuine concerns to the Audit Committee and to ensure that the vigil mechanism provides adequate safeguards against 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 to the Audit Committee.

The Chairman of the Audit Committee was present in the last Annual General Meeting held on September 29, 2017. The MD, CFO and the Statutory Auditors of the Company are permanent invitees to the meetings of the Audit Committee Meetings.

B. NOMINATION AND REMUNERATION COMMITTEE

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

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

During the year, one meeting was held on November 11, 2017.

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

S. No.	Name of the Directors	Designation	Category	No. of Meetings held during the year	No. of Meetings Attended
1.	Dr. Amar Singhal	Chairman	Independent	1	1
2.	Mr. Girish Narain Mehra (IAS Retd.)	Member	Independent	1	1
3.	Mr. Subhash Chander Verma	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).

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the year, one meeting was held on May 19, 2017.

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

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

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

Investor Grievance Redressal

Details of Complaints received and resolved by the Company during the financial year 2017-18 are given below:

S.No.	Nature of Investor Grievance	Total
1.	Complaints pending at the beginning of the year as on April 1, 2017	NIL
2.	Complaints received during the year	
•	Non receipt of dividend	5
•	Non receipt of shares sent for transfer	1
•	Non receipt of Annual Report	1
•	Non confirmation of dematerialization/re-materialization of shares	NIL
•	Investor Grievance received through Statutory Authority	NIL
•	Miscellaneous	NIL
3.	Complaints disposed-off during the year	7
4.	Complaints pending at the end of the year as on March 31, 2018	NIL

Compliance Officer

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

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

Amount of CSR Budget for FY 2017-18 was recommended by the CSR Committee in their meeting held on February 7, 2017 and considered by the Board in their meeting held on May 19, 2017.

The detail of Composition of CSR Committee is given below:-

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

The Committee is entrusted with the following powers:

(a) 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.

(b) To recommend the amount of expenditure to be incurred on the activities referred in clause (a) above.

(c) To monitor the Corporate Social Responsibility Policy of the Company from time to time.

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

GENERAL BODY MEETINGS

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

For the Year	2014-15	2015-16	2016-17
AGM	**21st**	**22nd**	**23rd**
Date & Time	25.09.2015 11:00 a.m.	23.09.2016 11:00 a.m.	29.09.2017 11:30 a.m.
Venue	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001.	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001.	Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana-121001.

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

Year	Special Resolution passed
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	Re-appointment of Mrs. Surbhi Garg. (DIN:01558782) Executive Director for the period of three years w.e.f. April 1, 2017 and fixation of remuneration.
2016-2017	None

(c) 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.

(d) Person who conducted the postal ballot exercise:

Not applicable

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

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

MEANS OF COMMUNICATION

(a) Quarterly Results:

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

(b) Newspaper:

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

(c) Website:

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

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

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

(e) Designated Email ID:

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

(f) SCORES (SEBI Complaints Redressal System):

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

(g) Uploading on NEAPS & BSE Listing Centre:

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

GENERAL SHAREHOLDER INFORMATION

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

The 24th Annual General Meeting of the Company is scheduled on Friday, September 28, 2018 at 11:30 a.m. at Aravali Golf Club, New Industrial Town (NIT), Faridabad, Haryana -121001.

(b) 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 2018	2nd Week of August, 2018
September 2018	2nd Week of November, 2018
December 2018	2nd Week of February, 2019
March 2019	3rd Week of May, 2019
Annual General Meeting for the year ending March 31, 2019	Last Week of September, 2019

(c) Book Closure Date

The register of members and share transfer books of the company will remain closed from Friday, September 21, 2018 to Friday, September 28, 2018 (both days inclusive), for the purpose of Annual General Meeting and payment of dividend.

(d) 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 ₹ 0.50 i.e. (25%) per equity shares for the financial year ended March 31, 2018 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.

(e) 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

(f) Stock Codes

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

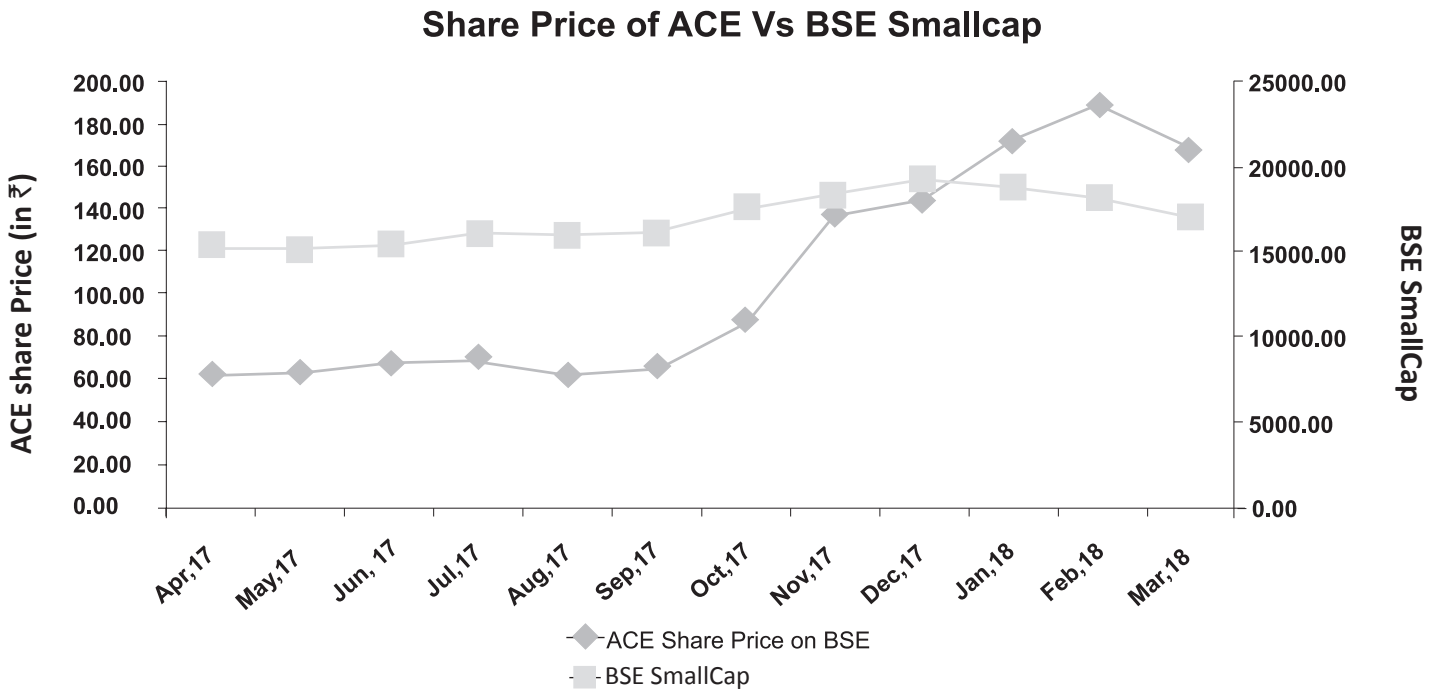
Stock Exchanges	Security Code	Type of Security
BSE Limited	532762	Equity Shares
National Stock Exchange of India Limited (NSE)	ACE	Equity Shares

Listing Fees for the financial year 2018-2019 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.

(g) Market Price Data: High, Low during each month in Last Financial Year

MONTH(S) 2017-18	NSE		BSE	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2017	69.90	59.25	69.90	59.30
May, 2017	70.60	57.65	70.45	57.90
June, 2017	77.40	62.95	77.20	63.05
July, 2017	77.00	68.10	77.00	67.50
August, 2017	70.90	57.75	70.90	57.35
September, 2017	76.35	61.20	76.35	61.20
October, 2017	91.70	65.50	91.60	65.05
November, 2017	156.40	84.65	156.40	85.25
December, 2017	149.90	126.40	150.45	126.90
January, 2018	189.65	138.50	189.75	138.60
February, 2018	204.40	145.00	204.20	145.15
March, 2018	190.90	161.35	191.00	161.95

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



(i) Suspension from trading

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

(j) 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 1800-425-8998
Fax: +91 2300 1153
Email: kishore.bv@karvy.com, einward.ris@karvy.com
Website : www.karvy.com

(k) Share Transfer System

Trading in equity shares of the Company through recognized Stock Echanges can be done only in dematerialized form.

In case of shares held in physical form, the transferred share certificates duly endorsed are despatched within 15 days from the date of receipt of documents, provided documents are valid and complete in all respects.

(l) 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 or Company, immediately without any further delay. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2018, nor shall any payment to be made in respect of such claims.

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

S. No.	Financial Year	Last Date for claiming unpaid dividend
1.	Final Dividend 2010-11	31.10.2018
2.	Final Dividend 2011-12	15.11.2019
3.	Final Dividend 2012-13	24.09.2020
4.	Final Dividend 2013-14	30.08.2021
5.	Final Dividend 2014-15	25.10.2022
6.	Interim Dividend 2015-16	15.04.2023
7.	Final Dividend 2016-17	30.10.2024

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 29, 2017 (previous AGM date) on the Company's website (www.ace-cranes.com) and on the website of the Ministry of Corporate Affairs.

(n) Ownership Pattern as on March 31, 2018

Category	No. of shareholders	No. of shares held	% of total shareholding
Promoters			
Indian Promoters	5	8,08,45,120	68.91
Non Promoters			
Institutional Investors			
Mutual Fund	8	1719201	1.47
Foreign Portfolio Investors	13	4294898	3.66
Banks/Financial Institutions	3	86726	0.07
Non-Institutional Investor			
Bodies Corporate	551	3439953	2.93
Indian Public*	31540	25592639	21.82
Non Resident Indians	359	1103579	0.94
NRI Non-Repatriation	127	240884	0.21
Total	**32606**	**117323000**	**100.00**

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

Note: As per the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128, dated December 19, 2017, the consolidated no. of shareholder on the basis of PAN are 29,627.

Shareholding Pattern by Size as on March 31, 2018 On the basis of Shares held:

S.No.	Category	No. of Shareholders	% to Total Shareholders	No of shares	% of Total Shares
1	upto 1- 5000	31170	95.58	7883169	6.72
2	5001 - 10000	693	2.13	2578961	2.20
3	10001 - 20000	339	1.04	2480176	2.11
4	20001 - 30000	129	0.40	1583372	1.35
5	30001 - 40000	59	0.18	1050062	0.90
6	40001 - 50000	41	0.13	937042	0.80
7	50001 - 100000	87	0.27	3123194	2.66
8	100001 & ABOVE	88	0.27	97687024	83.26
	Total	**32606**	**100.00**	**117323000**	**100.00**

(o) Dematerialization of Shares and Liquidity

As on March 31, 2018, 99.95% 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	2102	59302	0.05
2	NSDL	17684	97064583	82.73
3	CDSL	12820	20199115	17.22
	Total	**32606**	**117323000**	**100.00**

(p) International Securities Identification Number (ISIN) for equity shares of the Company

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

(q) 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, 2018.

(r) 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.

(s) Plants Locations

The following are the locations of the Company:-

Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh-121004 Distt. Faridabad (Haryana)	Dudhola Link Road, Dudhola, Distt. Palwal- 121102, Haryana	45th Mile Stone, Delhi-Mathura Road, Prithla, Faridabad-121102, Haryana

Research & Development (R&D) Centers

Jajru Road, 25th Mile Stone, Delhi-Mathura Road, Ballabgarh- 121004, Distt. Faridabad (Haryana)	Dudhola Link Road, Dudhola, Distt. Palwal- 121102, Haryana

(t) Address for Correspondence

Registered & Corporate Office:

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

Investor Correspondence:

i) 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 1800-425-8998
Fax: +91 2300 1153
Email: kishore.bv@karvy.com, einward.ris@karvy.com
Website : www.karvy.com

ii) For Shares held in Demat form

Investors concerned Depository Participants and / or Karvy Computershare Private Limited

For all matters relating to investor relations please contact:

Company Secretary & Compliance Officer
Action Construction Equipment Limited
Dudhola Link Road, Dudhola
Dist. Palwal – 121102, Haryana
Phone: + 91-1275-280103
Fax No.:+ 91-1275-280133
Email Id: cs@ace-cranes.com

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. Necessary disclosures regarding Related Party Transactions are given in the notes to the Financial Statements.

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

(b) Statutory Compliance, Penalties and Strictures

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

(c) Whistle Blower Policy/ Vigil Mechanism

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

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

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

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

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

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

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

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

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

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

As on March 31, 2018, the Company had one foreign subsidiary and one fellow 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 policy for determining 'material' subsidiaries is available on the website of the Company at www.ace-cranes.com in the investor relations section.

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

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

(g) Code for Prevention of Insider Trading

The Company has adopted a code of conduct to regulate, monitor and report trading by insiders for prevention of Insider Trading in the shares of the Company. The code, *inter-alia*, prohibits purchase / sale of shares of the Company by Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company.

COMPLIANCE /NON-COMPLIANCE

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

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 at www.ace-cranes.com.

(c) Modified opinion(s) in audit report: The Auditors have raised no qualification on the financial statements.

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

(e) Reporting of Internal Auditor: The Company has appointed M/s Ernst & Young LLP as Internal Auditor of the company 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 OF 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 at www.ace-cranes.com.

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 signed by Chairman and Managing Director regarding all Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended March 31, 2018 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 Secretary 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

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

Place: New Delhi
Date: May 21, 2018

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, 2018, 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, 2018.

For Action Construction Equipment Limited

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

Place: New Delhi
Date: May 21, 2018

CHAIRMAN AND MANAGING DIRECTOR (CMD) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

To,

The Board of Directors
Action Construction Equipment Limited

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

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2018 and to the best of our knowledge and belief, we state that:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

  (i) significant changes, in the internal control over financial reporting during the year;

  (ii) significant changes, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Action Construction Equipment Limited

	Sd/-	**Sd/-**
	Vijay Agarwal	**Rajan Luthra**
Place: New Delhi	**Chairman & Managing Director,**	**Chief Financial Officer**
Date: May 21, 2018	**DIN: 00057634**	

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, 2018, as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended,('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchange(s).

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

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

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

Place: Faridabad
Date: 21st May, 2018

Independent Auditor's Report
To the Members of Action Construction Equipment Limited

Report on the Ind AS Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Action Construction Equipment Limited ('the Company'), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss(including other comprehensive income), the cash flow statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 standalone Ind AS 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 Ind AS 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 thereunder.

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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS Standalone 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 Ind AS financial statements.

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 Other Matters paragraph, the aforesaid Ind AS 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 March 31, 2018 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The financial information of the company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS Financial Statements are based on the previously statutory financial statements for the year ended March 31, 2017 and March, 2016 prepared in accordance with the audited by the predecessor auditors on which they had expressed an unmodified opinion dated May 19, 2017 and May 19, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the company on transition to the Ind AS have been audited by us.

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 including other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of accounts;

   d. In our opinion, the aforesaid standalone financial Ind AS statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

   e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and

   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 Ind AS financial statements – Refer Additional Notes to the financial statements point no 34;

      (b) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BRAN & Associates
Chartered Accountants
FRN:014544N

CA Ravi Gulati
Partner
M.NO 090672

Place: Faridabad
Date: May 21, 2018

Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind AS standalone financial statements for the year ended March 31, 2018, 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 worth ₹ 1651.42 Lakhs.

(a) The earlier loan granted to the subsidiary is reschedule as per the terms of supplementary loan agreement dated September 23, 2014 in which interest has been waived off on such loan by the company.

(b) The terms of repayment of the loan has been reschedule to be repaid by March 31, 2019.

(c) There is no overdue amount outstanding at the yearend as per the supplementary loan agreement date September 23, 2014.

(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, goods & service tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods & service tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

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

Name of statute	Name of the disputed dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where dispute are pending
Income-Tax Act, 1961	Income Tax	230.37	2015-16	CIT (Appeal) – Gurgaon.
Income-Tax Act, 1961	Income Tax	6.58	2009-10 & 2010-11	ITAT Delhi
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
The Haryana Vat Act, 2003	Sale Tax	17.30	2004-05 to 2005-06	Jt. Commissioner Faridabad
The West Bengal Act, 2003	Sale tax	13.00	2011-12	High Court
The West Bengal Act, 2003	Sale tax	1260.70	2006-07 to 2012-13	Add-Commissioner Review Board (West Bengal)

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

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

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

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

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

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

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

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

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

For BRAN & Associates
Chartered Accountants
FRN:014544N

CA Ravi Gulati
Partner
M.NO:090672

Place: Faridabad
Date: May 21, 2018

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 March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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, issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our knowledge and according to the explanations given to us ,the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BRAN & Associates
Chartered Accountants
FRN: 014544N
(CA Ravi Gulati)
(Partner)
M. No. : - 090672

Place: Faridabad
Date: May 21, 2018

Standalone Balance Sheet as at March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	2	31,597.58	32,487.73	33,083.04
Capital work in progress	2	403.68	595.20	66.58
Investment properties	3	1,275.00	1,092.46	1,112.35
Intangible assets	4	91.65	140.06	137.77
Financial assets				
i. Investments	5	1,837.01	1,554.57	1,530.28
ii. Loans	6	1,651.42	1,613.86	1,653.92
iii. Other financial assets	7	356.64	859.10	385.70
Other non-current assets	8	7,106.23	4,242.68	3,806.09
Total non-current assets		**44,319.21**	**42,585.66**	**41,775.73**
Current assets				
Inventories	9	14,385.80	11,316.63	12,334.86
Financial assets				
i. Investments	5	3,119.90	1,818.81	1,675.62
ii. Trade receivables	10	16,981.18	10,386.01	8,099.19
iii. Cash and cash equivalents	11	667.40	589.58	377.06
iv. Bank balances other than (iii) above	12	411.65	666.26	676.42
v. Other current financial assets	7	290.27	222.89	209.61
Other current assets	8	3,645.82	2,172.55	1,802.77
Total current assets		**39,502.02**	**27,172.73**	**25,175.53**
Total Assets		**83,821.23**	**69,758.39**	**66,951.26**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	2,346.46	2,346.46	2,346.46
Other equity	14	38,210.43	33,368.57	31,927.22
Total equity		**40,556.89**	**35,715.03**	**34,273.68**
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	15	6,367.41	6,787.62	5,418.83
Provisions	16	1,151.30	766.41	705.74
Deferred tax liabilities (Net)	17	874.24	414.87	415.19
Total non-current liabilities		**8,392.95**	**7,968.90**	**6,539.76**
Current liabilities				
Financial liabilities				
i. Borrowings	15	57.43	2,480.13	8,242.37
ii. Trade payables	18	23,590.30	14,735.97	11,094.39
iii. Other financial liabilities	19	8,220.48	6,684.77	5,331.63
Other current liabilities	20	2,393.13	1,908.81	1,338.61
Provisions	16	222.14	138.36	128.39
Current tax liabilities (Net)		387.91	126.42	2.43
Total current liabilities		**34,871.39**	**26,074.46**	**26,137.82**
Total Equity and Liabilities		**83,821.23**	**69,758.39**	**66,951.26**

The accompanying Notes (1 to 39) are an integral part of Financial Statements

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 21, 2018

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Standalone Statement of Profit and Loss for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	21	109,864.26	79,706.33
Other income	22	794.28	781.06
Total income		**110,658.54**	**80,487.39**
Expenses			
Cost of materials consumed	23	76,656.62	52,937.70
Purchase of stock-in-trade		387.84	344.72
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(265.37)	(422.20)
Excise duty		1,215.43	4,603.13
Employee benefits expenses	25	6,760.39	5,903.79
Finance costs	26	1,352.66	1,596.22
Depreciation and amortisation expenses	27	1,193.35	1,206.87
Other expenses	28	15,896.20	12,349.82
Total expenses		**103,197.12**	**78,520.05**
Profit before exceptional items and tax		**7,461.42**	**1,967.34**
Exceptional items		-	-
Profit before tax		**7,461.42**	**1,967.34**
Tax expense	29		
Current tax		2,066.13	199.95
Deferred tax		131.79	320.78
Profit after tax		**5,263.50**	**1,446.61**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment defined benefit obligation		5.06	1.29
Income tax relating to these items		(1.75)	(0.45)
Other Comprehensive income for the year (net of tax)		**3.31**	**0.84**
Total comprehensive income for the year		**5,266.81**	**1,447.45**
Earnings per equity share (Face value of ₹ 2/- each)	35		
Basic (in ₹)		4.49	1.23
Diluted (in ₹)		4.49	1.23

The accompanying Notes (1 to 39) are an integral part of Financial Statements

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 21, 2018

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Standalone Statement of Change in Equity for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

Balance as at April 1, 2016	2,346.46
Increase/(Decrease) during the year	-
Balance as at March 31, 2017	2,346.46
Increase/(Decrease) during the year	-
Balance as at March 31, 2018	**2,346.46**

B) Other equity

Particulars	General Reserve	Capital Redemption Reserve	Capital Reserve	Securities Premium	Retained Earnings	Total
Balance as at April 1, 2016	**9,625.00**	**-**	**571.96**	**8,532.73**	**13,197.53**	**31,927.22**
Profit for the year	-	-	-	-	1,446.61	1,446.61
Other comprehensive income	-	-	-	-	0.84	0.84
Others	-	-	-	-	(6.10)	(6.10)
Transferred from retained earnings	200.00	-	-	-	(200.00)	-
Balance as at March 31, 2017	**9,825.00**	**-**	**571.96**	**8,532.73**	**14,438.88**	**33,368.57**
Profit for the year	-	-	-	-	5,263.50	5,263.50
Other comprehensive income	-	-	-	-	3.31	3.31
Dividend	-	-	-	-	(351.96)	(351.96)
Tax on Dividend	-	-	-	-	(71.65)	(71.65)
Others	-	-	-	-	(1.34)	(1.34)
Transferred from retained earnings	100.00	1,313.16	-	-	(1,413.16)	-
Balance as at March 31, 2018	**9,925.00**	**1,313.16**	**571.96**	**8,532.73**	**17,867.58**	**38,210.43**

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 21, 2018

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Standalone Statement of Cash Flows for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	**7,461.42**	**1,967.34**
Adjustments for		
Depreciation and amortisation expense	1,193.35	1,206.87
Gain on disposal of property, plant and equipment	(57.60)	(68.84)
Loss on disposal of property, plant and equipment	59.83	55.41
Unrealised foreign exchange fluctuation	(34.08)	64.40
Interest income	(147.88)	(169.79)
Interest income from financial assets at amortised cost	(246.61)	(219.57)
Gain on Investments carried at fair value through profit or loss (net)	(133.84)	(143.18)
Rental income classified as investing cash flows	(111.05)	(111.25)
Finance costs	1,352.66	1,596.22
Other Non-cash items	(1.34)	(1.34)
Bad Debts Written off	271.51	243.93
Provision for doubtful receivable	9.49	21.79
Provision for doubtful loan & Advances	350.00	-
Miscellaneous expenditure to the extent not written off	-	1.01
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(6,629.56)	(2,332.98)
(Increase)/Decrease in inventories	(3,069.17)	1,018.23
(Increase)/Decrease in other financial assets	(94.15)	(30.84)
(Increase)/Decrease in other current assets	(1,473.27)	(369.78)
Increase in trade payables	8,854.33	3,641.58
Increase in provisions	123.74	71.93
Increase in other financial liabilities	2,227.39	1,043.68
Increase in other current liabilities	484.32	570.20
Cash generated from operations	**10,389.49**	**8,055.02**
Income taxes paid	(1,465.36)	(411.33)
Net cash inflow from operating activities	**8,924.13**	**7,643.69**
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(1,916.70)	(1,724.74)
Payments for purchase of Intangible assets	(2.30)	(64.61)
Capital advances and Capital work in progress	(2,685.47)	(952.42)
Loans to subsidiaries	(3.48)	(24.34)
Purchase of Investments	(1,583.54)	(167.47)
Proceeds from disposal of property, plant and equipment	1,479.44	1,204.09
Fixed deposit having maturity more than 3 months	783.84	(445.68)
Interest income	147.88	169.79
Gain on Investments carried at fair value through profit or loss (net)	133.84	143.18
Rental income classified as investing cash flows	111.05	111.25
Net cash outflow from investing activities	**(3,535.44)**	**(1,750.95)**
Cash flows from financing activities		
Net proceeds from non-current borrowings	201.26	1678.24
Repayment of current borrowings	(2,422.70)	(5,762.24)
Redemption of Preference Shares	(1,313.16)	-
Interest paid	(1,352.66)	(1,596.22)

Standalone Statement of Cash Flows for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Dividend and Tax thereon	(423.61)	-
Net cash outflow from financing activities	**(5,310.87)**	**(5,680.22)**
Net increase in cash and cash equivalents	77.82	212.52
Cash and cash equivalents at the beginning of the year	589.58	377.06
Cash and cash equivalents at end of the year	**667.40**	**589.58**

Notes:

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

(b) Cash and Cash Equivalents comprises of:

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks in current accounts	80.62	63.82
Cash on hand	46.69	44.77
Bank/ Term deposits with original maturity less than 3 months	540.09	480.99
	667.40	**589.58**

(c) Amendment to Ind AS-7

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

Particulars	As at March 31, 2017	Cash Flow	Current/ Non-current classification	As at March 31, 2018
Borrowing Non-current	6,787.62	984.84	(1,405.05)	6,367.41
Other Financial Liabilities	2,096.74	(2,096.74)	1,405.05	1,405.05
Borrowing -Current	2,480.13	(2,422.70)	-	57.43

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 21, 2018

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

COMPANY OVERVIEW

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

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

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 21, 2018.

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1. Basis of preparation

Compliance with Ind AS

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

These financial statements for the year ended March 31, 2018 are the first financial statements prepared by the Company under Ind AS for all periods upto and including the year ended March 31, 2017. The Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the comparative year ended March 31, 2017 and opening balance sheet at the beginning of the comparative year as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 38.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the date of transition to Ind AS. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Historical Cost Convention

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

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

1.2. Current / Non-Current Classification

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

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

b) the asset is intended for sale or consumption;

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

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

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

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

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

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

1.3. Summary of significant accounting policies

a) Revenue recognition

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

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

Recognising revenue from major business activities

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

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

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

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

Rental income

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

Interest Income

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

Dividend income

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

b) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

c) Borrowing costs

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

d) Property, plant and equipment

Recognition and initial measurement

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

Subsequent measurement (depreciation and useful lives)

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

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

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

De-recognition

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

e) Investment properties

Recognition and initial measurement

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

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all investment properties recognised as at April 1, 2016 measured as per previous GAAP and used at carrying value of the deemed cost of the investment properties.

Subsequent measurement (depreciation and useful lives)

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

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

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

De-recognition

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

f) Intangible assets

Recognition and initial measurement

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

Computer Software and Technical Knowhow

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

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

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

g) Leases

As a lessee

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

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

As a lessor

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

h) Financial instruments

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

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

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

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

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

h.1) Financial assets

Classification and subsequent measurement

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

(i) Financial assets at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

(ii) Investments in equity instruments of subsidiaries and associates

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

(iii) Financial assets at fair value

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

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

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

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

De-recognition of financial assets

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

h.2) Financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

i) Impairment of financial assets

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

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

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

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

Trade receivables

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

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

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

j) Impairment of non-financial assets

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

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

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

k) Fair value measurement

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

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

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

l) Inventories

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

m) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

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

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

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

n) Investment in subsidiaries, joint ventures and associates

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

o) Government grants

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

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

p) Cash and cash equivalents

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

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

Short-term obligations

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

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

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

Post-employment obligations

The group operates the following post-employment scheme:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund.

Gratuity obligations

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

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

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

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

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

r) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best

estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

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

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

s) Earnings per share

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

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

t) Amounts rounding off

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

1.4. Key accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a) Income taxes

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

b) Property, plant and equipment

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

c) Defined Benefit Obligation

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

d) Fair value measurement of financial instruments

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

1.5. Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the company from April 1, 2018.

a) Issue of Ind AS - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contract with customers based on the identification and satisfaction of performance obligation.

b) Amendment to existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards

i) Ind AS 12 - Income Tax.
ii) Ind AS 21 - The effects of change in foreign exchange rates.
iii) Ind AS 28 - Investment in associates and Joint ventures.
iv) Ind AS 40 - Investment property.
v) Ind AS 112 - Disclosure of interest in other entities.

Application of above standard are not expected to have any significant impact on the Company's Financial Statement.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

2(a) Property, plant and equipment

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2017 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions for the year	Deletions/ Adjustments	As at March 31, 2017	As at April 1, 2016	Depreciation for the year	Deletions	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017
Land	15,999.36	5.22	-	**16,004.58**	-	-	-	-	15,999.36	**16,004.58**
Factory Building	5,781.92	115.30	-	**5,897.22**	2,147.18	163.48	-	**2,310.66**	3,634.74	**3,586.56**
Office Building	4,363.56	354.72	2.54	**4,715.74**	343.80	48.78	-	**392.58**	4,019.76	**4,323.16**
Plant and Machinery	12,653.43	767.00	1,357.22	**12,063.21**	4,462.97	671.58	278.18	**4,856.37**	8,190.46	**7,206.84**
Furnitures & Fixtures	824.17	19.12	-	**843.29**	436.92	61.17	-	**498.09**	387.25	**345.20**
Office Equipment	279.07	36.81	-	**315.88**	166.87	25.34	-	**192.21**	112.20	**123.67**
Motor Vehicles	1,232.02	386.02	225.13	**1,392.91**	630.96	118.07	111.32	**637.71**	601.06	**755.20**
Computer	347.45	35.22	-	**382.67**	305.12	17.24	-	**322.36**	42.33	**60.31**
Electric Equipment & Fittings	246.92	5.33	-	**252.25**	151.04	19.00	-	**170.04**	95.88	**82.21**
Total	**41,727.90**	**1,724.74**	**1,584.89**	**41,867.75**	**8,644.86**	**1,124.66**	**389.50**	**9,380.02**	**33,083.04**	**32,487.73**

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

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

(All amounts in ₹ Lakhs, unless otherwise stated)

2(b) Capital Work-in-progress

Particulars	As at April 1, 2016	Additions	Capitalisation	As at March 31, 2017	Additions	Capitalisation	As at March 31, 2018
Capital work-in-progress	**66.58**	585.22	56.60	**595.20**	603.48	795.00	**403.68**

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Factory Building	1,111.26	-	-
Office Building	363.04	369.44	375.85
Plant and Machinery	6,191.13	7,206.84	8,190.46
Motor Vehicles	463.09	330.89	188.63
	8,128.52	**7,907.17**	**8,754.94**

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

3. Investment properties

Particulars	As at April 1, 2016	Additions/ Charge for the Year	Disposal	As at March 31, 2017	Additions / Charge for the Year	Disposal	As at March 31, 2018
Gross carrying value	1,562.45	-	-	**1,562.45**	210.00	-	**1,772.45**
Accumulated depreciation	450.10	19.89	-	**469.99**	27.46	-	**497.45**
Net carrying value	**1,112.35**			**1,092.46**			**1,275.00**

(i) Investment properties Pledged as security (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Net carrying value of Investment properties	334.90	340.90	346.90

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rental income	111.05	111.25
Direct operating expenses that generated rental income	12.96	15.05
Direct operating expenses that did not generate rental income	-	-
Profit from leasing of investment properties before depreciation	**98.09**	**96.20**
Depreciation	23.67	19.89
Profit from investment properties	**74.42**	**76.31**

(iii) Leasing arrangements

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

(iv) Fair value of Investment properties

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fair value of Investment properties	1,300.00	1,150.00	1,115.00

Estimation of fair value

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

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

4. Intangible assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions for the year	Deletions / Adjustments	As at March 31, 2017	As at April 1, 2016	Depreciation for the year	Deletions	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017
Computer Software	586.90	23.22	-	610.12	529.30	30.37	-	559.67	57.60	50.45
Technical Know how	178.95	41.39	-	220.34	98.78	31.95	-	130.73	80.17	89.61
Total	**765.85**	**64.61**	**-**	**830.46**	**628.08**	**62.32**	**-**	**690.40**	**137.77**	**140.06**

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

5. Investments

(i) Investments - Non Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Investments in subsidiary and associates - Unquoted (Measured at cost)			
Frested Limited (1,000 shares of Euro 1/- each)	1,116.90	1,132.44	1,132.43
ACE Employees Group Gratuity Scheme Trust	0.25	0.25	0.25
Namo Metals (Partnership firm)*	314.03	421.88	397.50

*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 ₹ 311.55 lakhs as at March 31, 2018 (₹ 419.52 lakhs as at March 31, 2017 and ₹ 395.14 Lakhs as at April 1, 2016).

Investments - Non Current (contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(b) Investment in Mutual funds - Quoted investment carried at fair value through profit or loss			
2000000 Units (PY- Nil Units) LD525G-SBI Debts Fund Series-C-7-(1190 Days)- Direct Growth	203.31	-	-
2000000 Units (PY- Nil Units) LD528G-SBI Debts Fund Series-C-9-(1150 Days)- Direct Growth	202.52	-	-
(c) Investment in Government Securities - Unquoted			
National Saving Certificates	-	-	0.10
	1,837.01	**1,554.57**	**1,530.28**
Aggregate amount of quoted investment and market value thereof	405.83	-	-
Aggregate amount of unquoted investments	1,431.18	1,554.57	1,530.18
Aggregate amount of Impairment in the value of investments	-	-	-

(ii) Investments - Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment in Mutual funds - Quoted investment carried at fair value through profit or loss			
Nil-units (PY 3000000 units)-Reliance Fixed Horizon Fund XXVI Series 13- Growth Plan	-	381.02	353.40
Nil - units (PY 2750000 units)-Reliance Fixed Horizon Fund XXV Series 12- Growth Plan	-	358.65	332.65
Nil -units (PY 3000000 units)- ICICI Prudential FMP Series 73-369 Days Plan	-	383.01	356.20
3000000 units (PY 3000000 units) Reliance Fixed Horizon Fund XXIX Series 3- Growth Plan	377.02	347.91	315.97
3293283.279 units (PY 1536956.11 units) Reliance Regular Saving Fund - Debt Plan - Growth Plan	797.23	348.22	317.40
3022243.714 units Reliance Corporate Bond Fund - Growth Plan	423.51	-	-
1128942.125 units ICICI Prudential Regular Saving Fund - Growth	209.58	-	-
1444846.593 units HDFC Corporate Debt Opportunities Fund - Regular Plan- Growth	208.21	-	-
326280.242 - units LD069G-SBI Regular Savings Fund - Direct Plan- Growth	102.48	-	-
36767.162 - units LD72SG-SBI Premier Liquid Fund-Direct Plan- Growth	1,001.87	-	-
	3,119.90	**1,818.81**	**1,675.62**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Investments - Current (contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate amount of quoted investment and market value thereof	3,119.90	1,818.81	1,675.62
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of Impairment in the value of investment	-	-	-

6. Loans - Non Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans to Subsidiaries (Unsecured) - Refer note 33	1,651.42	1,613.86	1,653.92
	1,651.42	**1,613.86**	**1,653.92**

7. Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-current financial assets			
(Unsecured, Considered good)			
Security deposits	107.66	85.70	77.02
Employee Advances	23.81	20.35	11.88
Term deposits with Banks#	225.17	753.05	296.80
	356.64	**859.10**	**385.70**
(ii) Current financial assets			
(Unsecured, Considered good)			
Security deposits	207.71	187.46	160.96
Employee Advances	82.18	33.70	46.51
Interest receivable on fixed deposits	0.38	1.73	2.14
	290.27	**222.89**	**209.61**

8. Other assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Other non-current assets			
Capital advances	6,598.27	3,721.28	3,297.48
Non-curent tax assets (Net)	507.96	521.40	507.60
Miscellaneous Expenditure to the extent not written off	-	-	1.01
	7,106.23	**4,242.68**	**3,806.09**
(ii) Other current assets			
Advances to Suppliers	2,626.55	1,597.83	1,299.64
Balance with Government Authorities			
Sales Tax Receivable	91.82	94.03	77.81
Balance with Excise/ GST Authorities	687.29	169.70	265.48
Duty Drawback Receivable	2.17	41.37	6.99
Balance with Custom Authorities	99.70	60.87	47.77
Prepaid expenses	118.29	162.54	101.95
Others	20.00	46.21	3.13
	3,645.82	**2,172.55**	**1,802.77**

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Material and Components			
Raw Material and Components	10,461.10	8,173.70	9,964.11
Goods-in-transit	1,126.91	610.51	260.53
	11,588.01	**8,784.21**	**10,224.64**
Work-in-Progress	722.51	531.61	945.41
Finished Goods	2,075.28	2,000.81	1,164.81
	14,385.80	**11,316.63**	**12,334.86**

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

10. Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured			
Considered good	16,981.18	10,386.01	8,099.19
Considered Doubtful	64.97	55.48	33.69
	17,046.15	**10,441.49**	**8,132.88**
Allowances for doubtful receivables	(64.97)	(55.48)	(33.69)
	16,981.18	**10,386.01**	**8,099.19**

Note:

i) Receivables due from related party (refer note 33) 1,340.15 648.61 387.69

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

11. Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks in current accounts	80.62	63.82	32.99
Cash on hand	46.69	44.77	45.91
Bank/ Term deposits with original maturity less than 3 months#	540.09	480.99	298.16
	667.40	**589.58**	**377.06**

12. Other Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed deposits with maturity for more than 3 months but less than 12 months#	404.58	657.09	607.99
Unclaimed Dividend Accounts	7.07	9.17	68.43
	411.65	**666.26**	**676.42**

Fixed deposits with banks, includes the following:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposit pledged with the State Bank of India	202.25	187.93	174.18
Deposit pledged against the Bank guarantee	125.57	1,318.94	150.56

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

13. Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
a) Authorised Capital:						
Equity shares of ₹ 2/- each	125,000,000	2,500.00	125,000,000	2,500.00	125,000,000	2,500.00
8% Cumulative Non-Participating Redeemable Preference Shares of ₹ 10/- each	30,250,000	3,025.00	30,250,000	3,025.00	30,250,000	3,025.00
Issued, Subscribed and fully paid up:						
Equity shares of ₹ 2/- each	117,323,000	2,346.46	117,323,000	2,346.46	117,323,000	2,346.46
b) Reconciliation of number of equity shares Outstanding						
At the beginning of the year	117,323,000	2,346.46	117,323,000	2,346.46	117,323,000	2,346.46
Changes during the year	-	-	-	-	-	-
At the end of the year	**117,323,000**	**2,346.46**	**117,323,000**	**2,346.46**	**117,323,000**	**2,346.46**

c) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceeding March 31, 2018.

No of Shares				
March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
-	-	18,383,000	-	-

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

d) Rights, preferences and restrictions attached to equity shares

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

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	%age	No. of Shares	%age	No. of Shares	%age
Mr. Vijay Agarwal / Mrs. Mona Agarwal	41,401,907	35.29%	41,341,907	35.24%	41,341,907	35.24%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	25,314,407	21.58%	30,314,407	25.84%	30,314,407	25.84%
Mr. Sorab Agarwal	7,148,650	6.09%	7,122,650	6.07%	7,122,650	6.07%
Mrs. Surbhi Garg	6,930,156	5.91%	6,930,156	5.91%	6,923,083	5.90%

14. Other Equity

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General Reserve	(a)	9,925.00	9,825.00	9,625.00
Capital Redemption Reserve	(b)	1,313.16	-	-
Capital Reserve	(c)	571.96	571.96	571.96
Securities Premium Reserve	(d)	8,532.73	8,532.73	8,532.73
Retained Earnings	(e)	17,867.58	14,438.88	13,197.53
		38,210.43	**33,368.57**	**31,927.22**

Particulars	As at March 31, 2018	As at March 31, 2017
a) General reserve		
Balance at the beginning of the year	9,825.00	9,625.00
Transferred from retained earnings	100.00	200.00
Balance at the end of the year	**9,925.00**	**9,825.00**
b) Capital Redemption Reserve		
Balance at the beginning of the year	-	-
Transferred from retained earnings	1,313.16	-
Balance at the end of the year	**1,313.16**	**-**
c) Capital reserve		
Balance at the beginning and at the end of the year	**571.96**	**571.96**
d) Securities Premium Reserve		
Balance at the beginning and at the end of the year	**8,532.73**	**8,532.73**
e) Retained earnings		
At the beginning of the year	14,438.04	13,197.53
Net profit for the year	5,263.50	1,446.61
Transferred to Capital Redemption Reserve	(1,313.16)	-
Transferred to General Reserves	(100.00)	(200.00)
Payment of equity dividend and tax thereon	(423.61)	-
Other	(1.34)	(6.10)
	17,863.43	**14,438.04**
Other comprehensive income (net of tax)		
Re-measurements of defined employee benefit plans		
At the beginning of the year	0.84	-
Changes during the year	3.31	0.84
	4.15	**0.84**
Balance at the end of the year	**17,867.58**	**14,438.88**

Nature and purpose of other reserves

a) General reserve

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

15. Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-current Borrowings			
Secured			
Term Loans from Banks			
Rupee term loans	5,927.69	5,808.55	3,887.67
Foreign currency loans	-	-	269.48
Term Loans from NBFC	135.99	53.87	27.02
Unsecured			
8% Cumulative Non-Participating Redeemable Preference Shares	1,708.78	3,021.94	3,021.94
	7,772.46	**8,884.36**	**7,206.11**
Current maturity of long term debts	(1,405.05)	(2,096.74)	(1,787.28)
	6,367.41	**6,787.62**	**5,418.83**
(ii) Current Borrowings			
Secured			
Cash Credit	57.43	659.19	1,005.95
Buyers Credit	-	320.94	2,136.42
Working Capital Demand Loan	-	1,500.00	5,100.00
	57.43	**2,480.13**	**8,242.37**

Notes:

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

b) Detail of Preference shareholder's

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Mr. Vijay Agarwal	500.00	1,208.77	1,208.77
Mrs. Mona Agarwal	-	604.39	604.39
Mr. Sorab Agarwal	604.39	604.39	604.39
Mrs. Surbhi Garg	604.39	604.39	604.39
	1,708.78	**3,021.94**	**3,021.94**

The preference shares have been considered as non-current borrowings

(All amounts in ₹ Lakhs, unless otherwise stated)

Borrowings (contd.)

c) Detail of Borrowings

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

16. Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-Current Provisions			
Provision for Leave entitlement	170.67	167.10	115.91
Provision for Gratuity	105.63	74.31	64.83
Provision for Doubtful Loan and Advances	875.00	525.00	525.00
	1,151.30	**766.41**	**705.74**
(ii) Current Provisions			
Provision for warranty	193.63	116.33	97.51
Provision for Leave entitlement	28.51	22.03	30.88
	222.14	**138.36**	**128.39**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Provision for warranty

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

Movement in Provisions

Particulars	Provision for Leave Entitlement	Provision for Warranty
Provision at April 1, 2016	**146.79**	**97.51**
Additional provisions recognised	89.25	116.33
Amount utilised during the year	(46.91)	(97.51)
Provision at March 31, 2017	**189.13**	**116.33**
Additional provisions recognised	184.14	193.63
Amount utilised during the year	(174.09)	(116.33)
Provision at March 31, 2018	**199.18**	**193.63**

17. Deferred tax liabilities (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
The balance comprises temporary differences attributable to:			
Deferred tax liabilities			
Depreciation on Property, Plant and Equipment, Investment property and intangible assets	1,519.12	1,304.11	1,001.01
	1,519.12	**1,304.11**	**1,001.01**
Deferred tax Assets			
Provision for employee benefits	103.30	52.92	71.07
Provision for doubtful debts	31.10	-	-
MAT credit entitlement	510.48	836.32	514.75
	644.88	**889.24**	**585.82**
Deferred tax liabilities (Net)	**874.24**	**414.87**	**415.19**

Movement in deferred tax liabilities (Net)

Particulars	Property, Plant and Equipment, Investment property and intangible assets	Provision for employees benefit	Provision for doubtful debts	MAT credit entitlement
As at April 1, 2016	**1,001.01**	**(71.07)**	**-**	**(514.75)**
Charged/(Credited):				
-to profit and loss	303.10	17.70	-	(321.57)
-to other comprehensive income	-	0.45	-	-
As at March 31, 2017	**1,304.11**	**(52.92)**	**-**	**(836.32)**
Charged/(Credited):				
-to profit and loss	215.01	(52.13)	(31.10)	325.84
-to other comprehensive income	-	1.75	-	
As at March 31, 2018	**1,519.12**	**(103.30)**	**(31.10)**	**(510.48)**

18. Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Dues to Micro and Small Enterprises*	4,416.29	2,836.21	2,437.93
Dues to enterprises other than Micro and Small Enterprises	19,174.01	11,899.76	8,656.46
	23,590.30	**14,735.97**	**11,094.39**

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

19. Other current financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturities of long term debts	1,405.05	2,096.74	1,787.28
Unclaimed Dividends	7.07	9.17	68.43
Security deposits	601.97	512.49	497.68
Interest accrued but not due on Preference Shares	287.50	290.97	13.52
Employee benefits	522.96	443.78	420.49
Others Payables	5,395.93	3,331.62	2,544.23
	8,220.48	**6,684.77**	**5,331.63**

20. Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers	1,867.64	1,143.24	828.03
Statutory Liabilities	303.54	586.76	351.86
Deferred revenue	221.95	178.81	158.72
	2,393.13	**1,908.81**	**1,338.61**

---------- This space has been intentionaly left blank----------

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

21. Revenue from operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products (including excise duty)	107,530.84	77,530.91
Sale of Services	177.91	229.83
Hiring Charges	2,019.24	1,795.26
Export Incentives	53.09	94.56
Other operating revenue	83.18	55.77
	109,864.26	**79,706.33**

Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard-18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the year ended March 31, 2018 is not strictly relatable to previous year.

22. Other income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income	147.88	169.79
Rental income	111.05	111.25
Profit on Sale of property, plant and equipment	57.60	68.84
Interest income from financial assets at amortised cost	246.61	219.57
Gain on Investments carried at fair value through profit or loss (net)	133.84	143.18
Gain on foreign currency transactions (Net)	22.85	-
Miscellaneous income	74.45	68.43
	794.28	**781.06**

23. Cost of materials consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock of Raw material	8,784.21	10,224.64
Add: Purchases (net of returns)	79,848.26	51,841.99
Less: Closing stock of Raw material	(11,588.01)	(8,784.21)
Less: Purchase of Stock-in-trade	(387.84)	(344.72)
	76,656.62	**52,937.70**

24. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock		
Work-in progress	531.61	945.41
Finished goods	2,000.81	1,164.81
	2,532.42	**2,110.22**
Closing Stock		
Work-in progress	722.51	531.61
Finished goods	2,075.28	2,000.81
	2,797.79	**2,532.42**
Changes in inventories of finished goods, stock-in-trade and work-in-progress	**(265.37)**	**(422.20)**

25. Employee benefits expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	6,006.33	5,363.27
Contribution to provident and other funds	296.54	261.13
Staff welfare expenses	457.52	279.39
	6,760.39	**5,903.79**

26. Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on Working Capital facilities	581.04	713.85
Interest on Term Loans	352.98	459.61
Interest on Other Loans	131.14	131.79
Interest on Preference Shares	287.50	290.97
	1,352.66	**1,596.22**

27. Depreciation and amortisation expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	1,118.97	1,124.66
Amortisation of intangible assets	50.71	62.32
Depreciation of Investment Property	23.67	19.89
	1,193.35	**1,206.87**

28. Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Manufacturing Expenses	3,997.57	3,061.50
Repairs & Maintenance - Building	129.51	122.32
Repairs & Maintenance - Plant & Machinery	417.68	363.58
Power & Fuel	552.20	447.69
Freight & Forwarding Charges	2,953.75	2,066.71
Selling Expenses	1,429.98	1,475.85
Commission on Sales	1,803.33	832.45
Rent	166.50	183.09
Rates & Taxes	72.36	57.58
Insurance	111.50	79.32
Travel & conveyance	1,341.23	1,096.18
Communication Expenses	249.76	216.11
Auditor's remuneration*	12.08	13.16
Vehicle Expenses	151.09	134.54
Loss on foreign currency transactions (Net)	-	76.32
Bad Debts Written off	271.51	243.93

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Other expenses (contd.)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Provision for doubtful receivable	9.49	21.79
Provision for doubtful loan & Advances	350.00	-
Corporate Social Responsibility (CSR) expense**	40.00	100.00
Miscellaneous Expenses	1,836.66	1,757.70
	15,896.20	**12,349.82**

*** Auditor's Remuneration (excluding taxes) includes**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Audit Fees	9.59	10.45
Tax audit fees	1.00	0.90
Certification	0.49	0.81
Cost audit fees	1.00	1.00
	12.08	**13.16**

****CSR Expenditure**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gross amount required to be spent by the company during the year	35.60	22.70
Amount spent during the year for promoting health care	40.00	100.00

29. Income tax expense

(a) Income tax expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
Current tax on profit for the year	1,730.47	524.85
MAT Credit entitlement	325.83	(321.57)
Adjustment of current tax of prior periods	9.83	(3.33)
	2,066.13	**199.95**
Deferred tax		
Decrease/(increase) in deferred tax assets	(83.22)	17.69
(Decrease)/increase in deferred tax liabilities	215.01	303.09
	131.79	**320.78**
	2,197.92	**520.73**

Income tax expenses (contd.)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before income tax expense	**7,461.42**	**1,967.34**
Statutory Income Tax rate	34.608%	33.063%
Income tax expense at the statutory tax rate	2,582.25	650.46
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Income exempt from tax	(76.90)	(58.79)
Tax on expense not eligible for deduction	275.51	178.34
Weighted deduction on Research and development expenditure	(183.25)	(219.85)
Adjustments for current tax of prior periods	9.83	(3.33)
Tax losses for which no deferred income tax was recognised	-	(159.36)
Tax effect of earlier years	(379.97)	58.40
Other items	(29.55)	74.86
Income tax expense	**2,197.92**	**520.73**

(c) Capital Tax losses

Particulars	As at March 31, 2018	As at March 31, 2017
Unused tax losses for which no deferred tax asset has been recognised	91.45	26.60
Potential tax benefit	31.65	8.80
Assessment year upto which Unused tax losses can be utilised	₹ 26.60 Lakhs upto AY 2022-23 ₹ 64.85 Lakhs upto AY 2026-27	

The company has not recognised deferred tax assets of an unused losses under the head of capital gains as the company is not likely to generate taxable income under the same head in forseeable future.

30. Employee Benefits

A) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(i) Amount recognized in the balance sheet is as under:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Present value of defined benefit obligation	468.99	387.90	341.64
Fair value of plan assets with LIC	363.36	313.59	276.81
Net defined benefit obligation	**105.63**	**74.31**	**64.83**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits-Gratuity (contd.)

Particulars	As at March 31, 2018	As at March 31, 2017
(ii) Amount recognized in the statement of profit and loss is as under:		
Past Service cost	4.41	-
Current Service cost	74.34	68.73
Net interest cost	3.84	2.71
Amount recognized in the statement of profit and loss	**82.59**	**71.44**
(iii) Movement in the present value of defined benefit obligation recognized in the balance sheet is as under:		
Present value of defined benefit obligation as at the start of the year	387.90	341.64
Current service cost	74.34	68.73
Past service cost	4.41	-
Interest cost	28.19	24.88
Actuarial loss/(gain) recognized during the year	(2.14)	2.13
Benefits paid	(23.71)	(49.48)
Present value of defined benefit obligation as at the end of the year	**468.99**	**387.90**
(iv) Movement in the plan assets recognized in the balance sheet is as under:		
Fair Value of plan assets at beginning of year	313.59	276.81
Expected return on plan assets	24.36	22.17
Employer's contribution	46.21	60.68
Benefit paid	(23.71)	(49.48)
Actuarial gain/(loss) on plan assets	2.91	3.41
Fair Value of plan assets at the end of the year	**363.36**	**313.59**
Actual return on plan assets	27.28	25.58
(v) Breakup of actuarial (gain)/loss:		
Actual (gain)/loss on arising from change in financial assumption	(21.58)	(13.17)
Actual (gain)/loss on arising from experience adjustment	16.52	11.88
Total actuarial (gain)/loss	**(5.06)**	**(1.29)**

(vi) Actuarial assumptions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Attrition Rate	20.00% P.a.	16.00% P.a.	16.00% P.a.
Imputed rate of Interest (D)	7.70% P.a.	7.50% P.a.	7.85% P.a.
Imputed rate of Interest (IC)	7.50% P.a.	7.85% P.a.	7.90% P.a.
Salary escalation	10.00% P.a.	10.00% P.a.	11.00% P.a.
Return on plan asset	7.50% P.a.	7.85% P.a.	7.90% P.a.
Remaining working life	22.38 Years	22.73 Years	23.63 Years

Gratuity payable to the employees on death or resignation or on retirement or at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

Employee Benefits-Gratuity (contd.)

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Present Value of obligation at the end of the year	468.99	387.90	341.64
Impact of the change in discount rate			
Impact due to increase of 1.00%	(16.11)	(16.54)	(14.80)
Impact due to decrease of 1.00%	17.48	18.17	16.26
Impact of the change in salary increase rate			
Impact due to increase of 1.00%	16.19	16.17	14.69
Impact due to decrease of 1.00%	(15.47)	(15.41)	(13.97)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

B) Compensated absences (unfunded)

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provisions has been recognised in the statement of profit and loss.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Compensated absences (unfunded)			
Current	28.51	22.03	30.88
Non-Current	170.67	167.10	115.91
	199.18	**189.13**	**146.79**

C) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

D) Other employee benefits

The Company has taken an Insurance Policy for medical benefits in respect of its working employees. The Insurance Policy for on-roll employees is partially funded by the Company.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

31. Financial Instruments

A) Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets measured at fair value			
Investments measured at fair value through profit and loss	**3,525.73**	**1,818.81**	**1,675.62**
Financial assets measured at amortised cost			
Trade receivables	16,981.18	10,386.01	8,099.19
Loans	1,651.42	1,613.86	1,653.92
Cash and cash equivalents	667.40	589.58	377.06
Other Bank balances	411.65	666.26	676.42
Other financial assets	646.91	1,081.99	595.31
	20,358.56	**14,337.70**	**11,401.90**
Financial liabilities measured at amortised cost			
Borrowings	7,829.89	11,364.49	15,448.48
Trade payables	23,590.30	14,735.97	11,094.39
Other financial liabilities	6,815.43	4,588.03	3,544.35
	38,235.62	**30,688.49**	**30,087.22**

B) Fair Value Hierarchy

The fair value of financial Instruments as referred to in note (A) above has been classified into three category depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted price in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market.
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

Financial assets measured at Fair Value

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments measured at fair value through profit and loss			
Level 1	3,525.73	1,818.81	1,675.62
Level 2	-	-	-
Level 3	-	-	-
	3,525.73	**1,818.81**	**1,675.62**

Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statement as at the Balance Sheet date.

C) Financial Risk Management

The company's activities expose it to market risk, liquidity risk and credit risk. The company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Financial Instruments (contd.)

C.1) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

Expected credit losses for financial assets other than trade receivables

Since the company deals with only high rated banks and financial institutions, credit risk in respect of cash & cash equivalents, bank balances and bank deposits is evaluated as very low. In respect of advances and security deposits also credit risk is considered low because the company is in possession of underlying asset.

Expected credit losses for trade receivables under simplified approach

The company recognize lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables (other than those where default criteria are met).

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)			
Gross sale in respect of customers where no specific default is occurred	109,727.99	79,556.00	67,305.34
Expected loss rate	0.06%	0.07%	0.05%
Expected Credit loss (loss allowance provision)	64.97	55.48	33.69
Receivable due from customers where specific default has accrued	24.90	24.36	0.34

Reconciliation of loss allowance provision-Trade receivables

Particulars	₹ in Lakhs
Loss allowance as at April 1, 2016	**33.69**
Additional loss recognised	46.15
Bad debts written off	(24.36)
Expected credit loss as at March 31, 2017	**55.48**
Additional loss recognised	34.39
Bad debts written off	(24.90)
Expected credit loss as at March 31, 2018	**64.97**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

C.2) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Less than 1 year	1-5 Years	More than 5 Years	Total
As at March 31, 2018				
Borrowings	1,462.48	2,950.11	3,417.30	7,829.89
Trade payables	23,590.30	-	-	23,590.30
Other financial liabilities	6,815.43	-	-	6,815.43
	31,868.21	**2,950.11**	**3,417.30**	**38,235.62**
As at March 31, 2017				
Borrowings	4,576.87	3,765.68	3,021.94	11,364.49
Trade payables	14,735.97	-	-	14,735.97
Other financial liabilities	4,588.03	-	-	4,588.03
	23,900.87	**3,765.68**	**3,021.94**	**30,688.49**
As at April 1, 2016				
Borrowings	10,029.65	2,277.79	3,141.04	15,448.48
Trade payables	11,094.39	-	-	11,094.39
Other financial liabilities	3,544.35	-	-	3,544.35
	24,668.39	**2,277.79**	**3,141.04**	**30,087.22**

C.3) Market Risk

The Company is not an active investor in equity market. Further the treasury activities, focused on managing investments in debt instruments, are centralized and administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in fixed deposits and debt mutual funds. Mark to market movements in respect of the Company's investments that are held at amortised cost are temporary and get recouped through fixed coupon accruals. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

The Company also invests in mutual fund schemes of leading fund. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund scheme in which the Company has invested, such price risk is not significant.

Foreign currency risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar and Euro) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company hence does not use any derivative instruments to manage its exposure.

Financial Instruments (contd.)

Foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets	1,337.69	533.15	600.57
Financial Liabilities	333.78	95.74	59.34
Net exposure to foreign currency risk	**1,003.91**	**437.41**	**541.23**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at March 31, 2018	As at March 31, 2017
USD sensitivity		
INR/USD increase by 150 bps*	23.15	10.12
INR/USD decrease by 150 bps*	(23.15)	(10.12)

*Holding all other variables constant.

Foreign currency risk exposure in EURO:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets	81.37	42.74	12.47
Financial Liabilities	94.23	-	0.99
Net exposure to foreign currency risk	**(12.86)**	**42.74**	**11.48**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at March 31, 2018	As at March 31, 2017
Euro sensitivity		
INR/Euro increase by 200 bps*	(0.32)	1.23
INR/Euro decrease by 200 bps*	0.32	(1.23)

*Holding all other variables constant.

C.4) Interest Rate Risk

There is no material interest risk relating to the Company's financial liabilities.

32. Capital Management

The Company's capital management objectives are:

- To ensure the companies ability to continue as going concern
- To provide an adequate return to shareholders

The Company monitors capital on the basis of carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Capital Management (contd.)

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt to equity ratio

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Net debt	7,162.49	10,774.91	15,071.42
Total equity	40,556.89	35,715.03	34,273.68
Net debt to equity ratio	**17.66%**	**30.17%**	**43.97%**

(b) Dividends (excluding dividend tax)

(i) Equity shares

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Final dividend for the year ended March 31, 2017 of ₹ 0.30/- per fully paid share	351.96	-

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.50/- per fully paid equity share (March 31, 2017 – ₹ 0.30/- per share). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

33. Related party transactions

The company's related party transactions and outstanding balance are with its subsidiaries, associates, Key management and others as described below:

A. Name of Related Parties

a) Subsidiaries

Frested Limited
SC Forma SA

b) Associate Firm

Namo Metals

c) Key Management Personnel

Mr. Vijay Agarwal	Chairman & Managing Director
Mrs. Mona Agarwal	Whole - Time Director
Mr. Sorab Agarwal	Executive Director
Mrs. Surbhi Garg	Executive Director
Mr. Girish Narain Mehra (IAS Retd.)	Independent Director
Major General (Retd.) Dr. K. C. Agrawal	Independent Director
Mr. Subhash Chander Verma	Independent Director
Dr. Amar Singhal	Independent Director
Mr. Rajan Luthra	Chief Financial Officer
Mr. Anil Kumar (from July 3, 2017)	Company Secretary & Compliance Officer
Mrs. Yashika Kansal (till May 31, 2017)	Company Secretary & Compliance Officer

(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

d) Enterprises owned or significantly influenced by Key Management Personnel or their relatives

VMS Equipment Pvt Ltd.
ACE Emergency Response Service Trust
ACE Employees Group Gratuity Scheme Trust

B. Transactions with related party

(i) Transactions with Subsidiaries, Associates and significantly influenced enterprises

Nature of Transaction	For the year	Frested Ltd	VMS Equipment Pvt Ltd.	Namo Metals	ACE Emergency Response Trust	Total
Sale of Goods	2017-18	-	1,582.91	-	-	**1,582.91**
	2016-17	-	1,113.76	-	-	**1,113.76**
Rent Received	2017-18	-	1.99	-	0.95	**2.94**
	2016-17	-	0.71	-	0.73	**1.44**
Donation Paid	2017-18	-	-	-	152.70	**152.70**
	2016-17	-	-	-	156.73	**156.73**
Interest Received	2017-18	246.61	4.15	-	-	**250.76**
	2016-17	219.57	60.79	-	-	**280.36**
Investment in Equity	2017-18	6.44	-	107.85	-	**114.29**
	2016-17	-	-	24.39	-	**24.39**
Loan to Subsidiary	2017-18	3.48	-	-	-	**3.48**
	2016-17	24.34	-	-	-	**24.34**

Note: All transactions are done at Arm's Length Price.

(ii) Outstanding balances arising from sales/purchase of goods and services

Name of Party	Nature of Transaction	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
VMS Equipment Pvt Ltd.	Amount Receivable	**1,340.15**	648.61	387.69

(iii) Loans to/from Subsidiaries and Associates

Loan to Frested Ltd

Particulars	As at March 31, 2018	As at March 31, 2017
At the Beginning of the year	**1,613.86**	**1,653.92**
Loan advanced	3.50	24.34
Loan repayment received	(0.02)	-
Foreign exchange flactuation	34.08	(64.40)
At the End of the year	**1,651.42**	**1,613.86**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Related party transactions (contd.)

(iv) Transactions with Key Management Personnel

Name of Party/ Nature of Transaction	For the year	Short-term employee benefits	Dividend paid	Redemption of preference shares	Licence Fee Paid	Service rendered	Total
Mr. Vijay Agarwal	2017-18	285.86	220.73	708.78	56.47	-	**1,271.84**
	2016-17	267.40	96.70	-	57.06	-	**421.16**
Mrs. Mona Agarwal	2017-18	142.00	139.29	604.39	-	-	**885.68**
	2016-17	134.30	48.35	-	-	-	**182.65**
Mr. Sorab Agarwal	2017-18	46.97	69.72	-	-	-	**116.69**
	2016-17	36.47	48.35	-	-	-	**84.82**
Mrs. Surbhi Garg	2017-18	47.60	69.14	-	26.43	-	**143.17**
	2016-17	18.49	48.35	-	26.41	-	**93.25**
Mr. Girish Narain Mehra	2017-18	-	-	-	-	1.20	**1.20**
(IAS Retd.)	2016-17	-	-	-	-	1.15	**1.15**
Major General (Retd.)	2017-18	-	-	-	-	0.60	**0.60**
Dr. K. C. Agrawal	2016-17	-	-	-	-	0.50	**0.50**
Mr. Subhash Chander	2017-18	-	-	-	-	1.65	**1.65**
Verma	2016-17	-	-	-	-	1.35	**1.35**
Dr. Amar Singhal	2017-18	-	-	-	-	1.65	**1.65**
	2016-17	-	-	-	-	1.60	**1.60**
Mr. Rajan Luthra	2017-18	55.96	-	-	-	-	**55.96**
	2016-17	52.53	-	-	-	-	**52.53**
Mr. Anil Kumar	2017-18	3.84	-	-	-	-	**3.84**
(From 3rd July 2017)	2016-17	-	-	-	-	-	**-**
Mrs. Yashika Kansal	2017-18	1.08	-	-	-	-	**1.08**
(Till 31st May 2017)	2016-17	5.28	-	-	-	-	**5.28**

34. Contingent liabilities and Commitments

a) Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Bank Guarantees	1,828.96	2,022.71	2,026.48
Letter of Credits	4,820.13	3,290.39	1,798.63
Claim against the Company, not acknowledged as Debts	861.23	917.44	689.88
Sales Tax, Excise & Income Tax Matters, pending before Assessing/ Appellate Authorities, not acknowledged as liability	2,950.46	3,206.12	3,126.32
	10,460.78	**9,436.66**	**7,641.31**

Notes:

i) The amount indicated as contingent liability or claim against the company, reflects only the basic value. Any interest, penalty or legal cost is not considered.

ii) It is not practicable for the company to estimate the timings and amount of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(All amounts in ₹ Lakhs, unless otherwise stated)

Contingent liabilities and Commitments (contd.)

(b) Capital commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	74.46	8.03	133.75

(c) Non-cancellable operating leases

The company leases Immovable property under non-cancellable operating leases expiring in next five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within one year	129.54	69.06	123.10
Later than one year but not later than five years	112.37	104.09	44.82
Later than five years	-	-	-

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rental expense relating to operating leases	166.50	183.09

35. Earnings per share (EPS)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax for the year	5,263.50	1,446.61
Weighted average number of equity shares outstanding during the year	117,323,000	117,323,000
Basic earnings per share (in ₹)	4.49	1.23
Diluted earnings per share (in ₹)	4.49	1.23

36. Research and Development Expenditure

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital expenditure	32.68	2.93
Revenue expenditure	962.51	659.67
	995.19	**662.60**
Expense on Research and development as percentage to Gross Turnover	0.93%	0.85%

37. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act).			
Principal amount due to micro and small enterprises	4,416.29	2,836.21	2,437.93
Interest due on above	-	-	-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the suppliers beyond the appointed day during the period.	-	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

38. Segment information

The company's operating segments are established on the basis of those componets of the company which are evaluted regularly by the executive committee in deciding how to allocate resources and in assessing performances. The company has four (4) operating and reporting segments as given below:

i) Cranes
ii) Construction Equipment
iii) Material Handling
iv) Agri Equipment

(a) Segment Revenue and Results

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segment Revenue (Net)		
i) Cranes	74,900.28	49,621.63
ii) Construction Equipment	7,189.99	4,885.47
iii) Material Handling	8,075.31	5,290.01
iv) Agri Equipment	18,483.25	15,306.09
Add: Excise Duty	1,215.43	4,603.13
Total Segment Revenue	**109,864.26**	**79,706.33**
Segment Results		
i) Cranes	8,267.94	3,990.14
ii) Construction Equipment	346.55	65.96
iii) Material Handling	973.41	560.28
iv) Agri Equipment	469.65	202.13
	10,057.55	**4,818.51**
Finance costs	(1,352.66)	(1,596.22)
Other Unallocated Expenses	(1,243.47)	(1,254.95)
Total Segment Results	**7,461.42**	**1,967.34**

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment Information (contd.)

(b) Segment Assets and Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Segment Assets			
i) Cranes	58,829.98	51,669.91	50,631.28
ii) Construction Equipment	6,804.38	4,259.18	3,045.77
iii) Material Handling	2,489.80	1,896.00	1,643.75
iv) Agri Equipment	4,513.26	3,924.87	4,161.55
Total Segment Assets	**72,637.42**	**61,749.96**	**59,482.35**
Unallocated	11,183.81	8,008.43	7,468.91
Total assets as per the balance sheet	**83,821.23**	**69,758.39**	**66,951.26**
Segment Liabilities			
i) Cranes	23,985.56	15,175.14	11,226.86
ii) Construction Equipment	1,428.12	1,476.89	535.00
iii) Material Handling	1,633.85	958.91	736.19
iv) Agri Equipment	6,251.50	3,982.00	3,769.74
Total Segment Liabilities	**33,299.03**	**21,592.94**	**16,267.79**
Unallocated	50,522.20	48,165.45	50,683.47
Total liabilities as per the balance sheet	**83,821.23**	**69,758.39**	**66,951.26**

Segment revenue, segment results, segment assets and segment liabilities includes the respective amount identifiable for each operating segment.

The company is mainly engaged in the business in India and exports are not material. Hence in the context of Ind AS 108 it is considered the only reportable segment.

39. First time adoption of Ind AS and transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter may elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. Accordingly, the Company has elected to measure certain items of freehold land, building and plant & machinery at their fair value and considered as deemed cost at the date of transition and

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

First time adoption of Ind AS and transition to Ind AS (contd.)

to measure remaining of its Land, Building and Plant & Machinery at their previous GAAP carrying value. The impact on fair valuation of such assets on the date of transition from previous GAAP is ₹ 4,052.82 Lakhs. The impact due to retrospective application of Ind AS 16 'Property, plant and equipment' on the remaining assets on the date of transition from previous GAAP is ₹ 347.99 Lakhs.

(ii) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

(iii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/arrangements.

(iv) Long-term foreign currency monetary items

Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The company has elected to apply this exemption.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI;

- Impairment of financial assets based on expected credit loss model.

(ii) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

(iii) Impairment of financial assets

At the date of transition to Ind AS, determine whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

C. Reconciliation between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconcilition from previous GAAP and Ind AS.

i) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		**34,735.57**	**33,636.20**
Adjustments			
Impact of Revaluation of property, Plant and equipment	Note - I	4,079.65	4,052.82
Reversal of Foreign Exchange fluctuation capitalised under previous GAAP	Note - II	(332.47)	(347.99)
Preference capital classified as debt	Note - III	(3,021.94)	(3,021.94)
Derecognition of Proposed Dividend & Tax thereon	Note - IV	423.62	-
Provision for Expected credit loss	Note - V	(55.48)	(33.69)
Impact of application of IndAS 37 'Provisions, contingent liabilities and contingent assets'		(116.33)	(97.51)
Deferral of Revenue	Note - VI	(178.81)	(158.72)
Other GAAP adjustments		(57.09)	(18.70)
Deferred Tax impact of above adjustments	Note - VII	237.47	263.21
Remeasurement of post employment benefit obligations (Net of Tax)	Note - VIII	0.84	-
		979.46	**637.48**
Total equity as per Ind AS		**35,715.03**	**34,273.68**

ii) Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017
Profit after tax as per previous GAAP		**1,964.26**
Adjustments		
Saving of depreciation on account of change in the value of depreciable assets	Note - I	47.09
Interest accrued on Preference capital reclassified as borrowing	Note - III	(290.97)
Adjustment of Foreign exchange fluctuation as per Ind AS	Note - II	(148.95)
Provision for Expected credit loss	Note - V	(21.79)
Impact of application of IndAS 37 'Provisions, contingent liabilities and contingent assets'		(18.81)
Deferral of Revenue	Note - VI	(20.09)
Other GAAP adjustments		(37.55)
Deferred Tax impact of above adjustments	Note - VII	(25.74)
Remeasurement of post employment benefit obligations (Net of Tax)	Note - VIII	(0.84)
Total adjustments		**(517.65)**
Profit after tax as per Ind AS		**1,446.61**
Remeasurement of post employment benefit obligations (Net of Tax)	Note - VIII	0.84
Total comprehensive income as per Ind AS		**1,447.45**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

iii) Reconciliation of the assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at March 31, 2017 is as follows:

Particulars	Per Previous GAAP	Ind As Adjustments	Per Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	28,740.54	3,747.19	32,487.73
Capital work in progress	595.20	-	595.20
Investment properties	1,092.46	-	1,092.46
Intangible assets	140.06	-	140.06
Financial assets			
i. Investments	422.71	1,131.86	1,554.57
ii. Loans	2,745.72	(1,131.86)	1,613.86
iii. Other financial assets	859.10	-	859.10
Other non-current assets	4,242.68	-	4,242.68
Total non-current assets	**38,838.47**	**3,747.19**	**42,585.66**
Current assets			
Inventories	11,316.63	-	11,316.63
Financial assets			
i. Investments	1,818.81	-	1,818.81
ii. Trade receivables	10,441.49	(55.48)	10,386.01
iii. Cash and cash equivalents	589.58	-	589.58
iv. Bank balances other than (iii) above	666.26	-	666.26
v. Other current financial assets	222.89	-	222.89
Other current assets	2,172.55	-	2,172.55
Total current assets	**27,228.21**	**(55.48)**	**27,172.73**
Total Assets	**66,066.68**	**3,691.71**	**69,758.39**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2,346.46	-	2,346.46
Other equity	29,367.17	4,001.40	33,368.57
Total equity	**31,713.63**	**4,001.40**	**35,715.03**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	6,787.62	-	6,787.62
Provisions	710.61	55.80	766.41
Deferred tax liabilities	651.88	(237.01)	414.87
Total non-current liabilities	**8,150.11**	**(181.21)**	**7,968.90**

Particulars	Per Previous GAAP	Ind As Adjustments	Per Ind AS
Current liabilities			
Financial liabilities			
i. Borrowings	2,480.13	-	2,480.13
ii. Trade payables	14,735.97	-	14,735.97
iii. Other financial liabilities	6,684.77	-	6,684.77
Other current liabilities	1,730.00	178.81	1,908.81
Provisions	445.65	(307.29)	138.36
Current Tax Liabilities (Net)	126.42	-	126.42
Total current liabilities	**26,202.94**	**(128.48)**	**26,074.46**
Total equity and liabilities	**66,066.68**	**3,691.71**	**69,758.39**

iv) Reconciliation of the assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at April 1, 2016 is as follows:

Particulars	Per Previous GAAP	Ind As Adjustments	Per Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	29,378.21	3,704.83	33,083.04
Capital work in progress	66.58	-	66.58
Investment properties	1,112.35	-	1,112.35
Intangible assets	137.77	-	137.77
Financial assets			
i. Investments	398.42	1,131.86	1,530.28
ii. Loans	2,785.78	(1,131.86)	1,653.92
iii. Other financial assets	385.70	-	385.70
Other non-current assets	3,806.09	-	3,806.09
Total non-current assets	**38,070.90**	**3,704.83**	**41,775.73**
Current assets			
Inventories	12,334.86	-	12,334.86
Financial assets			
i. Investments	1,675.62	-	1,675.62
ii. Trade receivables	8,132.88	(33.69)	8,099.19
iii. Cash and cash equivalents	377.06	-	377.06
iv. Bank balances other than (iii) above	676.42	-	676.42
v. Other current financial assets	209.61	-	209.61
Other current assets	1,802.77	-	1,802.77
Total current assets	**25,209.22**	**(33.69)**	**25,175.53**
Total Assets	**63,280.12**	**3,671.14**	**66,951.26**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Per Previous GAAP	Ind As Adjustments	Per Ind AS
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2,346.46	-	2,346.46
Other equity	28,267.80	3,659.42	31,927.22
Total equity	**30,614.26**	**3,659.42**	**34,273.68**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	5,418.83	-	5,418.83
Provisions	705.74	-	705.74
Deferred tax liabilities	678.40	(263.21)	415.19
Total non-current liabilities	**6,802.97**	**(263.21)**	**6,539.76**
Current liabilities			
Financial liabilities			
i. Borrowings	8,242.37	-	8,242.37
ii. Trade payables	11,094.39	-	11,094.39
iii. Other financial liabilities	5,312.93	18.70	5,331.63
Other current liabilities	1,179.89	158.72	1,338.61
Provisions	30.88	97.51	128.39
Current Tax Liabilities (Net)	2.43	-	2.43
Total current liabilities	**25,862.89**	**274.93**	**26,137.82**
Total equity and liabilities	**63,280.12**	**3,671.14**	**66,951.26**

v) Impact of Ind AS on the adoption in the statement of cashflows for the year ended March 31, 2017.

There are no material adjustments of transition to the statement of cash flows to conform to Ind AS presentation for the year ended March 31, 2017.

Notes to first-time adoption:

Note - I - Revaluation of property, Plant and equipment

The Company has elected to measure certain items of freehold land, building and plant & machinery at their fair value and considered as deemed cost at the date of transition. The impact on fair valuation of such assets on the date of transition from previous GAAP is ₹ 4,052.82 Lakhs.

Note - II -Foreign Exchange Fluctuation

Under previous GAAP, 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. However as per Ind AS no such relaxation is provided and therefore exchange differences are to be taken to opening retained earning.

Note - III - Preference share capital classified as debt

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

Note - IV - Derecognition of Proposed Dividend & Tax thereon

Under the previous GAAP dividend proposed by the directors after the balance sheet date but before the approval of the financial

statements were considered as adjusting events. Accordingly, provision for proposed dividend were recognised as liability. Under Ind AS such dividends are recognised when the same are approved by the shareholders in general meeting. Accordingly, the liability for proposed dividend included under provision has been reversed with corresponding adjustment to retained earnings.

Note - V - Provision for Expected credit loss

Under previous GAAP, provision for doubtful debts was recognised based on the estimate of the outcome and of the financial effect of contingencies determined by the management of the company. This judgement was based on the consideration of information available upto the date on which the financial statements were approved and included a review of events occurring after the balance sheet date.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost. Expected loss on individually significant receivables is assessed when they are past due and based on company's historical counterparty default rate and forecast of macro-economic factors. Other receivables have been segmented by reference to the industry of the counterparty and other shared credit risk characteristics to evaluate the expected credit loss. The expected credit loss estimate is then based on recent historical counterparty default rates for each identified segment.

As a result, the allowance for doubtful debts increased by ₹ 55.48 Lakhs as at March 31, 2017 (₹ 33.69 Lakhs as at April 1, 2016) Consequently, the total equity decreased by the same amount.

Note - VI - Deferral of Revenue

Under previous GAAP, the amount of revenue was usually determined at consideration received or receivable for the product or service explicitly specified in the contract between the parties.

Under Ind AS where the sale transaction of the company include separately identifiable components, such as after sales service and extended warranties, it is necessary to apply the recognition criteria to those separately identifiable components in order to reflect the substance of the transaction. Revenue from each component so identified is only recognised when such goods are sold or services are rendered. Accordingly, revenue attributable to specifically identifiable components where services are pending to be rendered has been deferred.

Note - VII - Deferred tax impact on Ind AS adjustments

Some of the transition adjustments are temporary in nature and therefore becomes the reason for deferment of tax liability. These items/ transition adjustments led to recognition of deferred taxes on temporary difference.

Note - VIII - Remeasurment of defined benefit obligation

Under the previous GAAP, these measurements were forming part of the profit or loss for the year. Under Ind AS, measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

Note IX - Investment property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

Note X - Loan to subsidiary recognised at amortised cost using notional rate of Interest

Under previous GAAP, interest free loan was recognised at cost. However under Ind AS the interest free loan is amortised, using notional rate of interest.

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 21, 2018

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

ACE

Independent Auditor's Report
To the Members of Action Construction Equipment Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Action Construction Equipment Limited ('the Company') and its subsidiaries ('the Holding Company and its subsidiaries together referred to as the Group') which comprise the consolidated Ind AS balance sheet as at March 31, 2018, the consolidated Ind AS statement of profit and loss (including Other Comprehensive Income), the consolidated cash flow statement and the consolidated statement for changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "consolidated Ind AS Financial Statements").

Management's responsibility for the consolidated Ind AS financial statements

The Holding 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 Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Board of Directors of the Holding company as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

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 Other Matters paragraph, the consolidated Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

Other Matters

(a) The consolidated financial information of the company for the year ended March 2017 and the transition date opening balance sheet as at April1, 2016 included in these consolidated Ind AS financial statements are based on the previously issued statutory consolidated financial statements for the years ended March 31, 2017 and March 31, 2016 prepared

in accordance with the Companies (Accounting Standards) Rules as applicable which were audited by the predecessor auditor, on which they had expressed an unmodified opinion dated May 19, 2017 and May 19, 2016 respectively. The adjustments to those consolidated financial statements for the difference in accounting principles adopted by the Holding Company on transition to the Ind AS have been audited by us.

(b) We have not audited the financial statements of foreign subsidiaries namely FRESTED LIMITED and SC FORMA whose financial statements reflect total assets of ₹ 139.07 lakhs and ₹ 397.39 lakhs as at March 31, 2018, total Revenue/ (Expenditure) of ₹ Nil/(7.76) lakhs and ₹ 6.99 lakhs/(60.02) lakhs respectively and Cash inflows/(outflows) ₹ 37.56 lakhs/ (₹ 38.63) lakhs and ₹ 84.06 lakhs/(79.72) lakhs respectively for the year ended on March 31, 2018 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.

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 Ind AS 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(including Other Comprehensive income), the consolidated cash flow statement and Consolidated Statement of changes in Equity 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 March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 point no 33;

(ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BRAN & Associates
Chartered Accountants
FRN:014544N

CA Ravi Gulati
Partner
M.NO 090672

Place: Faridabad
Date: May 21, 2018

Consolidated Balance Sheet as at March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	2	32,128.99	33,161.67	33,732.65
Capital work in progress	2	517.79	709.31	180.69
Investment properties	3	1,275.00	1,092.46	1,112.35
Intangible assets	4	322.25	370.59	368.30
Financial assets				
i. Investments	5	406.08	0.25	0.35
ii. Other financial assets	6	357.42	859.88	386.48
Other non-current assets	7	7,106.23	4,242.68	3,806.09
Total non-current assets		**42,113.76**	**40,436.84**	**39,586.91**
Current assets				
Inventories	8	14,429.81	11,359.71	12,382.31
Financial assets				
i. Investments	5	3,119.90	1,818.81	1,675.62
ii. Trade receivables	9	16,990.82	10,393.58	8,115.61
iii. Cash and cash equivalents	10	671.46	590.37	377.57
iv. Bank balances other than (iii) above	11	411.65	666.26	676.42
v. Other current financial assets	6	290.27	222.89	209.61
Other current assets	7	3,650.69	2,179.30	1,805.29
Total current assets		**39,564.60**	**27,230.92**	**25,242.43**
Total Assets		**81,678.36**	**67,667.76**	**64,829.34**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	2,346.46	2,346.46	2,346.46
Other equity	13	35,868.15	31,051.65	29,564.35
Equity attributable to the owners of Action Construction Equipment Limited		**38,214.61**	**33,398.11**	**31,910.81**
Non-Controlling Interests		30.79	30.91	33.90
		38,245.40	**33,429.02**	**31,944.71**
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	14	6,367.41	6,787.62	5,418.83
Provisions	15	1,151.30	766.41	705.74
Deferred tax liabilities (Net)	16	874.24	414.87	415.19
Total non-current liabilities		**8,392.95**	**7,968.90**	**6,539.76**
Current liabilities				
Financial liabilities				
i. Borrowings	14	57.43	2,480.13	8,242.37
ii. Trade payables	17	23,590.33	14,739.41	11,291.14
iii. Other financial liabilities	18	8,389.07	6,870.80	5,340.19
Other current liabilities	19	2,393.13	1,914.72	1,340.35
Provisions	15	222.14	138.36	128.39
Current tax liabilities (Net)		387.91	126.42	2.43
Total current liabilities		**35,040.01**	**26,269.84**	**26,344.87**
Total Equity and Liabilities		**81,678.36**	**67,667.76**	**64,829.34**

The accompanying Notes (1 to 38) are an integral part of Financial Statements

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

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 21, 2018

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	20	109,870.23	79,708.95
Other income	21	795.13	781.06
Total income		**110,665.36**	**80,490.01**
Expenses			
Cost of materials consumed	22	76,656.63	52,938.32
Purchase of stock-in-trade		387.84	344.72
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(265.37)	(422.20)
Excise duty		1,215.43	4,603.13
Employee benefits expenses	24	6,767.68	5,910.83
Finance costs	25	1,352.66	1,596.23
Depreciation and amortisation expenses	26	1,193.48	1,206.96
Other expenses	27	15,957.57	12,390.08
Total expenses		**103,265.92**	**78,568.07**
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		**7,399.44**	**1,921.94**
Share of net profit of associates accounted for using the equity method		-	-
Profit before exceptional items and tax		**7,399.44**	**1,921.94**
Exceptional items		-	-
Profit before tax		**7,399.44**	**1,921.94**
Tax expense:	28		
Current tax		2,066.13	199.95
Deferred tax		131.79	320.78
Profit after tax		**5,201.52**	**1,401.21**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment defined benefit obligation		5.06	1.29
Income tax relating to these items		(1.75)	(0.45)
Other Comprehensive income for the year (Net of tax)		**3.31**	**0.84**
Total comprehensive income for the year		**5,204.83**	**1,402.05**
Profit attributable to:			
Owners		5,339.85	1,532.87
Non-controlling interests		(138.33)	(131.66)
Other comprehensive income attributable to:			
Owners		3.31	0.84
Non-controlling interests		-	-
Total comprehensive income attributable to:		5,343.16	1,533.71
Owners		(138.33)	(131.66)
Non-controlling interests			
Earnings per equity share (Face value of ₹ 2/- each)	34		
Basic (in ₹)		4.55	1.31
Diluted (in ₹)		4.55	1.31

The accompanying Notes (1 to 38) are an integral part of Financial Statements

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 21, 2018

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Consolidated Statement of Change in Equity for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

Balance as at April 1, 2016	2,346.46
Increase/(Decrease) during the year	-
Balance as at March 31, 2017	2,346.46
Increase/(Decrease) during the year	-
Balance as at March 31, 2018	**2,346.46**

B) Other equity

Particulars	General Reserve	Capital Redemption Reserve	Capital Reserve	Securities Premium	Retained Earnings	Total
Balance as at April 1, 2016	**9,625.00**	**-**	**571.96**	**8,532.73**	**10,834.66**	**29,564.35**
Profit for the year	-	-	-	-	1,401.21	1,401.21
Other comprehensive income	-	-	-	-	0.84	0.84
Others	-	-	-	-	(6.10)	(6.10)
Transferred from retained earnings	200.00	-	-	-	(200.00)	-
Translation of foreign currency loans	-	-	-	-	91.35	91.35
Balance as at March 31, 2017	**9,825.00**	**-**	**571.96**	**8,532.73**	**12,121.96**	**31,051.65**
Profit for the year	-	-	-	-	5,201.52	5,201.52
Other comprehensive income	-	-	-	-	3.31	3.31
Dividend	-	-	-	-	(351.96)	(351.96)
Tax on Dividend	-	-	-	-	(71.65)	(71.65)
Others	-	-	-	-	(1.34)	(1.34)
Transferred from retained earnings	100.00	1,313.16	-	-	(1,413.16)	-
Translation of foreign currency loans	-	-	-	-	36.62	36.62
Balance as at March 31, 2018	**9,925.00**	**1,313.16**	**571.96**	**8,532.73**	**15,525.30**	**35,868.15**

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 21, 2018

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Consolidated Statement of Cash Flows for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	**7,399.44**	**1,921.94**
Adjustments for		
Depreciation and amortisation expense	1,193.48	1,206.96
Gain on disposal of property, plant and equipment	(57.60)	(68.84)
Loss on disposal of property, plant and equipment	93.95	55.41
Unrealised foreign exchange flactuation	36.61	91.38
Interest income	(147.88)	(169.79)
Interest income from financial assets at amortised cost	(246.61)	(219.57)
Gain on Investments carried at fair value through profit or loss (net)	(133.84)	(143.18)
Rental income classified as investing cash flows	(111.05)	(111.25)
Finance costs	1,352.66	1,596.23
Other Non-cash Items	(1.34)	(1.34)
Bad Debt Written off	271.51	243.93
Provision for doubtful receivable	9.49	21.79
Provision for doubtful loan & Advances	350.00	-
Miscellaneous Expenditure to the extent not written off	-	1.01
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(6,631.63)	(2,324.12)
(Increase)/Decrease in inventories	(3,070.11)	1,022.59
(Increase)/Decrease in other financial assets	(94.15)	(30.84)
(Increase)/Decrease in other current assets	(1,471.39)	(374.01)
Increase in trade payables	8,850.92	3,448.27
Increase in provisions	123.73	71.93
Increase in other financial liabilities	2,209.96	1,221.13
Increase in other current liabilities	478.41	574.37
Cash generated from operations	**10,404.56**	**8,034.00**
Income taxes paid	(1,465.36)	(411.33)
Net cash inflow from operating activities	**8,939.20**	**7,622.67**
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(1,916.70)	(1,749.16)
Payments for purchase of Intangible assets	(2.37)	(64.61)
Capital advances and Capital work in progress	(2,685.47)	(952.42)
Purchase of Investments	(1,706.92)	(143.09)
Proceeds from disposal of property, plant and equipment	1,587.73	1,204.09
Fixed deposit having maturity more than 3 months	783.84	(445.68)
Interest income	147.88	169.79
Gain on Investments carried at fair value through profit or loss (net)	133.84	143.18
Rental income classified as investing cash flows	111.05	111.25
Change in Minority Interest	(0.12)	(2.99)
Net cash outflow from investing activities	**(3,547.24)**	**(1,729.64)**
Cash flows from financing activities		
Net proceeds from non-current borrowings	201.26	1,678.24
Repayment of current borrowings	(2,422.70)	(5,762.24)
Redemption of Preference Shares	(1,313.16)	-

Consolidated Statement of Cash Flows for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest paid	(1,352.66)	(1,596.23)
Dividend and Tax thereon	(423.61)	-
Net cash outflow from financing activities	**(5,310.87)**	**(5,680.23)**
Net increase in cash and cash equivalents	81.09	212.80
Cash and cash equivalents at the beginning of the year	590.37	377.57
Cash and cash equivalents at end of the year	**671.46**	**590.37**

Notes:

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

(b) Cash and Cash Equivalents comprises of:

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks in current accounts	84.14	64.56
Cash on hand	47.23	44.82
Bank/ Term deposits with original maturity less than 3 months	540.09	480.99
	671.46	**590.37**

(c) Amendment to Ind AS-7

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

Particulars	As at March 31, 2017	Cash Flow	Current/ Non-current classification	As at March 31, 2018
Borrowing Non-current	6,787.62	984.84	(1,405.05)	**6,367.41**
Other Financial Liabilities	2,096.74	(2,096.74)	1,405.05	**1,405.05**
Borrowing-Current	2,480.13	(2,422.70)	-	**57.43**

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 21, 2018

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

COMPANY OVERVIEW

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

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

The consolidated financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 21, 2018.

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1. Basis of preparation

Compliance with Ind AS

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

These consolidated financial statements for the year ended March 31, 2018 are the first financial statements prepared by the Company under Ind AS for all periods upto and including the year ended March 31, 2017. The Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the comparative year ended March 31, 2017 and opening balance sheet at the beginning of the comparative year as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 38.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the date of transition to Ind AS. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Historical Cost Convention

The consolidated financial statements have been prepared under the historical cost convention basis except for the following –

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

1.2. Current / Non-Current Classification

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

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

b) the asset is intended for sale or consumption;

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

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

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

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

1.3. Summary of significant accounting policies

a) Revenue recognition

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

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

Recognising revenue from major business activities

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

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

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

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

Rental Income

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

Interest Income

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

Dividend income

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

b) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

c) Borrowing costs

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

d) Property, plant and equipment

Recognition and initial measurement

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

Subsequent measurement (depreciation and useful lives)

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

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

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

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

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

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

e) Investment properties

Recognition and initial measurement

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

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all investment properties recognised as at April 1, 2016 measured as per previous GAAP and used at carrying value of the deemed cost of the investment properties.

Subsequent measurement (depreciation and useful lives)

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

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

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

De-recognition

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

f) Intangible assets

Recognition and initial measurement

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

Computer Software and Technical Knowhow

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

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

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

g) Leases

As a lessee

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

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

As a lessor

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

h) Financial instruments

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

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

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

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

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

h.1) Financial assets

Classification and subsequent measurement

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

(i) Financial assets at amortised cost

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

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

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

(ii) Investments in equity instruments of subsidiaries and associates

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

(iii) Financial assets at fair value

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

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

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

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

De-recognition of financial assets

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

h.2) Financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

i) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at each reporting date to identify whether there

is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

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

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

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

Trade receivables

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

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

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

j) Impairment of non-financial assets

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

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

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

k) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest Refer Note 30 for fair value hierarchy.

l) Inventories

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

m) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

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

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

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

n) Investment in subsidiaries, joint ventures and associates

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

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods

that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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

p) Cash and cash equivalents

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

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

Short-term obligations

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

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

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

Post-employment obligations

The group operates the following post-employment scheme:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund.

Gratuity obligations

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

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

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

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

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

r) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

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

s) Earnings per share

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

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

t) Amounts rounding off

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

1.4. Key accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a) Income taxes

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

b) Property, plant and equipment

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

c) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost-to-sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related inf ormation and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent managements best estimate about future developments.

d) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 29, 'Employee benefits'.

e) Fair value measurement of financial instruments

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

1.5. Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the company from April 1, 2018.

a) Issue of Ind AS - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contract with customers based on the identification and satisfaction of performance obligation.

b) Amendment to existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards.

i) Ind AS 12 - Income Tax.
ii) Ind AS 21 - The effects of change in foreign exchange rates.
iii) Ind AS 28 - Investment in associates and Joint ventures.
iv) Ind AS 40 - Investment property.
v) Ind AS 112 - Disclosure of interest in other entities.

Application of above standard are not expected to have any significant impact on the group's Consolidated Financial Statement.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

2(a) Property, plant and equipment

The changes in the carrying value of Property, plant and equipment for the year ended March 31, 2017 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions for the year	Deletions/ Adjustments	As at March 31, 2017	As at April 1, 2016	Depreciation for the year	Deletions	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017
Land	16,623.84	29.64	-	**16,653.48**	-	-	-	-	16,623.84	**16,653.48**
Factory Building	5,781.92	115.30	-	**5,897.22**	2,147.18	163.48	-	**2,310.66**	3,634.74	**3,586.56**
Office Building	4,419.29	354.72	2.54	**4,771.47**	374.40	48.87	-	**423.27**	4,044.89	**4,348.20**
Plant and Machinery	12,655.14	767.00	1,357.22	**12,064.92**	4,464.68	671.58	278.18	**4,858.08**	8,190.46	**7,206.84**
Furnitures & Fixtures	824.29	19.12	-	**843.41**	437.04	61.17	-	**498.21**	387.25	**345.20**
Office Equipment	279.07	36.81	-	**315.88**	166.87	25.34	-	**192.21**	112.20	**123.67**
Motor Vehicles	1,232.02	386.02	225.13	**1,392.91**	630.96	118.07	111.32	**637.71**	601.06	**755.20**
Computer	347.45	35.22	-	**382.67**	305.12	17.24	-	**322.36**	42.33	**60.31**
Electric Equipment & Fittings	246.92	5.33	-	**252.25**	151.04	19.00	-	**170.04**	95.88	**82.21**
Total	**42,409.94**	**1,749.16**	**1,584.89**	**42,574.21**	**8,677.29**	**1,124.75**	**389.50**	**9,412.54**	**33,732.65**	**33,161.67**

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

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2017	Additions for the year	Deletions / Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Deletions	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Land	16,653.48	-	238.06	**16,415.42**	-	-	-	-	16,653.48	**16,415.42**
Factory Building	5,897.22	87.00	393.28	**5,590.94**	2,310.66	150.17	308.10	**2,152.73**	3,586.56	**3,438.21**
Office Building	4,771.47	618.78	248.35	**5,141.90**	423.27	79.23	17.80	**484.70**	4,348.20	**4,657.20**
Plant and Machinery	12,064.92	847.57	1,755.77	**11,156.72**	4,858.08	621.63	514.12	**4,965.59**	7,206.84	**6,191.13**
Furnitures & Fixtures	843.41	64.40	0.74	**907.07**	498.21	59.17	0.52	**556.86**	345.20	**350.21**
Office Equipment	315.88	36.15	0.04	**351.99**	192.21	26.96	-	**219.17**	123.67	**132.82**
Motor Vehicles	1,392.91	227.84	61.75	**1,559.00**	637.71	138.24	32.90	**743.05**	755.20	**815.95**
Computer	382.67	31.65	6.40	**407.92**	322.36	26.45	2.96	**345.85**	60.31	**62.07**
Electric Equipment & Fittings	252.25	3.29	6.16	**249.38**	170.04	17.25	3.89	**183.40**	82.21	**65.98**
Total	**42,574.21**	**1,916.68**	**2,710.55**	**41,780.34**	**9,412.54**	**1,119.10**	**880.29**	**9,651.35**	**33,161.67**	**32,128.99**

(All amounts in ₹ Lakhs, unless otherwise stated)

2(b) Capital Work-in-progress

Particulars	As at April 1, 2016	Additions	Capitalisation	As at March 31, 2017	Additions	Capitalisation	As at March 31, 2018
Capital work-in-progress	**180.69**	585.22	56.60	**709.31**	603.48	795.00	**517.79**

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Factory Building	1,111.26	-	-
Office Building	363.04	369.44	375.85
Plant and Machinery	6,191.13	7,206.84	8,190.46
Motor Vehicles	463.09	330.89	188.63
	8,128.52	**7,907.17**	**8,754.94**

(ii) Capital commitments - Refer Note No. 33.

3. Investment properties

Particulars	As at April 1, 2016	Additions/ Charge for the Year	Disposal	As at March 31, 2017	Additions / Charge for the Year	Disposal	As at March 31, 2018
Gross carrying value	1,562.45	-	-	**1,562.45**	210.00	-	**1,772.45**
Accumulated depreciation	450.10	19.89	-	**469.99**	27.46	-	**497.45**
Net carrying value	**1,112.35**			**1,092.46**			**1,275.00**

(i) Investment properties Pledged as security (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Net carrying value of Investment properties	334.90	340.90	346.90

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rental income	111.05	111.25
Direct operating expenses that generated rental income	12.96	15.05
Direct operating expenses that did not generate rental income	-	-
Profit from leasing of investment properties before depreciation	**98.09**	**96.20**
Depreciation	23.67	19.89
Profit from investment properties	**74.42**	**76.31**

(iii) Leasing arrangements

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

(iv) Fair value Investment properties

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fair value Investment properties	1,300.00	1,150.00	1,115.00

Estimation of fair value

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

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

4. Intangible assets

The changes in the carrying value of Intangible assets for the year ended March 31, 2017 are as follows:

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions for the year	Deletions / Adjustments	As at March 31, 2017	As at April 1, 2016	Depreciation for the year	Deletions	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017
Computer Software	586.90	23.22	-	**610.12**	529.30	30.37	-	**559.67**	57.60	**50.45**
Technical Know how	178.95	41.39	-	**220.34**	98.78	31.95	-	**130.73**	80.17	**89.61**
Goodwill	230.53	-	-	**230.53**	-	-	-	-	230.53	**230.53**
Total	**996.38**	**64.61**	**-**	**1,060.99**	**628.08**	**62.32**	**-**	**690.40**	**368.30**	**370.59**

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

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2017	Additions for the year	Deletions / Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Deletions	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Computer Software	610.12	2.37	-	**612.49**	559.67	18.08	-	**577.75**	50.45	**34.74**
Technical Know how	220.34	-	-	**220.34**	130.73	32.63	-	**163.36**	89.61	**56.98**
Goodwill	230.53	-	-	**230.53**	-	-	-	-	230.53	**230.53**
Total	**1,060.99**	**2.37**	**-**	**1,063.36**	**690.40**	**50.71**	**-**	**741.11**	**370.59**	**322.25**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

5. Investments

(i) Investments - Non Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Investments in associates - Unquoted investment carried at cost			
ACE Employees Group Gratuity Scheme Trust	0.25	0.25	0.25
(b) Investment in Mutual funds - Quoted investment carried at fair value			
2000000 Units (PY- Nil Units) LD525G-SBI Debts Fund Series-C-7-(1190 Days) - Direct Growth	203.31	-	-
2000000 Units (PY- Nil Units) LD528G-SBI Debts Fund Series-C-9-(1150 Days) - Direct Growth	202.52	-	-
(c) Investment in Government Securities			
National Saving Certificates	-	-	0.10
	406.08	**0.25**	**0.35**
Aggregate amount of quoted investment and market value thereof	405.83	-	-
Aggregate amount of unquoted investments	0.25	0.25	0.25
Aggregate amount of Impairment in the value of investments	-	-	-

(ii) Investments - Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment in Mutual funds - Quoted investment carried at fair value			
Nil-units (PY 3000000 units)-Reliance Fixed Horizon Fund XXVI Series 13- Growth Plan	-	381.02	353.40
Nil - units (PY 2750000 units)-Reliance Fixed Horizon Fund XXV Series 12- Growth Plan	-	358.65	332.65
Nil -units (PY 3000000 units)- ICICI Prudential FMP Series 73-369 Days Plan	-	383.01	356.20
3000000 units (PY 3000000 units) Reliance Fixed Horizon Fund XXIX Series 3- Growth Plan	377.02	347.91	315.97
3293283.279 units (PY 1536956.11 units) Reliance Regular Saving Fund - Debt Plan - Growth Plan	797.23	348.22	317.40
3022243.714 units Reliance Corporate Bond Fund - Growth Plan	423.51	-	-
1128942.125 units ICICI Prudential Regular Saving Fund - Growth	209.58	-	-
1444846.593 units HDFC Corporate Debt Opportunities Fund - Regular Plan- Growth	208.21	-	-
326280.242 - units LD069G-SBI Regular Savings Fund - Direct Plan- Growth	102.48	-	-
36767.162 - units LD72SG-SBI Premier Liquid Fund- Direct Plan- Growth	1,001.87	-	-
	3,119.90	**1,818.81**	**1,675.62**
Aggregate amount of quoted investment and market value thereof	3,119.90	1,818.81	1,675.62
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of Impairment in the value of investment	-	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

6. Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-current financial assets			
(Unsecured, Considered good)			
Security deposits	108.44	86.48	77.80
Employee Advances	23.81	20.35	11.88
Term deposits with Banks#	225.17	753.05	296.80
	357.42	**859.88**	**386.48**
(ii) Current financial assets			
(Unsecured, Considered good)			
Security deposits	207.71	187.46	160.96
Employee Advances	82.18	33.70	46.51
Interest receivable on fixed deposits	0.38	1.73	2.14
	290.27	**222.89**	**209.61**

7. Other assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Other non-current assets			
Capital advances	6,598.27	3,721.28	3,297.48
Non-current tax assets (net)	507.96	521.40	507.60
Miscellaneous Expenditure to the extent not written off	-	-	1.01
	7,106.23	**4,242.68**	**3,806.09**
(ii) Other current assets			
Advances to Suppliers	2,626.55	1,597.83	1,299.64
Balance with Government Authorities			
Sales Tax Receivable	92.70	98.26	77.81
Balance with Excise/ GST Authorities	687.29	169.70	265.48
Duty Drawback Receivable	2.17	41.37	6.99
Balance with Custom Authorities	99.70	60.87	47.77
Prepaid expenses	118.29	162.54	101.95
Others	23.99	48.73	5.65
	3,650.69	**2,179.30**	**1,805.29**

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Material and Components			
Raw Material and Components	10,505.11	8,216.78	10,011.56
Goods-in-transit	1,126.91	610.51	260.53
	11,632.02	**8,827.29**	**10,272.09**
Work-in-Progress	722.51	531.61	945.41
Finished Goods	2,075.28	2,000.81	1,164.81
	14,429.81	**11,359.71**	**12,382.31**

Note: Working capital facilities are secured by first pari passu charge on entire inventories, for detail refer Note No. 14.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

9. Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured			
Considered good	16,990.82	10,395.19	8,115.61
Considered Doubtful	71.38	64.97	44.89
	17,062.20	**10,460.16**	**8,160.50**
Allowances for doubtful receivables	(71.38)	(66.58)	(44.89)
	16,990.82	**10,393.58**	**8,115.61**

Note:

i) Receivables due from related party (refer note 32) 1,340.15 648.61 387.69

ii) Working capital facilities are secured by first pari passu charge on entire book debts, for detail refer Note No. 14.

10. Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks in current accounts	84.14	64.56	33.25
Cash on hand	47.23	44.82	46.16
Bank/ Term deposits with original maturity less than 3 months#	540.09	480.99	298.16
	671.46	**590.37**	**377.57**

11. Other Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed deposits with maturity for more than 3 months but less than 12 months#	404.58	657.09	607.99
Unclaimed dividend Accounts	7.07	9.17	68.43
	411.65	**666.26**	**676.42**

#Fixed deposits with banks, includes the following:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits pledge with the State Bank of India	202.25	187.93	174.18
Deposits pledge against the Bank guarantee	125.57	1,318.94	150.56

12. Share Capital

a) Authorised Capital:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Equity shares of ₹ 2/- each	125,000,000	2,500.00	125,000,000	2,500.00	125,000,000	2,500.00
8% Cumulative Non-Participating Redeemable Preference Shares of ₹ 10/- each	30,250,000	3,025.00	30,250,000	3,025.00	30,250,000	3,025.00
Issued, Subscribed and fully paid up:						
Equity shares of ₹ 2/- each	117,323,000	2,346.46	117,323,000	2,346.46	117,323,000	2,346.46

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Share Capital (contd.)

b) Reconciliation of number of equity shares Outstanding

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	117,323,000	2,346.46	117,323,000	2,346.46	117,323,000	2,346.46
Changes during the year	-	-	-	-	-	-
At the end of the year	**117,323,000**	**2,346.46**	**117,323,000**	**2,346.46**	**117,323,000**	**2,346.46**

c) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceeding March 31, 2018.

No of Shares				
March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
-	-	18,383,000	-	-

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

d) Rights, preferences and restrictions attached to equity shares

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

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	%age	No. of Shares	%age	No. of Shares	%age
Mr. Vijay Agarwal / Mrs. Mona Agarwal	41,401,907	35.29%	41,341,907	35.24%	41,341,907	35.24%
Mrs. Mona Agarwal / Mr. Vijay Agarwal	25,314,407	21.58%	30,314,407	25.84%	30,314,407	25.84%
Mr. Sorab Agarwal	7,148,650	6.09%	7,122,650	6.07%	7,122,650	6.07%
Mrs. Surbhi Garg	6,930,156	5.91%	6,930,156	5.91%	6,923,083	5.90%

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

13. Other Equity

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General Reserve	(a)	9,925.00	9,825.00	9,625.00
Capital Redemption Reserve	(b)	1,313.16	-	-
Capital Reserve	(c)	571.96	571.96	571.96
Securities Premium Reserve	(d)	8,532.73	8,532.73	8,532.73
Retained Earnings	(e)	15,525.30	12,121.96	10,834.66
		35,868.15	**31,051.65**	**29,564.35**

Particulars	As at March 31, 2018	As at March 31, 2017
a) General reserve		
Balance at the beginning of the year	9,825.00	9,625.00
Transferred from retained earnings	100.00	200.00
Balance at the end of the year	**9,925.00**	**9,825.00**
b) Capital Redemption Reserve		
Balance at the beginning of the year	-	-
Transferred from retained earnings	1,313.16	-
Balance at the end of the year	**1,313.16**	**-**
c) Capital reserve		
Balance at the beginning and at the end of the year	**571.96**	**571.96**
d) Securities Premium Reserve		
Balance at the beginning and at the end of the year	**8,532.73**	**8,532.73**
e) Retained earnings		
At the beginning of the year	12,121.12	10,834.66
Net profit for the year	5,201.52	1,401.21
Payment of equity dividend and tax thereon	(423.61)	-
Translations of Foreign Currency Loans	36.62	91.35
Transferred to Capital Redemption Reserve	(1,313.16)	-
Transferred to General Reserves	(100.00)	(200.00)
Other	(1.34)	(6.10)
	15,521.15	**12,121.12**
Other comprehensive income (net of tax)		
Re-measurements of defined employee benefit plans		
At the beginning of the year	0.84	-
Changes during the year	3.31	0.84
	4.15	**0.84**
Balance at the end of the year	**15,525.30**	**12,121.96**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Other Equity (contd.)

Nature and purpose of other Reserves

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

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

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

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

14. Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-current Borrowings			
Secured			
Term Loans from Banks			
Rupee term loans	5,927.69	5,808.55	3,887.67
Foreign currency loans	-	-	269.48
Term Loans from NBFC	135.99	53.87	27.02
Unsecured			
8% Cumulative Non-Participating Redeemable Preference Shares	1,708.78	3,021.94	3,021.94
	7,772.46	**8,884.36**	**7,206.11**
Current maturity of long term debts	(1,405.05)	(2,096.74)	(1,787.28)
	6,367.41	**6,787.62**	**5,418.83**
(ii) Current Borrowings			
Secured			
Cash Credit	57.43	659.19	1,005.95
Buyers Credit	-	320.94	2,136.42
Working Capital Demand Loan	-	1,500.00	5,100.00
	57.43	**2,480.13**	**8,242.37**

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

b) Detail of Preference shareholder's

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Mr. Vijay Agarwal	500.00	1,208.77	1,208.77
Mrs. Mona Agarwal	-	604.39	604.39
Mr. Sorab Agarwal	604.39	604.39	604.39
Mrs. Surbhi Garg	604.39	604.39	604.39
	1,708.78	**3,021.94**	**3,021.94**

The preference shares have been considered as non-current borrowings.

(All amounts in ₹ Lakhs, unless otherwise stated)

Borrowings (contd.)

c) Detail of Borrowings

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

15. Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-Current Provisions			
Provision for Leave entitlement	170.67	167.10	115.91
Provision for Gratuity	105.63	74.31	64.83
Provision for Doubtful Loan and Advances	875.00	525.00	525.00
	1,151.30	**766.41**	**705.74**
(ii) Current Provisions			
Provision for warranty	193.63	116.33	97.51
Provision for Leave entitlement	28.51	22.03	30.88
	222.14	**138.36**	**128.39**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Provision for warranty

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

Movement in Provisions

Particulars	Provision for Leave Entitlement	Provision for Warranty
Provision at April 1, 2016	**146.79**	**97.51**
Additional provisions recognised	89.25	116.33
Amount utilised during the year	(46.91)	(97.51)
Provision at March 31, 2017	**189.13**	**116.33**
Additional provisions recognised	184.14	193.63
Amount utilised during the year	(174.09)	(116.33)
Provision at March 31, 2018	**199.18**	**193.63**

16. Deferred tax liabilities (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
The balance comprises temporary differences attributable to:			
Deferred tax liabilities			
Depreciation on Property, Plant and Equipment, Investment property and intangible assets	1,519.12	1,304.11	1,001.01
	1,519.12	**1,304.11**	**1,001.01**
Deferred tax Assets			
Provision for employee benefits	103.30	52.92	71.07
Provision for doubtful debts	31.10	-	-
MAT credit entitlement	510.48	836.32	514.75
	644.88	**889.24**	**585.82**
Deferred tax liabilities (Net)	**874.24**	**414.87**	**415.19**

Movement in deferred tax liabilities (Net)

Particulars	Property, Plant and Equipment, Investment property and intangible assets	Provision for employees benefit	Provision for doubtful debts	MAT credit entitlement
As at April 1, 2016	**1,001.01**	**(71.07)**	**-**	**(514.75)**
Charged/(Credited):				
-to profit and loss	303.10	17.70	-	(321.57)
-to other comprehensive income	-	0.45	-	-
As at March 31, 2017	**1,304.11**	**(52.92)**	**-**	**(836.32)**
Charged/(Credited):				
-to profit and loss	215.01	(52.13)	(31.10)	325.84
-to other comprehensive income	-	1.75	-	
As at March 31, 2018	**1,519.12**	**(103.30)**	**(31.10)**	**(510.48)**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

17. Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Dues to Micro and Small Enterprises*	4,416.29	2,836.21	2,437.93
Dues to enterprises other than Micro and Small Enterprises	19,174.04	11,903.20	8,853.21
	23,590.33	**14,739.41**	**11,291.14**

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

18. Other current financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturities of long term debts	1,405.05	2,096.74	1,787.28
Unclaimed dividends	7.07	9.17	68.43
Security deposits	601.97	512.49	497.68
Interest accrued but not due on Preference shares	287.50	290.97	13.52
Employee benefits	522.96	443.78	420.49
Others Payables	5,564.52	3,517.65	2,552.79
	8,389.07	**6,870.80**	**5,340.19**

19. Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers	1,867.64	1,147.17	828.03
Statutory Liabilities	303.54	588.74	353.60
Deferred revenue	221.95	178.81	158.72
	2,393.13	**1,914.72**	**1,340.35**

20. Revenue from operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products (including excise duty)	107,531.04	77,531.64
Sale of Services	177.91	231.72
Hiring Charges	2,019.24	1,795.26
Export Incentives	53.09	94.56
Other operating revenue	88.95	55.77
	109,870.23	**79,708.95**

Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard-18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the year ended March 31, 2018 is not strictly relatable to previous year.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

21. Other income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income	147.88	169.79
Rental income	111.05	111.25
Profit on Sale of property, plant and equipment	57.60	68.84
Interest income from financial assets at amortised cost	246.61	219.57
Gain on Investments carried at fair value through profit or loss (net)	133.84	143.18
Gain on foreign currency transactions (net)	22.68	-
Miscellaneous income	75.47	68.43
	795.13	**781.06**

22. Cost of materials consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock of Raw material	8,827.29	10,272.09
Add: Purchases (net of returns)	79,849.20	51,838.24
Less: Closing stock of Raw material	(11,632.02)	(8,827.29)
Less: Purchase of Stock-in-trade	(387.84)	(344.72)
	76,656.63	**52,938.32**

23. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock		
Work-in progress	531.61	945.41
Finished goods	2,000.81	1,164.81
	2,532.42	**2,110.22**
Closing Stock		
Work-in progress	722.51	531.61
Finished goods	2,075.28	2,000.81
	2,797.79	**2,532.42**
Changes in inventories of finished goods, stock-in-trade and work-in-progress	**(265.37)**	**(422.20)**

24. Employee benefits expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	6,012.23	5,368.99
Contribution to provident and other funds	297.93	262.45
Staff welfare expenses	457.52	279.39
	6,767.68	**5,910.83**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

25. Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on Working Capital facilities	581.04	713.85
Interest on Term Loans	352.98	459.61
Interest on Other Loans	131.14	131.80
Interest on Preference Shares	287.50	290.97
	1,352.66	**1,596.23**

26. Depreciation and amortisation expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	1,119.10	1,124.75
Amortisation of intangible assets	50.71	62.32
Depreciation of Investment Property	23.67	19.89
	1,193.48	**1,206.96**

27. Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Manufacturing Expenses	3,997.58	3,061.50
Repairs & Maintenance - Building	129.61	122.32
Repairs & Maintenance - Plant & Machinery	417.68	363.58
Power & Fuel	552.63	448.40
Freight & Forwarding Charges	2,953.75	2,066.71
Selling Expenses	1,429.98	1,475.91
Commission on Sales	1,807.64	832.45
Rent	166.50	183.09
Rates & Taxes	77.23	58.99
Insurance	111.63	79.37
Travel & conveyance	1,341.23	1,096.19
Communication Expenses	250.68	216.80
Auditor's remuneration*	12.08	18.12
Vehicle Expenses	151.09	134.54
Loss on foreign currency transactions (Net)	-	75.95
Bad Debts Written off	271.51	243.93
Provision for doubtful receivable	9.49	21.79
Provision for doubtful loan & Advances	350.00	-
Corporate Social Responsibility (CSR) expense**	40.00	100.00
Miscellaneous Expenses	1,887.26	1,790.44
	15,957.57	**12,390.08**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Other expenses (contd.)

***Auditor's Remuneration (excluding taxes) includes**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Audit Fees	9.59	15.41
Tax audit fees	1.00	0.90
Certification	0.49	0.81
Cost audit fees	1.00	1.00
	12.08	**18.12**

****CSR Expenditure**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gross amount required to be spent by the company during the year	35.60	22.70
Amount spent during the year for promoting health care	40.00	100.00

28. Income tax expense

(a) Income tax expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
Current tax on profit for the year	1,730.47	524.85
MAT Credit entitlement	325.83	(321.57)
Adjustment of current tax of prior periods	9.83	(3.33)
	2,066.13	**199.95**
Deferred tax		
Decrease/(increase) in deferred tax assets	(83.22)	17.69
(Decrease)/increase in deferred tax liabilities	215.01	303.09
	131.79	**320.78**
	2,197.92	**520.73**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before income tax expense	**7,399.44**	**1,921.94**
Statutory Income Tax rate	34.608%	33.063%
Income tax expense at the statutory tax rate	2,560.80	6,35.45
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Income exempt from tax	(76.90)	(58.79)
Tax on expense not eligible for deduction	275.51	178.34
Weighted deduction on Research and development expenditure	(183.25)	(219.85)
Adjustments for current tax of prior periods	9.83	(3.33)
Tax losses for which no deferred income tax was recognised	-	(159.36)
Tax effect of earlier years	(379.97)	58.40
Other items	(8.10)	89.87
Income tax expense	**2,197.92**	**520.73**

(All amounts in ₹ Lakhs, unless otherwise stated)

Income tax expenses (contd.)

(c) Capital Tax losses

Particulars	As at March 31, 2018	As at March 31, 2017
Unused tax losses for which no deferred tax asset has been recognised	91.45	26.60
Potential tax benefit	31.65	8.80
Assessment year upto which Unused tax losses can be utilised	₹ 26.60 Lakhs upto AY 2022-23 ₹ 64.85 Lakhs upto AY 2026-27	

The company has not recognised deferred tax assets on unused capital losses as the company is not likely to generate taxable income under the same head in forseeable future.

29. Employee Benefits

A) Gratuity

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(i) Amount recognized in the balance sheet is as under:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Present value of defined benefit obligation	468.99	387.90	341.64
Fair value of plan assets with LIC	363.36	313.59	276.81
Net defined benefit obligation	**105.63**	**74.31**	**64.83**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(ii) Amount recognized in the statement of profit and loss is as under:		
Past Service cost	4.41	-
Current Service cost	74.34	68.73
Net interest cost	3.84	2.71
Amount recognized in the statement of profit and loss	**82.59**	**71.44**
(iii) Movement in the present value of defined benefit obligation recognized in the balance sheet is as under:		
Present value of defined benefit obligation as at the start of the year	**387.90**	**341.64**
Current service cost	74.34	68.73
Past service cost	4.41	-
Interest cost	28.19	24.88
Actuarial loss/(gain) recognized during the year	(2.14)	2.13
Benefits paid	(23.71)	(49.48)
Present value of defined benefit obligation as at the end of the year	**468.99**	**387.90**
(iv) Movement in the plan assets recognized in the balance sheet is as under:		
Fair Value of plan assets at beginning of year	**313.59**	**276.81**
Expected return on plan assets	24.36	22.17
Employer's contribution	46.21	60.68
Benefit paid	(23.71)	(49.48)
Actuarial gain/(loss) on plan assets	2.91	3.41
Fair Value of plan assets at the end of the year	**363.36**	**313.59**
Actual return on plan assets	27.28	25.58

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Employee Benefits-Gratuity (contd.)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(v) Breakup of actuarial (gain)/loss:		
Actual (gain)/loss on arising from change in financial assumption	(21.58)	(13.17)
Actual (gain)/loss on arising from experience adjustment	16.52	11.88
Total actuarial (gain)/loss	**(5.06)**	**(1.29)**

(vi) Actuarial assumptions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Attrition Rate	20.00% P.a.	16.00% P.a.	16.00% P.a.
Imputed rate of Interest (D)	7.70% P.a.	7.50% P.a.	7.85% P.a.
Imputed rate of Interest (IC)	7.50% P.a.	7.85% P.a.	7.90% P.a.
Salary escalation	10.00% P.a.	10.00% P.a.	11.00% P.a.
Return on plan asset	7.50% P.a.	7.85% P.a.	7.90% P.a.
Remaining working life	22.38 Years	22.73 Years	23.63 Years

Gratuity payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Present Value of obligation at the end of the year	468.99	387.90	341.64
Impact of the change in discount rate			
Impact due to increase of 1.00%	(16.11)	(16.54)	(14.80)
Impact due to decrease of 1.00%	17.48	18.17	16.26
Impact of the change in salary increase rate			
Impact due to increase of 1.00%	16.19	16.17	14.69
Impact due to decrease of 1.00%	(15.47)	(15.41)	(13.97)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. Whent calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

Employee benefits-Gratuity (contd.)

B) Compensated absences (unfunded)

The leave obligations cover the group's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provisions has been recognised in the statement of profit and loss.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Compensated absences (unfunded)			
Current	28.51	22.03	30.88
Non-Current	170.67	167.10	115.91
	199.18	**189.13**	**146.79**

C) Defined contribution plans

The group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

D) Other employee benefits

The group has taken an Insurance Policy for medical benefits in respect of its working employees. The Insurance Policy for on-roll employees is partially funded by the Company.

30. Financial Instruments

A) Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets measured at fair value			
Investments measured at fair value through profit and loss	**3,525.73**	**1,818.81**	**1,675.62**
Financial assets measured at amortised cost			
Trade receivables	16,990.82	10,393.58	8,115.61
Cash and cash equivalents	671.46	590.37	377.57
Other Bank balances	411.65	666.26	676.42
Other financial assets	647.69	1,082.77	596.09
	18,721.62	**12,732.98**	**9,765.69**
Financial liabilities measured at amortised cost			
Borrowings	7,829.89	11,364.49	15,448.48
Trade payables	23,590.33	14,739.41	11,291.14
Other financial liabilities	6,984.02	4,774.06	3,552.91
	38,404.24	**30,877.96**	**30,292.53**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

B) Fair Value Hierarchy

The fair value of financial Instruments as referred to in note (A) above has been classified into three category depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted price in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Financial assets measured at Fair Value

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments measured at fair value through profit and loss			
Level 1	3,525.73	1,818.81	1,675.62
Level 2	-	-	-
Level 3	-	-	-
	3,525.73	**1,818.81**	**1,675.62**

Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statement as at the Balance Sheet date.

C) Financial Risk Management

The group's activities expose it to market risk, liquidity risk and credit risk. The group's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

C.1) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The group considers reasonable and supportive forward-looking information.

Expected credit losses for financial assets other than trade receivables

Since the group deals with only high rated banks and financial institutions, credit risk in respect of cash & cash equivalents, bank balances and bank deposits is evaluated as very low. In respect of advances and security deposits also credit risk is considered low because the group is in possession of underlying asset.

Expected credit losses for trade receivables under simplified approach

The group recognize lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables (other than those where default criteria are met).

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)			
Gross sale in respect of customers where no specific default is occurred	109,728.19	79,558.62	67,308.96
Expected loss rate	0.07%	0.08%	0.07%
Expected Credit loss (loss allowance provision)	71.38	66.58	44.89
Receivable due from customers where specific default has accrued	24.90	24.36	0.34

Reconciliation of loss allowance provision - Trade receivables

Particulars	₹ in Lakhs
Loss allowance as at April 1, 2016	**44.89**
Additional loss recognised	46.05
Bad debts written off	(24.36)
Expected credit loss as at March 31, 2017	**66.58**
Additional loss recognised	29.70
Bad debts written off	(24.90)
Expected credit loss as at March 31, 2018	**71.38**

C.2) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Less than 1 year	1-5 Years	More than 5 Years	Total
As at March 31, 2018				
Borrowings	1,462.48	2,950.11	3,417.30	7,829.89
Trade payables	23,590.33	-	-	23,590.33
Other financial liabilities	6,984.02	-	-	6,984.02
	32,036.83	**2,950.11**	**3,417.30**	**38,404.24**
As at March 31, 2017				
Borrowings	4,576.87	3,765.68	3,021.94	11,364.49
Trade payables	14,739.41	-	-	14,739.41
Other financial liabilities	4,774.06	-	-	4,774.06
	24,090.34	**3,765.68**	**3,021.94**	**30,877.96**
As at April 1, 2016				
Borrowings	10,029.65	2,277.79	3,141.04	15,448.48
Trade payables	11,291.14	-	-	11,291.14
Other financial liabilities	3,552.91	-	-	3,552.91
	24,873.70	**2,277.79**	**3,141.04**	**30,292.53**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

C.3) Market Risk

The group is not an active investor in equity market. Further the treasury activities, focused on managing investments in debt instruments, are centralized and administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The group's investments are predominantly held in fixed deposits and debt mutual funds. Mark to market movements in respect of the group's investments that are held at amortised cost are temporary and get recouped through fixed coupon accruals. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

The group also invests in mutual fund schemes of leading fund. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund scheme in which the Company has invested, such price risk is not significant.

Foreign currency risk

The group undertakes transactions denominated in foreign currency (mainly US Dollar and Euro) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the group's exposure to foreign currency risk is limited and the group hence does not use any derivative instruments to manage its exposure.

Foreign currency risk exposure in USD:

The group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets	1,337.69	533.15	600.57
Financial Liabilities	333.78	95.74	59.34
Net exposure to foreign currency risk	**1,003.91**	**437.41**	**541.23**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at March 31, 2018	As at March 31, 2017
USD sensitivity		
INR/USD increase by 150 bps*	23.15	10.12
INR/USD decrease by 150 bps*	(23.15)	(10.12)

*Holding all other variables constant

Foreign currency risk exposure in EURO:

The group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments (contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets	81.37	42.74	12.47
Financial Liabilities	94.23	-	0.99
Net exposure to foreign currency risk	**(12.86)**	**42.74**	**11.48**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at March 31, 2018	As at March 31, 2017
Euro sensitivity		
INR/Euro increase by 200 bps*	(0.32)	1.23
INR/Euro decrease by 200 bps*	0.32	(1.23)

*Holding all other variables constant

C.4) Interest Rate Risk

There is no material interest risk relating to the group's financial liabilities.

31. Capital Management

The group's capital management objectives are:

- To ensure the companies ability to continue as going concern.
- To provide an adequate return to shareholders.

The group monitors capital on the basis of carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the group's capital requirements in order to maintain an effective overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the group's various classes of debt. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt to equity ratio

Particulars	As at March 31, 2018	As at March 31, 201 7	As at April 1, 2016
Net debt	7,158.43	10,774.12	15,070.91
Total equity	38,245.40	33,429.02	31,944.71
Net debt to equity ratio	**18.72%**	**32.23%**	**47.18%**

(b) Dividends (excluding dividend tax)

(i) Equity shares

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Final dividend for the year ended March 31, 2017 of ₹ 0.30/- per fully paid share	351.96	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Capital Management (contd.)

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.50/- per fully paid equity share (March 31, 2017 – ₹ 0.30/- per share). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

32. Related party transactions

The group's related party transactions and outstanding balance are with its Key management and others as described below:

A. Name of Related Parties

a) Key Management Personnel

Mr. Vijay Agarwal	Chairman & Managing Director
Mrs. Mona Agarwal	Whole - Time Director
Mr. Sorab Agarwal	Executive Director
Mrs. Surbhi Garg	Executive Director
Mr. Girish Narain Mehra (IAS Retd.)	Independent Director
Major General (Retd.) Dr. K. C. Agrawal	Independent Director
Mr. Subhash Chander Verma	Independent Director
Dr. Amar Singhal	Independent Director
Mr. Rajan Luthra	Chief Financial Officer
Mr. Anil Kumar (from July 3, 2017)	Company Secretary & Compliance Officer
Mrs. Yashika Kansal (till May 31, 2017)	Company Secretary & Compliance Officer

b) Enterprises owned or significantly influenced by Key Management Personnel or their relatives

VMS Equipment Pvt Ltd.
ACE Emergency Response Service Trust
ACE Employees Group Gratuity Scheme Trust

B. Transactions with related party

(i) Transactions with significantly influenced enterprises

Nature of Transaction	For the year	VMS Equipment Pvt Ltd.	ACE Emergency Response Trust	Total
Sale of Goods	2017-18	1,582.91	-	**1,582.91**
	2016-17	1,113.76	-	**1,113.76**
Rent Received	2017-18	1.99	0.95	**2.94**
	2016-17	0.71	0.73	**1.44**
Donation Paid	2017-18	-	152.70	**152.70**
	2016-17	-	156.73	**156.73**
Interest Received	2017-18	4.15	-	**4.15**
	2016-17	60.79	-	**60.79**

Note: All transactions are done at Arm's Length Price.

(All amounts in ₹ Lakhs, unless otherwise stated)

Related Party transactions (contd.)

(ii) Outstanding balances arising from sales/purchase of goods and services

Name of Party	Nature of Transaction	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
VMS Equipment Pvt Ltd.	Amount Receivable	1,340.15	648.61	387.69

(iii) Transactions with Key Management Personnel

Name of Party/ Nature of Transaction	For the year	Short-term employee benefits	Dividend paid	Redemption of preference shares	Licence Fee Paid	Service rendered	Total
Mr. Vijay Agarwal	2017-18	285.86	220.73	708.78	56.47	-	**1,271.84**
	2016-17	267.40	96.70	-	57.06	-	**421.16**
Mrs. Mona Agarwal	2017-18	142.00	139.29	604.39	-	-	**885.68**
	2016-17	134.30	48.35	-	-	-	**182.65**
Mr. Sorab Agarwal	2017-18	46.97	69.72	-	-	-	**116.69**
	2016-17	36.47	48.35	-	-	-	**84.82**
Mrs. Surbhi Garg	2017-18	47.60	69.14	-	26.43	-	**143.17**
	2016-17	18.49	48.35	-	26.41	-	**93.25**
Mr. Girish Narain Mehra	2017-18	-	-	-	-	1.20	**1.20**
(IAS Retd.)	2016-17	-	-	-	-	1.15	**1.15**
Major General (Retd.)	2017-18	-	-	-	-	0.60	**0.60**
Dr. K. C. Agrawal	2016-17	-	-	-	-	0.50	**0.50**
Mr. Subhash Chander	2017-18	-	-	-	-	1.65	**1.65**
Verma	2016-17	-	-	-	-	1.35	**1.35**
Dr. Amar Singhal	2017-18	-	-	-	-	1.65	**1.65**
	2016-17	-	-	-	-	1.60	**1.60**
Mr. Rajan Luthra	2017-18	55.96	-	-	-	-	**55.96**
	2016-17	52.53	-	-	-	-	**52.53**
Mr. Anil Kumar	2017-18	3.84	-	-	-	-	**3.84**
(From 3rd July 2017)	2016-17	-	-	-	-	-	**-**
Mrs. Yashika Kansal	2017-18	1.08	-	-	-	-	**1.08**
(Till 31st May 2017)	2016-17	5.28	-	-	-	-	**5.28**

33. Contingent liabilities and Commitments

a) Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Bank Guarantees	1,828.96	2,022.71	2,026.48
Letter of Credits	4,820.13	3,290.39	1,798.63
Claim against the Company, not acknowledged as Debts	861.23	917.44	689.88
Sales Tax, Excise & Income Tax Matters, pending before Assessing/ Appellate Authorities, not acknowledged as liability	2,950.46	3,206.12	3,126.32
	10,460.78	**9,436.66**	**7,641.31**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Contingent liabilities and Commitments (contd.)

i) The amount indicated as contingent liability or claim against the company, reflects only the basic value. Any interest, penalty or legal cost is not considered.

ii) It is not practicable for the group to estimate the timings and amount of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(b) Capital commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	74.46	8.03	133.75

(c) Non-cancellable operating leases

The company leases Immovable property under non-cancellable operating leases expiring in next five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within one year	129.54	69.06	123.10
Later than one year but not later than five years	112.37	104.09	44.82
Later than five years	-	-	-

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rental expense relating to operating leases	166.50	183.09

34. Earnings per share (EPS)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit attributable to the owners of the company	5,339.85	1,532.87
Weighted average number of equity shares outstanding during the year	117,323,000	117,323,000
Basic earnings per share (in ₹)	4.55	1.31
Diluted earnings per share (in ₹)	4.55	1.31

35. Research and Development Expenditure

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital expenditure	32.68	2.93
Revenue expenditure	962.51	659.67
	995.19	**662.60**
Expense on Research and development as percentage to Gross Turnover	0.93%	0.85%

(All amounts in ₹ Lakhs, unless otherwise stated)

36. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act).			
Principal amount due to micro and small enterprises	4,416.29	2,836.21	2,437.93
Interest due on above	-	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the suppliers beyond the appointed day during the period.	-	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

37. Segment information

The group's operating segments are established on the basis of those componets of the group which are evaluted regularly by the executive committee in deciding how to allocate resources and in assessing performances. The group has four (4) operating and reporting segments as given below:

i) Cranes
ii) Construction Equipment
iii) Material Handling
iv) Agri Equipment

(a) Segment Revenue and Results

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segment Revenue (Net)		
i) Cranes	74,900.28	49,621.63
ii) Construction Equipment	7,189.99	4,885.47
iii) Material Handling	8,075.31	5,290.01
iv) Agri Equipment	18,483.25	15,306.09
v) Subsidiaries Business	5.97	2.62
Add: Excise Duty	1,215.43	4,603.13
Total Segment Revenue	**109,870.23**	**79,708.95**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment Information (contd.)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segments Results		
i) Cranes	8,267.94	3,990.14
ii) Construction Equipment	346.55	65.96
iii) Material Handling	973.41	560.28
iv) Agri Equipment	469.65	202.13
v) Subsidiaries Business	(61.98)	(45.39)
	9,995.57	**4,773.12**
Finance costs	(1,352.66)	(1,596.23)
Other Unallocated Expenses	(1,243.47)	(1,254.95)
Total Segment Results	**7,399.44**	**1,921.94**

(b) Segment Assets and Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Segment Assets			
i) Cranes	58,829.98	51,669.91	50,631.28
ii) Construction Equipment	6,804.38	4,259.18	3,045.77
iii) Material Handling	2,489.80	1,896.00	1,643.75
iv) Agri Equipment	4,513.26	3,924.87	4,161.55
Total Segment Assets	**72,637.42**	**61,749.96**	**59,482.35**
Unallocated	9,040.94	5,917.80	5,346.99
Total assets as per the balance sheet	**81,678.36**	**67,667.76**	**64,829.34**
Segment Liabilities			
i) Cranes	23,985.56	15,175.14	11,226.86
ii) Construction Equipment	1,428.12	1,476.89	535.00
iii) Material Handling	1,633.85	958.91	736.19
iv) Agri Equipment	6,251.50	3,982.00	3,769.74
Total Segment Liabilities	**33,299.03**	**21,592.94**	**16,267.79**
Unallocated	48,379.33	46,074.82	48,561.55
Total liabilities as per the balance sheet	**81,678.36**	**67,667.76**	**64,829.34**

Segment revenue, segment results, segment assets and segment liabilities includes the respective amount identifiable for each operating segment.

As per Ind AS 108 "Operating segments", the group has reported information on consolidated basis including business conduted through its subsidiaries.

The group is mainly engaged in the business in India and exports are not material. Hence in the context of Ind AS 108 it is considered the only reportable segment.

(All amounts in ₹ Lakhs, unless otherwise stated)

38. First time adoption of Ind AS and transition to Ind AS

These are the group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the company's date of transition). In preparing its opening Ind AS balance sheet, the group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter may elect to measure an item of property, plant and equipment at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date. Accordingly, the group has elected to measure certain items of freehold land, building and plant & machinery at their fair value and considered as deemed cost at the date of transition and to measure remaining of its Land, Building and Plant & Machinery at their previous GAAP carrying value. The impact on fair valuation of such assets on the date of transition from previous GAAP is ₹ 4,052.83 Lakhs. The impact due to retrospective application of Ind AS 16 'Property, plant and equipment' on the remaining assets on the date of transition from previous GAAP is ₹ 347.99 Lakhs.

(ii) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

(iii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/arrangements.

(iv) Long-term foreign currency monetary items

Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The company has elected to apply this exemption.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI;

- Impairment of financial assets based on expected credit loss model.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

First time adoption of Ind AS and transition of Ind AS (contd.)

(ii) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

(iii) Impairment of financial assets

At the date of transition to Ind AS, determine whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the group has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

C. Reconciliation between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconcilition from previous GAAP and Ind AS

i) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		**32,430.14**	**31,307.22**
Adjustments			
Impact of Revaluation of property, Plant and equipment	Note - I	4,099.07	4,052.83
Reversal of Foreign Exchange fluctuation capitalised under previous GAAP	Note - II	(332.47)	(347.99)
Preference capital classified as debt	Note - III	(3,021.94)	(3,021.94)
Derecognition of Proposed Dividend & Tax thereon	Note - IV	423.62	-
Provision for Expected credit loss	Note - V	(55.48)	(33.69)
Impact of application of IndAS 37 'Provisions, contingent liabilities and contingent assets'		(116.33)	(97.51)
Deferral of Revenue	Note - VI	(178.81)	(158.72)
Other GAAP adjustments		(57.09)	(18.70)
Deferred Tax impact of above adjustments	Note - VII	237.47	263.21
Remeasurement of post employment benefit obligations (Net of Tax)	Note - VIII	0.84	-
		998.88	**637.49**
Total equity as per Ind AS		**33,429.02**	**31,944.71**

ii) Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017
Profit after tax as per previous GAAP		**1,918.86**
Adjustments		
Saving of depreciation on account of change in the value of depreciable assets	Note - I	47.09
Interest accrued on Preference capital reclassified as borrowing	Note - III	(290.97)

(All amounts in ₹ Lakhs, unless otherwise stated)

First time adoption of Ind AS and transition of Ind AS (contd.)

Particulars	Notes	Year ended March 31, 2017
Adjustment of Foreign exchange fluctuation as per Ind AS	Note - II	(148.95)
Provision for Expected credit loss	Note - V	(21.79)
Impact of application of IndAS 37 'Provisions, contingent liabilities and contingent assets		(18.81)
Deferral of Revenue	Note - VI	(20.09)
Other GAAP adjustments		(37.55)
Deferred Tax impact of above adjustments	Note - VII	(25.74)
Remeasurement of post employment benefit obligations (net of tax)	Note - VIII	(0.84)
Total adjustments		**(517.65)**
Profit after tax as per Ind AS		**1,401.21**
Remeasurement of post employment benefit obligations (net of tax)	Note - VIII	0.84
Total comprehensive income as per Ind AS		**1,402.05**

iii) Reconciliation of the assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at March 31, 2017 is as follows:

Particulars	Per Previous GAAP	Ind As Adjustments	Per Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	29,395.07	3,766.60	33,161.67
Capital work in progress	709.31	-	709.31
Investment properties	1,092.46	-	1,092.46
Intangible assets	370.59	-	370.59
Financial assets			
i. Investments	0.25	-	0.25
ii. Other financial assets	859.88	-	859.88
Other non-current assets	4,242.68	-	4,242.68
Total non-current assets	**36,670.24**	**3,766.60**	**40,436.84**
Current assets			
Inventories	11,359.71	-	11,359.71
Financial assets			
i. Investments	1,818.81	-	1,818.81
ii. Trade receivables	10,449.06	(55.48)	10,393.58
iii. Cash and cash equivalents	590.37	-	590.37
iv. Bank balances other than (iii) above	666.26	-	666.26
v. Other current financial assets	222.89	-	222.89
Other current assets	2,179.30	-	2,179.30
Total current assets	**27,286.40**	**(55.48)**	**27,230.92**
Total Assets	**63,956.64**	**3,711.12**	**67,667.76**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

First time adoption of Ind AS and transition of Ind AS (contd.)

Particulars	Per Previous GAAP	Ind As Adjustments	Per Ind AS
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2,346.46	-	2,346.46
Other equity	27,030.84	4,020.81	31,051.65
Equity attributable to the owners of Action Construction Equipment Limited	**29,377.30**	**4,020.81**	**33,398.11**
Non-Controlling Interests	30.91	-	30.91
	29,408.21	**4,020.81**	**33,429.02**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	6,787.62	-	6,787.62
Provisions	710.61	55.80	766.41
Deferred tax liabilities	651.88	(237.01)	414.87
Total non-current liabilities	**8,150.11**	**(181.21)**	**7,968.90**
Current liabilities			
Financial liabilities			
i. Borrowings	2,480.13	-	2,480.13
ii. Trade payables	14,739.41	-	14,739.41
iii. Other financial liabilities	6,870.80	-	6,870.80
Other current liabilities	1,735.91	178.81	1,914.72
Provisions	445.65	(307.29)	138.36
Current Tax Liabilities (Net)	126.42	-	126.42
Total current liabilities	**26,398.32**	**(128.48)**	**26,269.84**
Total equity and liabilities	**63,956.64**	**3,711.12**	**67,667.76**

iv) Reconciliation of the assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at April 1, 2016 is as follows:

Particulars	Per Previous GAAP	Ind As Adjustments	Per Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	30,027.82	3,704.83	33,732.65
Capital work in progress	180.69	-	180.69
Investment properties	1,112.35	-	1,112.35
Intangible assets	368.30	-	368.30
Financial assets			
i. Investments	0.35	-	0.35
ii. Other financial assets	386.48	-	386.48
Other non-current assets	3,806.09	-	3,806.09
Total non-current assets	**35,882.08**	**3,704.83**	**39,586.91**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

First time adoption of Ind AS and transition of Ind AS (contd.)

Particulars	Per Previous GAAP	Ind As Adjustments	Per Ind AS
Current assets			
Inventories	12,382.31	-	12,382.31
Financial assets			
i. Investments	1,675.62	-	1,675.62
ii. Trade receivables	8,149.30	(33.69)	8,115.61
iii. Cash and cash equivalents	377.57	-	377.57
iv. Bank balances other than (iii) above	676.42	-	676.42
v. Other current financial assets	209.61	-	209.61
Other current assets	1,805.29	-	1,805.29
Total current assets	**25,276.12**	**(33.69)**	**25,242.43**
Total Assets	**61,158.20**	**3,671.14**	**64,829.34**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2,346.46	-	2,346.46
Other equity	25,904.93	3,659.42	29,564.35
Equity attributable to the owners of Action Construction Equipment Limited	**28,251.39**	**3,659.42**	**31,910.81**
Non-Controlling Interests	33.90	-	33.90
	28,285.29	**3,659.42**	**31,944.71**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	5,418.83	-	5,418.83
Provisions	705.74	-	705.74
Deferred tax liabilities	678.40	(263.21)	415.19
Total non-current liabilities	**6,802.97**	**(263.21)**	**6,539.76**
Current liabilities			
Financial liabilities			
i. Borrowings	8,242.37	-	8,242.37
ii. Trade payables	11,291.14	-	11,291.14
iii. Other financial liabilities	5,321.49	18.70	5,340.19
Other current liabilities	1,181.63	158.72	1,340.35
Provisions	30.88	97.51	128.39
Current Tax Liabilities (Net)	2.43	-	2.43
Total current liabilities	**26,069.94**	**274.93**	**26,344.87**
Total equity and liabilities	**61,158.20**	**3,671.14**	**64,829.34**

v) Impact of Ind AS on the adoption in the statement of cashflows for the year ended March 31, 2017

There are no material adjustments of transition to the statement of cash flows to conform to Ind AS presentation for the year ended March 31, 2017.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Notes to first-time adoption

Note - I - Revaluation of property, Plant and equipment

The Company has elected to measure certain items of freehold land, building and plant & machinery at their fair value and considered as deemed cost at the date of transition. The impact on fair valuation of such assets on the date of transition from previous GAAP is ₹ 4,053.83 Lakhs.

Note - II - Foreign Exchange Fluctuation

Under previous GAAP, 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, However as per Ind AS no such relaxation is provided and therefore exchange differences are to be taken to opening retained earning.

Note - III - Preference share capital classified as debt

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

Note - IV - Derecognition of Proposed Dividend & Tax thereon

Under the previous GAAP dividend proposed by the directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend were recognised as liability. Under Ind AS such dividends are recognised when the same are approved by the shareholders in general meeting. Accordingly, the liability for proposed dividend included under provision has been reversed with corresponding adjustment to retained earnings.

Note - V - Provision for Expected credit loss

Under previous GAAP, provision for doubtful debts was recognised based on the estimate of the outcome and of the financial effect of contingencies determined by the management of the company. This judgement was based on the consideration of information available upto the date on which the financial statements were approved and included a review of events occurring after the balance sheet date.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost. Expected loss on individually significant receivables is assessed when they are past due and based on company's historical counterparty default rate and forecast of macro-economic factors. Other receivables have been segmented by reference to the industry of the counterparty and other shared credit risk characteristics to evaluate the expected credit loss. The expected credit loss estimate is then based on recent historical counterparty default rates for each identified segment.

As a result, the allowance for doubtful debts increased by ₹ 55.48 Lakhs as at March 31, 2017 (₹ 33.69 Lakhs as at April 1, 2016) Consequently, the total equity decreased by the same amount.

Note - VI - Deferral of Revenue

Under previous GAAP, the amount of revenue was usually determined at consideration received or receivable for the product or service explicitly specified in the contract between the parties.

Under Ind AS where the sale transaction of the company include separately identifiable components, such as after sales service and extended warranties, it is necessary to apply the recognition criteria to those separately identifiable components in order to reflect the substance of the transaction. Revenue from each component so identified is only recognised when such goods are sold or services are rendered. Accordingly, revenue attributable to specifically identifiable components where services are pending to be rendered has been deferred.

Note - VII - Deferred tax impact on Ind AS adjustments

Some of the transition adjustments are temporary in nature and therefore becomes the reason for deferment of tax liability. These items/ transition adjustments led to recognition of deferred taxes on temporary difference.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Notes to first-time adoption (contd.)

Note - VIII - Remeasurment of defined benefit obligation

Under the previous GAAP, these measurements were forming part of the profit or loss for the year. Under Ind AS, measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

Note IX - Investment property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

Note X - Loan to subsidiary recognised at amortised cost using notional rate of Interest

Under previous GAAP, interest free loan was recognised at cost. However under Ind AS the interest free loan is amortised, using notional rate of interest.

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 21, 2018

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

Disclosure of additional information pretaining to the parent company, subsidiaries and associates as per schedule III of the Companies Act, 2013

(All amounts in ₹ Lakhs, unless otherwise stated)

For the financial year 2017-18:

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss (P&L)		Other Comprehensive Income (OCI)		Total comprehensive Income (TCI)	
	As % of consolidated net assets	Net Assets	As % of consolidated P&L	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
Action Construction Equipment Limited	106.04	40,556.89	101.19	5,263.50	100.00	3.31	101.19	5,266.81
Foreign Subsidiary								
Frested Limited	(5.89)	(2,254.26)	(0.15)	(7.76)	-	-	(0.15)	(7.76)
Indirect Subsidiary								
SC Forma SA	(0.14)	(54.76)	(1.02)	(53.03)	-	-	(1.02)	(53.03)
Associates								
Namo Metals (Partnership Firm)	(0.01)	(2.47)	(0.02)	(1.19)	-	-	(0.02)	(1.19)
Total	**100.00**	**38,245.40**	**100.00**	**5,201.52**	**100.00**	**3.31**	**100.00**	**5,204.83**

For the financial year 2016-17:

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss (P&L)		Other Comprehensive Income (OCI)		Total comprehensive Income (TCI)	
	As % of consolidated net assets	Net Assets	As % of consolidated P&L	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
Action Construction Equipment Limited	106.84	35,715.03	103.24	1,446.61	100.00	0.84	103.24	1,447.45
Foreign Subsidiary								
Frested Limited	(6.68)	(2,234.33)	(2.23)	(31.24)	-	-	(2.23)	(31.24)
Indirect Subsidiary								
SC Forma SA	(0.15)	(49.33)	(1.00)	(14.07)	-	-	(1.00)	(14.07)
Associates								
Namo Metals (Partnership Firm)	(0.01)	(2.35)	(0.01)	(0.09)	-	-	(0.01)	(0.09)
Total	**100.00**	**33,429.02**	**100.00**	**1,401.21**	**100.00**	**0.84**	**100.00**	**1,402.05**

Form AOC-I forming part of the consolidated financial statements

Statement containing sailent features of the consolidated financial statements of subsidiaries for the year 2017-18

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts **(₹ in Lakhs)**

S. No.	Details	Particulars	
		1	2
1.	Name of the subsidiary	Frested Limited, Mauritius-Wholly Owned Subsidiary	SC Forma SA, Romania-Fellow Subsidiary
2.	The date since when subsidiary was acquired	29.12.2006	01.02.2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	01.01.2017 to 31.12.2017
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	US Dollar, ₹ 65.04	RON, ₹ 16.35
5.	Share capital	0.59	175.88
6.	Reserves & surplus	(2625.75)	(433.32)
7.	Total Assets	139.07	397.39
8.	Total Liabilities	2764.24	168.63
9.	Investments	139.07	NIL
10.	Turnover	NIL	6.99
11.	Profit before taxation	(7.76)	(53.03)
12.	Provision for taxation	NIL	NIL
13.	Profit after taxation	(7.76)	(53.03)
14.	Proposed Dividend	NIL	NIL
15.	%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.

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

Sd/-
Ravi Gulati
Partner
Membership No. 090672
Place : New Delhi
Date : May 21, 2018

For and on behalf of the Board of Directors

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

Sd/-
Sorab Agarwal
Executive Director
DIN: 00057666

Sd/-
Rajan Luthra
Chief Financial Officer

Sd/-
Anil Kumar
Company Secretary

Sd/-
Subhash Chander Verma
Independent Director
DIN: 00098019

ACE

ACTION CONSTRUCTION EQUIPMENT LIMITED

Regd. Office: Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana
Email:cs@ace-cranes.com, Phone:01275-280111, Fax:01275-280133, CIN:L74899HR1995PLC053860,
Website:www.ace-cranes.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Fourth (24th) Annual General Meeting (AGM)** of the Members of Action Construction Equipment Limited will be held as per following schedule:

Day	**Friday**
Date	**September 28, 2018**
Time	**11:30 a.m.**
Venue	**Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001. (Route Map attached)**

To transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt:

(a) The audited standalone financial statement of the Company for the financial year ended March 31, 2018 and reports of Board of Directors and Auditors' thereon; and

(b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and report of Auditors' thereon.

2. To declare dividend:

(a) On Preference Shares for the financial year ended March 31, 2018.

(b) On Equity Shares for the financial year ended March 31, 2018.

3. To appoint a Director in place of Mrs. Mona Agarwal (DIN:00057653) who retires from office by rotation, and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

4. To ratify the remuneration of the cost auditors for the financial year ending March 31, 2019, in this regard, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration of ₹ 70,000/- (Rupees Seventy Thousand only) plus applicable taxes inclusive of all out of pocket expenses, approved by the Board of Directors, to be paid to M/s Goyal & Associates, Cost Accountants (Firm Registration No: 000787), appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2019, be and is hereby ratified."

5. RE-APPOINTMENT OF MR. VIJAY AGARWAL (DIN:00057634) AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY, in this regard, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or any authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Mr. Vijay Agarwal (DIN: 00057634) as Chairman & Managing Director of the Company for a further period of 5 (five) years with effect from October 1, 2018 on terms and conditions including remuneration and perquisites, as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board") or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and/or remuneration in such manner as may be deemed fit by the Board and/or Nomination and Remuneration Committee and agreed by Mr. Vijay Agarwal."

"RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any financial year, the remuneration as set out be paid to Mr. Vijay Agarwal (DIN: 00057634) as minimum remuneration, subject to necessary approval(s), as may be required."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Vijay Agarwal (DIN:00057634), Chairman & Managing Director, including the components of the mentioned remuneration payable to him subject to the overall limit of ₹ 5,25,00,000/- (Rupees Five Crore Twenty Five Lakh only) per annum (including perquisites and allowances)."

"RESOLVED FURTHER THAT consent of the members of the Company be and is hereby also given under Section 196 read with Schedule V of the Companies Act, 2013 for continuation of employment of Mr. Vijay Agarwal, as Chairman & Managing Director of the Company even after attaining the age of 70 years on January 13, 2019, during tenure ending on September 30, 2023."

"RESOLVED FURTHER THAT the Chairman and Managing Director is not liable to retire by rotation and will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors subject to the supervision, superintendence and control of the Board."

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

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

6. RE-APPOINTMENT OF MRS. MONA AGARWAL (DIN:00057653) AS WHOLE-TIME DIRECTOR, DESIGNATED AS EXECUTIVE DIRECTOR OF THE COMPANY, in this regard, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or any authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Mrs. Mona Agarwal (DIN: 00057653) as Whole-Time Director, designated as Executive Director of the Company for a further period of 5 (five) years with effect from October 1, 2018 on terms and conditions including remuneration and perquisites, as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board") and/or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and/or remuneration in such manner as may be deemed fit by the Board and/or Nomination and Remuneration Committee and agreed by Mrs. Mona Agarwal."

"RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any financial year, the remuneration as set out be paid to Mrs. Mona Agarwal (DIN: 00057653) as minimum remuneration, subject to necessary approval(s), as may be required."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mrs. Mona Agarwal (DIN: 00057653), Whole-Time

Director, including the components of the remuneration payable to her subject to the overall limit of ₹ 2,75,00,000/- (Rupees Two Crore Seventy Five Lakh only) per annum (including perquisites and allowances)."

"RESOLVED FURTHER THAT the Whole-Time Director is liable to retire by rotation and will carry out such duties and exercise such powers as may be entrusted to her by the Board of Directors subject to the supervision, superintendence and control of the Board."

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

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

7. RE-APPOINTMENT OF MR. SORAB AGARWAL (DIN:00057666) AS WHOLE-TIME DIRECTOR, DESIGNATED AS EXECUTIVE DIRECTOR OF THE COMPANY, in this regard, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or any authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Mr. Sorab Agarwal (DIN:00057666) as Whole-Time Director, designated as Executive Director of the Company for a further period of 5 (five) years with effect from October 1, 2018 on terms and conditions including remuneration and perquisites, as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board") and/or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and/or remuneration in such manner as may be deemed fit by the Board and/or Nomination and Remuneration Committee and agreed by Mr. Sorab Agarwal."

"RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any financial year, the remuneration as set out be paid to Mr. Sorab Agarwal (DIN: 00057666) as minimum remuneration, subject to necessary approval(s), as may be required."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Sorab Agarwal (DIN:00057666), Whole Time Director, including the components of remuneration payable to him subject to the overall limit of ₹ 1,75,00,000/- (Rupees One Crore Seventy Five Lakh only) per annum (including perquisites and allowances)."

"RESOLVED FURTHER THAT the Whole-Time Director is liable to retire by rotation and will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors subject to the supervision, superintendence and control of the Board."

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

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

8. TO CONSIDER AND DETERMINE THE FEES FOR DELIVERY OF ANY DOCUMENT THROUGH A PARTICULAR MODE OF DELIVERY TO A MEMBER 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 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above."

"RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

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

Place: New Delhi
Date: May 21, 2018
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, Haryana, India
CIN: L74899HR1995PLC053860
Email: cs@ace-cranes.com

Sd/-
Anil Kumar
Company Secretary
M. No. ACS: 37791

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, September 21, 2018 to Friday, September 28, 2018 (both days inclusive) for the purpose of Annual General Meeting and for determining the entitlement of the shareholders to the dividend for FY 2018. The cut-off date for e-voting is Friday, September 21, 2018.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend and vote in the meeting instead of himself / herself. Such a proxy/ proxies need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. A member holding more than 10 % of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form for the AGM is enclosed, proxy submitted on behalf of the Companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.

5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution to the Company authorizing their representative to attend and vote on their behalf at the Meeting.

6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged during the business hours at the registered office of the Company provided not less than 3 days written notice is given to the Company.

7. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed Friday, September 21, 2018 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 21, 2018 has recommended dividend of ₹ 0.50 i.e. (25%) per equity share for the financial year ended March 31, 2018. 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 upto FY 2009-10 and unpaid/unclaimed Interim Dividend FY 2010-11, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on September 29, 2017 (date of the previous Annual General Meeting) on the website of the Company at www.ace-cranes.com in the Investrors Relation section. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed at www.mca.gov.in.

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

dividend (declared up to FY 2009-10 and Interim Dividend FY 2010-11) has not been paid or claimed by the members for 7 (seven) consecutive years or more, to IEPF Authority.

14. Members wishing to claim dividend that remain unclaimed are requested to correspond with the Registrar and shares transfer agent (RTA) or the Company Secretary of the Company. Members are requested to note that as per section 124 of the Companies Act, 2013 the applicable rules, dividends that are not claimed within seven years from the date of transfer to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF) and shares on which dividend remains unclaimed for seven consecutive years will also be transferred to the IEPF.

15. Members holding shares in electronic mode:
    (a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
    (b) are advised to contact their respective DPs for registering the nomination.
    (c) are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.

16. Members holding shares in physical mode:
    (a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Karvy (RTA), if not registered with the Company as mandated by SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.
    (b) are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website at www.ace.cranes.com in investor relation section.
    (c) are requested to register / update their e-mail address with the Company / Karvy for receiving all communications from the Company electronically.

17. Non-Resident Indian members are requested to inform Karvy(RTA) / respective DPs, immediately of:
    (a) Change in their residential status on return to India for permanent settlement.
    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

18. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

19. Electronic copy of the Notice and Annual Report for FY 2018 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 2017-18 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.

20. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for Financial Year 2017-18 will also be available on the Company's website www.ace-cranes.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Palwal for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@ace-cranes.com.

21. 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 venue of the meeting.

22. Voting through electronic means

I. **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all

resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email 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 Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM through ballot process. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact to Mr. V Kishore, Asstt. Manager, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 or at evoting@karvy.com or phone no. 040 – 6716 1585 or call Karvy's toll free No. 1800-345-4001 for any further clarifications.

b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c. The remote e-voting period will commence on Monday, September 24, 2018 (8:30 a.m.) and ends on Thursday, September 27, 2018 (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 21, 2018 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 21, 2018.

e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date i.e., September 21, 2018. 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 sendSMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.

      Example for NSDL:
      MYEPWD <SPACE> IN12345612345678

      Example for CDSL:
      MYEPWD <SPACE> 1402345612345678

      Example for Physical:
      MYEPWD <SPACE> XXXX1234567890

   ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

   iii. Member may call Karvy's toll free number 1800-345-4001.

   iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall 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 at www.ace-cranes.com and on the website of www.evoting.karvy.com within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange(s).

23. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturday, Sunday and public holidays up to the day of meeting. The said documents will be available for inspection by the memebers at the meeting venue.

24. For effecting change of Address/Bank details/Electronic Clearing Service (ECS) Mandate, if any, Members are requested to notify the same to the Company and/or Registrar and Share Transfer Agent (R&T Agent) of the Company, i.e. Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Serilingampally, Hyderabad-500008. Members must quote their Folio No./ Client ID in all correspondence with the Company/R&T Agent.

25. Members are further informed that as a part of Green initiative taken by Ministry of Corporate Affairs, the Company is sending this notice with Annual Report and would send all the future Notices and Communications to the e-mail addresses of the shareholders,

whose e-mail are registered with the Company or with the Depository. However, the Shareholders of whose e-mail ids are not registered with the Company or with the depository would continue to receive the same in physical form. Any shareholder desirous of receiving physical copy of any document can apply for the same to the Company. **The Shareholders whose e-mail Id's are not registered with the Company, are requested to register the same so that they would be able to receive the information in quick time and also it would be useful to the environment.**

26. 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.

27. 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.

28. In term of section 152 of the Act, Mrs. Mona Agarwal, retire by rotation at the Meeting and being eligible, offer herself for re-appointment.

29. 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 as **Annexure**.

30. The Requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is omitted by Companies (Amendment) Act, 2017 vide notification dated May 7, 2018 issued by the Ministry of Corporate affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditor, who was appointed in the Annual General Meeting, held on September 29, 2017.

31. 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 specimen signatures registered with the R&T Agent/Depository Participant (DP). **Please carry Original photo ID card for identification/verification purposes.**

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

Place: New Delhi
Date: May 21, 2018
Registered office: Dudhola Link Road,
Dudhola, Distt. Palwal-121102, Haryana, India
CIN: L74899HR1995PLC053860
Email: cs@ace-cranes.com

Sd/-
Anil Kumar
Company Secretary
M. No. ACS: 37791

ANNEXURE

Details of Directors retiring by rotation/seeking appointment/re-appointment as required under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings.

Name of Directors	Mr. Vijay Agarwal	Mrs. Mona Agarwal	Mr. Sorab Agarwal
DIN	00057634	00057653	00057666
Date of Birth (Age)	13.01.1949 (69)	18.11.1955 (62)	27.02.1977 (41)
Date of first appointment on Board	13.01.1995	13.01.1995	20.03.1998
Qualification	BE Mechanical and MBA	Under Graduate	BE Mechanical
Relationship with Directors/KMP	Mrs. Mona Agarwal, Mr. Sorab Agarwal and Mrs. Surbhi Garg, Whole-Time Directors of the Company are relatives under clause 77 of section 2 of Companies Act, 2013 read with rules thereof.	Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Sorab Agarwal and Mrs. Surbhi Garg, Whole-Time Directors of the Company are relatives under clause 77 of section 2 of Companies Act, 2013 read with rules thereof.	Mr. Vijay Agarwal, Chairman & Managing Director, Mrs. Mona Agarwal and Mrs. Surbhi Garg, Whole-Time Directors of the Company are relatives under clause 77 of section 2 of Companies Act, 2013 read with rules thereof.
Experience/Expertise in specific functional area	Associated with the Company since date of Incorporation i.e. 13.01.1995. He is a Promoter Director, designated as Chairman & Managing Director of the Company. He is having over 47 years of industry experience in the field of material handling and heavy engineering industry to his credit. He has overall strategic and operational responsibility for the entire Company, previously worked with Bhartiya Cuttler Hammer Ltd. and Escorts Ltd.	Associated with the Company since date of Incorporation i.e. 13.01.1995. She is a Promoter Director, designated as Whole Time Director of the Company. She is having over 24 years of industry experience in the field of administrative and Human Resource affairs to her credit. Under her guidance, the company's administrative affairs are being handled in a professional manner and company had formulated effective policies.	Associated since 1998 with the Company as a Whole Time Director of the Company. He 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.
Terms and Conditions of appointment/ re-appointment	Refer Item No. 5	Refer Item No. 6	Refer Item No. 7
Details of Remuneration last drawn (FY-2017-18) (₹ in Lakhs)	₹ 285.86	₹ 142.00	₹ 46.97
Membership of the Committees of Board of Directors of Company	Audit Committee	CSR Committee	Stakeholders' Relationship Committee

Directorship in other Companies	VMS Equipment Pvt. Ltd.	VMS Equipment Pvt. Ltd.	VMS Equipment Pvt. Ltd.
Membership of the Board committee of other companies in which he/she is a Director	None	None	None
No. of Board Meetings attended during the year.	Total Meetings held : 4 Total Meetings attended : 4	Total Meetings held : 4 Total Meetings attended : 4	Total Meetings held : 4 Total Meetings attended : 4
No. of shares held in the Company	4,14,01,907 no. of equity shares of ₹ 2 each and 50,00,000 no. of Preference Shares of ₹ 10 each	2,53,14,407 no. of equity shares of ₹ 2 each.	71,48,650 no. of equity shares of ₹ 2 each and 60,43,876 no. of Preference Shares of ₹ 10 each

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

ITEM NO. 4

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

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Goyal & Associates, Cost Accountants, (Firm registration No: 000787), to conduct the audit of the cost records of the Company in respect of the applicable products for the financial year ending March 31, 2019 at an annual remuneration of ₹ 70,000 (Rupees Seventy Thousand Only) plus applicable taxes inclusive of all out of pocket expenses subject to the deduction of applicable taxes.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

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. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 4 of the notice for approval by the members.

ITEM NO. 5

Pursuant to the provision of the Companies Act, 2013, the members of the Company have re-appointed Mr. Vijay Agarwal as Chairman & Managing Director of the Company through the postal ballot held on May 8, 2015 for a period of three years w.e.f. October 1, 2015 and current term of his appointment as Chairman and Managing Director will expire on September 30, 2018.

Mr. Vijay Agarwal, aged 69 years, is a promoter and Chairman & Managing Director of the Company. Mr. Agarwal is having over 47 years of industry experience in the field of material handling and heavy engineering industry to his credit. He has a degree in Mechanical Engineering & MBA from Faculty of Management Studies (FMS), Delhi. Due to his vast experience in his field and continuous efforts, the company has achieved overwhelming success in a short span of 24 years. It was due to his persistence and never tiring efforts, that the Company is able to achieve the growth in the past. He has single handedly mentored the Company and has proved to be a guiding light throughout all these years of the Company's journey. He has excellent grasp and thorough knowledge with overall experience of general management including engineering & technology. Considering his knowledge of various aspects relating to the Company's affairs and vast business experience, the Board of Directors is of the opinion that the services of Mr. Vijay Agarwal should be available to the Company for a further period of five (5) years with effect from October 1, 2018 for smooth and efficient running of the business.

Pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the rules made thereunder and as recommended by the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on May 21, 2018, re-appointed Mr. Vijay Agarwal (DIN: 00057634) as Chairman and Managing Director of the Company with effect from October 1, 2018, for further period of five years.

Mr. Vijay Agarwal, will be attaining the age of 70 (seventy) years during his tenure. In compliance of Section 196 read with schedule V of the Companies Act, 2013, the Board of Directors have also recommended, in their meeting held on May 21, 2018, to the members for approving the proposed resolution as a special resolution for continuation of employment of Mr. Vijay Agarwal as Chairman and Managing Director till 30.09.2023.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution.

Keeping in view that Mr. Vijay Agarwal has a rich and varied experience in the Industry and has been involved in the operations of the Company since date of its incorporation; it would be in the interest of the Company to continue the employment of Mr. Vijay Agarwal as Chairman and Managing Director.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Vijay Agarwal as Chairman & Managing Director of the Company, in terms of the applicable provisions of the Act as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

Broad particulars of the terms of re-appointment and remuneration payable to Mr. Vijay Agarwal, as Chairman and Managing Director of the Company are as under:

1. **Designation:** Chairman & Managing Director.

2. **Tenure:** 5 (Five) years, from October 1, 2018 to September 30, 2023.

3. **Remuneration including allowance and perquisites as under:**

(a) Salary, Perquisites and Allowances per annum:

Salary per annum	In the scale of ₹ 300 lakhs to ₹ 450 lakhs.
Perquisites and Allowances	In the scale of ₹ 25 lakhs to ₹ 75 lakhs.

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

(b) Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging including for Mr. Vijay Agarwal's spouse and dependents during business trips, any medical assistance provided for his family members and provision of car(s) for use on Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(c) Other facilities and benefits as under:

(i) He will be provided with a Car for effective discharge of his official duties. All expenses of car (including expenses of fuel, repair, and maintenance, insurance & salary of Driver) shall be borne by the Company.

(ii) He will be entitled to re-imbursement of entrance fees for membership of any club/society, which in his opinion is essential to promote the business of the Company and in the interest of the Company.

4. General:

(a) Chairman and Managing Director will be in overall charge of the business, administration and other affairs of the Company, subject to the control and directions of the Board of Directors, and shall guide, control and supervise the employees including Key Managerial Personnel (KMP) of the Company, their functions, the business carried on by the Company and all administrative matters.

(b) Chairman and Managing Director shall have all the powers and authorities of the Board of Directors as provided in Articles of Association of the Company and in the Companies Act; however, subject to the control and directions of the Board of Directors and except the powers which are required to be exercised by the Board in meeting.

(c) Chairman and Managing Director will have power to sign all contracts, deeds and documents proposed to be executed by the Company, to make sign, draw, accept, endorse, negotiate, sell and transfer on behalf of the Company all cheques, bills of exchange,

drafts, hundies, promissory notes, dock warrants, purchase/delivery orders and other negotiable instruments and securities and to represents the Company in dealings with others including Government and other authorities and also to sign all pleadings, applications and other papers required to be filed in any court proceedings by or against the Company.

(d) Chairman and Managing Director will have power to institute, defend, prosecute, conduct, compound, refer to arbitration and to abandon and to compromise legal or other proceedings, claims and disputes by or against the Company or in which the Company may be concerned or interested.

(e) Chairman and Managing Director will have power to appoint and dismiss all employees (including of whatever grade or position), as per the conduct rules of the Company and allot them work and exercise control over them.

(f) Sitting fees: The Chairman and Managing Directors shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof.

(g) The Chairman and Managing Director will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(h) Chairman and Managing Director shall adhere to the Company's Code of Conduct & Ethics for Directors and Management Personnel.

(i) Chairman and Managing Director shall comply with all the policies, rules and regulations of the Company from time to time in force and shall not disclose any business secret, business plans, policies to any person, firm, companies etc. He shall not solicit the customers of the Company for his personal gain or interest.

(j) Chairman and Managing Director will act diligently and to the best of his ability in the discharge of the duties and he will be responsible for the proper administration and functioning of the Company's business.

(k) The Company shall execute a power of Attorney in favour of the Chairman and Managing Director conferring on him all the necessary powers and authority as the Board of Directors may think fit.

(l) Chairman and Managing Director may delegate any of the above work to any Employee/officer of the company, consultants, advocates, professionals and may appoint any of them as their constituted attorney/Authorities on behalf of the Company.

Save and except as provided in the foregoing paragraph, Mr. Vijay Agarwal satisfies all the conditions set out under Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Vijay Agarwal under Section 190 of the Act.

Details of Mr. Vijay Agarwal are provided in **"Annexure"** to the Notice pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Vijay Agarwal is interested in the resolution set out at Item no. 5 of the Notice. Mrs. Mona Agarwal, Whole-Time Director, Mr. Sorab Agarwal, Executive Director, Mrs. Surbhi Garg, Executive Director being related to Mr. Vijay Agarwal may be deemed to be interested in the resolution set out at Item no. 5 of the Notice. The other relatives of Mr. Vijay Agarwal may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mr. Vijay Agarwal.

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

ITEM NO. 6

Pursuant to the provision of the Companies Act, 2013, the members of the Company have re-appointed Mrs. Mona Agarwal as Whole Time Director of the Company through the postal ballot held on May 8, 2015 for a period of three years w.e.f. October 1, 2015 and current term of her appointment as Whole-Time Director will expire on September 30, 2018.

Mrs. Mona Agarwal, aged 62 years, is a Promoter and Whole-Time Director of the Company. She is having over 24 years of industry experience in the field of administrative and Human Resource affairs. Under her guidance, the company's administrative affairs are being handled in a professional manner and she has helped the company to formulate effective policies. She has proved to be a guiding light throughout all these years of the Company's journey. She has excellent grasp and thorough knowledge with overall experience of general management. Considering her knowledge of various aspects relating to the Company's affairs and vast business experience, the Board of Directors is of the opinion that the services of Mrs. Mona Agarwal should be available to the Company for a further period of five (5) years with effect from October 1, 2018 for smooth and efficient running of the business.

Pursuant to the provisions of Sections 196, 197, 198,203 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the rules made thereunder and as recommended by the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on May 21, 2018, re-appointed Mrs. Mona Agarwal (DIN: 00057653) as the Whole-Time Director of the Company with effect from October 1, 2018, for further period of five years.

Keeping in view that Mrs. Mona Agarwal has a rich and varied experience in the Industry and has been involved in the operations of the Company since its date of incorporation; it would be in the interest of the Company to continue the employment of Mrs. Mona Agarwal as Whole-Time Director.

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

Broad particulars of the terms of re-appointment and remuneration payable to Mrs. Mona Agarwal, as the Whole-Time Director of the Company are as under:

1. **Designation:** Executive Director.
2. **Tenure:** 5 (Five) years, from October 1, 2018 to September 30, 2023.
3. **Remuneration including allowance and perquisites as under:**

(a) Salary, Perquisites and Allowances per annum:

Salary per annum	In the scale of ₹ 140 lakhs to ₹ 225 lakhs.
Perquisites and Allowances	In the scale of ₹ 10 lakhs to ₹ 50 lakhs.

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

(b) Reimbursement of Expenses:

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

(c) Other facilities and benefits as under:

(i) She will be provided with a Car for effective discharge of her official duties. All expenses of car (including expenses of fuel, repair, and maintenance, insurance & salary of Driver) shall be borne by the Company.

(ii) She will be entitled to re-imbursement of entrance fees for membership of any club/society, which in her opinion is essential to promote the business of the Company and in the interest of the Company.

4. General:

(a) Executive Director will be in overall charge of the business, administration and other affairs of the Company, subject to the control and directions of the Board of Directors, and shall guide, control and supervise the employees of the Company, their functions, the business carried on by the Company and all administrative matters.

(b) Executive Director shall have all the powers and authorities of the Board of Directors as provided in Articles of Association of the Company and in the Companies Act; however, subject to the control and directions of the Board of Directors and except the powers which are required to be exercised by the Board in meeting.

(c) Executive Director will have power to sign all contracts, deeds and documents proposed to be executed by the Company, to make sign, draw, accept, endorse, negotiate, sell and transfer on behalf of the Company all cheques, bills of exchange, drafts, hundies, promissory notes, dock warrants, purchase/delivery orders and other negotiable instruments and securities and to represents the Company in dealings with others including Government and other authorities and also to sign all pleadings, applications and other papers required to be filed in any court proceedings by or against the Company.

(d) Executive Director will have power to institute, defend, prosecute, conduct, compound, refer to arbitration and to abandon and to compromise legal or other proceedings, claims and disputes by or against the Company or in which the Company may be concerned or interested.

(e) Executive Director will have power to appoint and dismiss all employees (including of whatever grade or position), as per the conduct rules of the Company and allot them work and exercise control over them.

(f) Sitting fees: The Executive Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof.

(g) Executive Director will perform her respective duties as such with regard to all work of the Company and she will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(h) Executive Director shall adhere to the Company's Code of Conduct & Ethics for Directors and Management Personnel.

(i) Executive Director shall comply with all the policies, rules and regulations of the Company from time to time in force and shall not disclose any business secret, business plans, policies to any person, firm, companies etc. She shall not solicit the customers of the Company for her personal gain or interest.

(j) Executive Director will act diligently and to the best of her ability in the discharge of the duties and she will be responsible for the proper administration and functioning of the Company's business.

Save and except as provided in the foregoing paragraph, Mrs. Mona Agarwal satisfies all the conditions set out under Section 196 of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

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

Details of Mrs. Mona Agarwal are provided in **"Annexure"** to the Notice pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mrs. Mona Agarwal is interested in the resolution set out at Item no. 6 of the notice. Mr. Vijay Agarwal, Chairman & Managing Director, Mr. Sorab Agarwal, Executive Director, Mrs. Surbhi Garg, Executive Director being related to Mrs. Mona Agarwal may be deemed to be interested in the resolution set out at Item No. 6 of the notice. The other relatives of Mrs. Mona Agarwal may be deemed to be interested in the resolution set out at Item No. 6 of the notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is concerned or interested,

financially or otherwise, in the aforementioned resolution.

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mrs. Mona Agarwal.

The Board recommends the Special Resolution set out at item no. 6 of the notice for approval by the Members.

ITEM NO. 7

Pursuant to the provision of the Companies Act, 2013, the members of the Company have re-appointed Mr. Sorab Agarwal as Whole Time Director of the Company through the postal ballot held on May 8, 2015 for a period of three years w.e.f. October 1, 2015 and current term of his appointment as Whole Time Director will expire on September 30, 2018.

Mr. Sorab Agarwal, aged 41 years has a degree in Mechanical Engineering and is looking after the marketing functions of the Company. Mr. Sorab Agarwal has been associated with the company for last 21 years and under his guidance and remarkable marketing capabilities, the Company has ventured into new territories and its market share has increased considerably. He has played a major role in setting up all India competent Sales & Services network, aimed at achieving target oriented results. He takes care for brand building of the Company. He has excellent grasp and thorough knowledge and experience of general management besides technology & engineering aspect of products and marketing ability. The Board of Directors is of the opinion that the services of Mr. Sorab Agarwal should be available to the Company for a further period of five (5) years with effect from October 1, 2018 for smooth and efficient running of the business.

Pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the rules made thereunder and as recommended by the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on May 21, 2018, re-appointed Mr. Sorab Agarwal (DIN: 00057666) as the Whole-Time Director of the Company with effect from October 1, 2018, for further period of five years.

Keeping in view that Mr. Sorab Agarwal has a rich and varied experience in the Industry and has been involved in the operations of the Company since its initial stage; it would be in the interest of the Company to continue the employment of Mr. Sorab Agarwal as Whole Time Director.

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

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Sorab Agarwal, as the Whole-Time Director of the Company are as under:

1. **Designation:** Executive Director.
2. **Tenure:** 5 (Five) years, from October 1, 2018 to September 30, 2023.
3. **Remuneration including allowance and perquisites as under:**

   (a) Salary, Perquisites and Allowances per annum:

Salary per annum	In the scale of ₹ 55 lakhs to ₹ 150 lakhs.
Perquisites and Allowances	In the scale of ₹ 5 lakhs to ₹ 25 lakhs.

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

(b) Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging including for Mr. Sorab Agarwal's spouse and dependents during business trips, any medical assistance provided for his family members and provision of car(s) for use on Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(c) Other facilities and benefits as under:

(i) He will be provided with a Car for effective discharge of his official duties. All expenses of car (including expenses of fuel, repair, and maintenance, insurance & salary of Driver) shall be borne by the Company.

(ii) He will be entitled to re-imbursement of entrance fees for membership of any club/society, which in his opinion is essential to promote the business of the Company and in the interest of the Company.

4. General:

(a) Executive Director will be in overall charge of the business, administration and other affairs of the Company, subject to the control and directions of the Board of Directors, and shall guide, control and supervise the employees of the Company, their functions, the business carried on by the Company and all administrative matters.

(b) Executive Director shall have all the powers and authorities of the Board of Directors as provided in Articles of Association of the Company and in the Companies Act; however, subject to the control and directions of the Board of Directors and except the powers which are required to be exercised by the Board in meeting.

(c) Executive Director will have power to sign all contracts, deeds and documents proposed to be executed by the Company, to make sign, draw, accept, endorse, negotiate, sell and transfer on behalf of the Company all cheques, bills of exchange, drafts, hundies, promissory notes, dock warrants, purchase/delivery orders and other negotiable instruments and securities and to represents the Company in dealings with others including Government and other authorities and also to sign all pleadings, applications and other papers required to be filed in any court proceedings by or against the Company.

(d) Executive Director will have power to institute, defend, prosecute, conduct, compound, refer to arbitration and to abandon and to compromise legal or other proceedings, claims and disputes by or against the Company or in which the Company may be concerned or interested.

(e) Executive Director will have power to appoint and dismiss all employees (including of whatever grade or position), as per the conduct rules of the Company and allot them work and exercise control over them.

(f) Sitting fees: The Executive Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof.

(g) Executive Director will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(h) Executive Director shall adhere to the Company's Code of Conduct & Ethics for Directors and Management Personnel.

(i) Executive Director shall comply with all the policies, rules and regulations of the Company from time to time in force and shall not disclose any business secret, business plans, policies to any person, firm, companies etc. He shall not solicit the customers of the Company for his personal gain or interest.

(j) Executive Director will act diligently and to the best of his ability in the discharge of the duties and he will be responsible for the proper administration and functioning of the Company's business.

Save and except as provided in the foregoing paragraph, Mr. Sorab Agarwal satisfies all the conditions set out under Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Sorab Agarwal under Section 190 of the Act.

Details of Mr. Sorab Agarwal are provided in **"Annexure"** to the notice pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Sorab Agarwal is interested in the resolution set out at Item no. 7 of the notice. Mr. Vijay Agarwal, Chairman & Managing Director, Mrs. Mona Agarwal, Whole-Time Director, Mrs. Surbhi Garg, Executive Director being related to Mr. Sorab Agarwal may be deemed to be interested in the resolution set out at Item No. 7 of the notice. The other relatives of Mr. Sorab Agarwal may be deemed to be interested in the resolution set out at Item No. 7 of the notice, to the extent of their shareholding interest, if any, in the Company.

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

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mr. Sorab Agarwal.

The Board recommends the Special Resolution set out at item no. 7 of the notice for approval by the Members.

ITEM NO. 8

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him/her by Post or by Registered post or by Speed post or by Courier or by delivering at his/her office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him/her through a particular mode for which he/she shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting. The Directors accordingly rescommend the Ordinary Resolution at item no. 8 of the accompanying notice, for the approval of the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.8 of the accompanying Notice.

ACTION CONSTRUCTION EQUIPMENT LIMITED

Regd. Office: Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana
Email:cs@ace-cranes.com, Phone:01275-280111, Fax:01275-280133, CIN:L74899HR1995PLC053860,
Website:www.ace-cranes.com

ATTENDANCE SLIP

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

Folio No./Client ID No.*	
DP ID *	
No. of shares	
Name	
Address	

*Applicable for the members holding shares in the electronic form.

I hereby record my presence at the 24th Annual General Meeting of the Company to be held on Friday, September 28, 2018 at 11:30 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana -121001.

Signature of Shareholder/Proxy

Note:

Members / Proxies are requested to:-

(a) Bring their copy of Annual Report and attendance slip duly filled 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 Original photo ID card for identification/verification purposes.**

Blank

ACTION CONSTRUCTION EQUIPMENT LIMITED

Regd. Office: Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana
Email:cs@ace-cranes.com, Phone:01275-280111, Fax:01275-280133, CIN:L74899HR1995PLC053860,
Website:www.ace-cranes.com

Form No. MGT-11

Proxy form

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

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

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

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

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

Or Failing Him

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

Or Failing Him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Friday, September 28, 2018 at 11:30 a.m. at Aravali Golf Club, New Industrial Township (NIT), Faridabad, Haryana-121001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	For	Against
Ordinary Business			
1	**To receive, consider and adopt:**		
(a)	The audited standalone financial statement of the Company for the financial year ended March 31, 2018 and the reports of Board of Directors and Auditors' thereon; and		
(b)	The audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and report of Auditors' thereon.		
2	**To declare dividend:**		
(a)	On Preference Shares for the financial year ended March 31, 2018.		
(b)	On Equity Shares for the financial year ended March 31, 2018.		
3	To appoint a Director in place of Mrs. Mona Agarwal (DIN: 00057653) who retires from office by rotation, and being eligible, offers herself for reappointment.		
Special Business			
4	To ratify the remuneration of the cost auditors for the financial year ending March 31, 2019.		
5	Re-appointment of Mr. Vijay Agarwal (DIN: 00057634) as Chairman & Managing Director of the Company.		
6.	Re-appointment of Mrs. Mona Agarwal (DIN: 00057653) as Whole-Time Director, Designated as Executive Director of the Company.		
7	Re-appointment of Mr. Sorab Agarwal (DIN: 00057666) as Whole-Time Director, Designated as Executive Director of the company.		
8.	To consider and determine the fees for delivery of any document through a particular mode of delivery to a member.		

Signed this..... day of..... 2018.

Affix Revene Stamp

Signature of shareholder.....

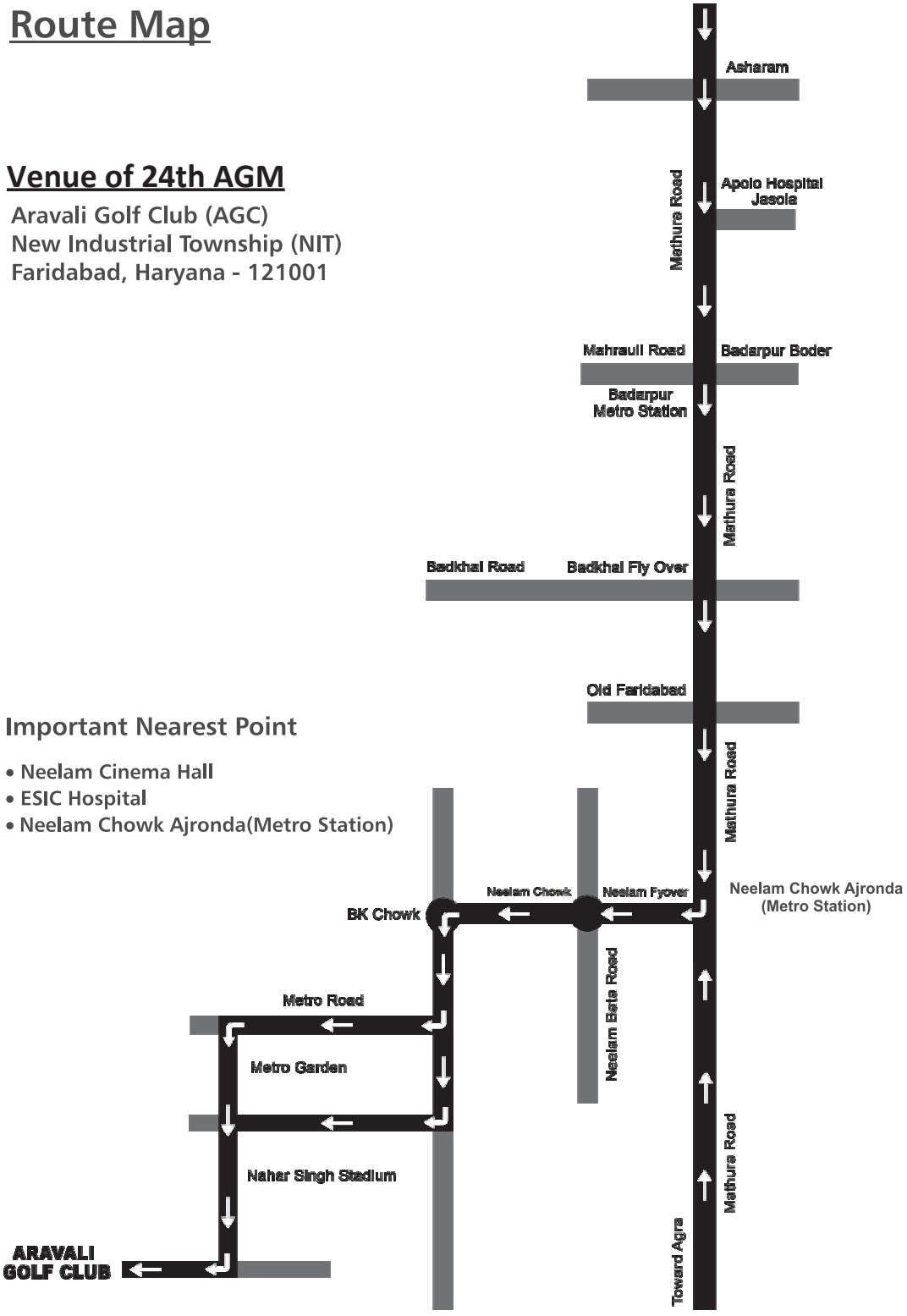
Signature of Proxy holder(s).....

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

Route Map

Venue of 24th AGM

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



Important Nearest Point

- Neelam Cinema Hall
- ESIC Hospital
- Neelam Chowk Ajronda(Metro Station)

Blank

Action Construction Equipment Limited

(CIN : L74899HR1995PLC053860)

Corporate Profile

BOARD OF DIRECTORS

- **Mr. Vijay Agarwal**
  Chairman and Managing Director
- **Mrs. Mona Agarwal**
  Executive Director
- **Mr. Sorab Agarwal**
  Executive Director
- **Mrs. Surbhi Garg**
  Executive Director
- **Mr. Girish Narain Mehra (IAS Retd.)**
  Independent Director
- **Mr. Subhash Chander Verma**
  Independent Director
- **Dr. Amar Singhal**
  Independent Director
- **Maj. Gen.(Retd.) Dr. Keshav Chandra Agrawal**
  Independent Director

Chief Financial Officer (CFO)
Mr. Rajan Luthra

Company Secretary & Compliance Officer
Mr. Anil Kumar

Statutory Auditors
M/s BRAN & Associates
Chartered Accountants

Internal Auditors
M/s Ernst & Young LLP

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

Stock Exchanges
BSE Limited
National Stock Exchange of India Limited

Subsidiary Companies
FRESTED LIMITED
SC FORMA SA

Registered & Corporate Office
Dudhola Link Road,
Village Dudhola, Palwal-121102,
Haryana.

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

www.ace-cranes.com

UNIT LOCATIONS

- Jajru Road, 25th Mile Stone, Delhi Mathura Road,Ballabgarh, Distt. Faridabad-121004, Haryana.
- Dudhola Link Road, Village Dudhola, Distt. Palwal-121102, Haryana.
- 45th Mile Stone, Mathura Road, Prithla, Distt. Palwal-121102, Haryana.

RESEARCH & DEVELOPMENT CENTRES

- Jajru Road, 25th Mile Stone, Delhi-Mathura Road,Ballabgarh, Distt. Faridabad-121004,Haryana.
- Dudhola Link Road, Village Dudhola, Distt. Palwal-121102, Haryana.

Action Construction Equipment Limited
(CIN : L74899HR1995PLC053860)
Reg. & Corp. Office : Dudhola Link Road, Dudhola. Distt. Palwal - 121102, Haryana, India
Ph . : 01275-280111, Fax : 01275-280133
E-mail : cs@ace-cranes.com, Website : www.ace-cranes.com

