



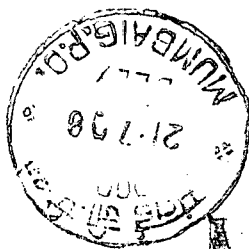
Action Construction Equipment Ltd.

Annual Report

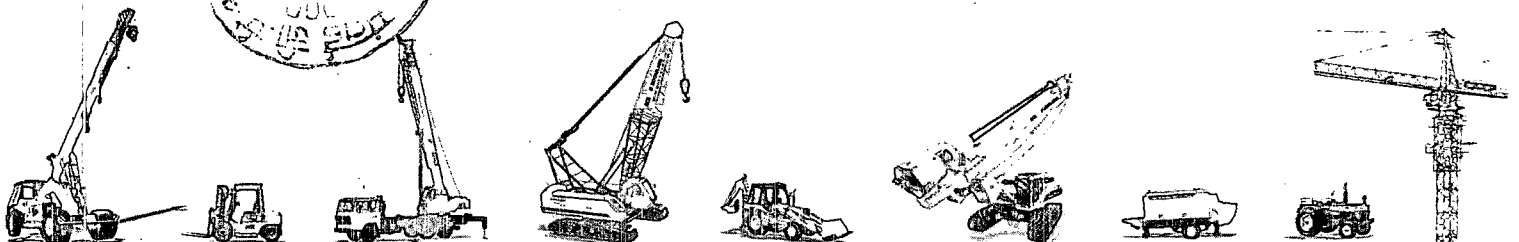


Report  junction.com

14th Annual Report 2007-2008



*Nothing beats an **ACE***



H I G H L I G H T S

2 0 0 7 - 2 0 0 8

ROBUST FINANCIAL PERFORMANCE...

- ◆ Profit after Tax up by 82%.
- ◆ Sales up by 64%.
- ◆ Number of Equipment Sold up by 61% .
- ◆ EPS increased from 2.52 per share to 4.04 per share.

IMPRESSIVE BUSINESS GROWTH...

- ◆ Production of Tractors started by the Company w.e.f March 2008
- ◆ No. of Sales and Service Dealers increased from 55 to 65.

FUTURE BEAMS...

- ◆ Full Capacity Utilization of Tractor Plant.
- ◆ Increased production in Bazpur plant situated in Uttranchal.
- ◆ Utilization of Manpower to its potential
- ◆ Improvement in Subsidiary company position.
- ◆ Implementation of latest and upgraded ERP.

REPORT SAYS...

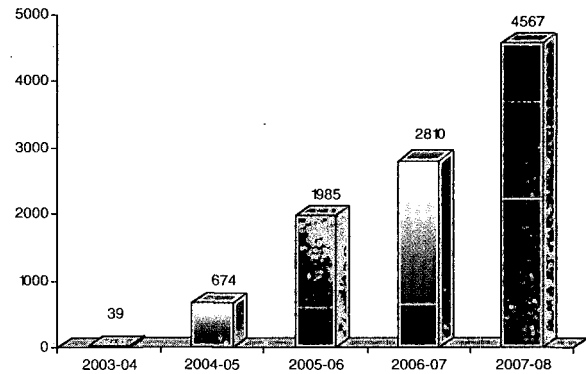
"The Indian ECE industry has the potential to grow fivefold from its current size of US\$2.3 billion to approximately US\$12-13 billion by 2015, growing at 24% CAGR"

Mckinsey and Company

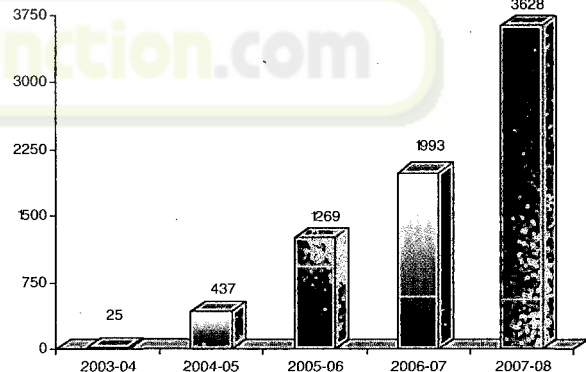
CREDENTIALS...

- ◆ CE Certified Products.
- ◆ Clientele Like Reliance, L & T(ECC), BSES, BHEL, Punj Lloyd, Essar, Gammon India, Gujrat Ambuja to name a few.
- ◆ Awarded consecutively for the second year with **Construction World NICMAR Award(2007)** for fastest growing construction equipment company

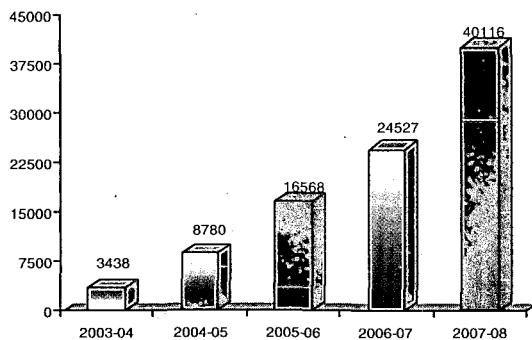
PROFIT BEFORE TAX (Rs. in lac)



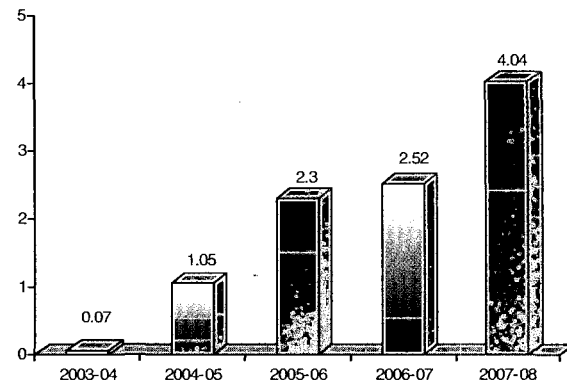
PROFIT AFTER TAX (Rs. in lac)



TURNOVER (Rs. in lac)



EARNING PER SHARE (Rs.)



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THE VISION

"Be the Leading Company in Cranes and Construction Equipment Sector, with a Global Focus".

THE MISSION

"To consolidate the existing business further in terms of Customer relations & manufacturing and to continuously add new products to our Product Portfolio, with the mission of producing and distributing good quality machines which are cost effective, have value added features and to provide the best in the line of Product Support and Spares availability".

ANNUAL REPORT 2007-08

ACE**CORPORATE PROFILE****ANNUAL REPORT 2007-08****C O R P O R A T E P R O F I L E****BOARD OF DIRECTORS**

Shri Vijay Agarwal	: Chairman & Managing Director
Smt. Mona Agarwal	: Whole-time Director
Shri Sorab Agarwal	: Whole-time Director
Shri Vijay Kumar Singh	: Whole-time Director
Shri Girish Narain Mehra (IAS Retd.)	: Non-Executive Director
Shri Subhash Chander Verma	: Non-Executive Director
Maj. Gen. (Retd.) Dr. K.C. Agarwal	: Non-Executive Director
Dr. Amar Singhal	: Non-Executive Director

CHIEF FINANCE OFFICER

Shri P.K. Bansal

COMPANY SECRETARY

Shri Ashish K. Bhatt

STATUTORY AUDITORS

M/s Rajan Chhabra & Co.
Chartered Accountants

STOCK EXCHANGES

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited
'Karvy House'
46, Avenue 4, Street No. 1,
Banjara Hills, Hyderabad- 500 034
Phone : +91-40-2331 2454, 2332 0751/52/53
Fax : +91-40-2331 1968
Email : einward.ris@karvy.com

CORPORATE OFFICE

Jajru Road, 25 Mile Stone,
Delhi Mathura Road, Ballabgarh-121 004, Haryana
Phone : +91-129-230 7922/933/924
Fax : +91-129-230 7562
E-mail : cs@ace-cranes.com

SUBSIDIARY COMPANIES

FRESTED LIMITED, Cyprus
SC FORMA SA, Romania

BANKERS

ICICI Bank Limited
Citibank N.A.
The Hongkong and Shanghai Banking Corporation
Limited

PLANTS

- Jajru Road, 25 Mile Stone, Plant-1
Delhi Mathura Road,
Ballabgarh - 121 004, Haryana
- Dudholla Link Road, Plant-2
Village Dudholla, Tehsil Palwal,
Dist. Faridabad - 121 102, Haryana
- Plot No. C-5,6,7 & 8 Plant-3
UPSIDC Industrial Area-1
Bazpur, Dist. Uddham Singh Nagar - 262 123
Uttranchal
- Dhudholla Link Road, Plant-4
Village Dhudholla, Tehsil Palwal,
Faridabad - 121 102

PRODUCT SUPPORT DIVISION

Plot No. 17, Sector - 11A,
Faridabad - 121 006, Haryana

REGISTERED OFFICE

II Floor, Plot No. 7, H Block, Sarita Vihar,
New Delhi - 110 076
Phone : +91-11-2695 3623/626/633
Fax : +91-11-2695 3717
E-mail : marketing@ace-cranes.com

WEBSITE

www.ace-cranes.com

CHAIRMAN SPEECH

C H A I R M A N S P E E C H



Dear Shareholders,

As we progress into 15th financial year of the Company, it makes me extremely proud that, our Company has carried on with it's run of good performances carried on from the past financial years. Whereas, the previous financial year was one of the major land marks in the history of the Company, as the Company brought its first Initial Public offer, this year proved to be stupendous year in view of the level of production, financial results and diversification of business of the Company.

Whereas the Company has always been one of the leading equipment manufacturers of hydraulic cranes, tower cranes and construction equipment, the company this year ventured into some new businesses. The Company, this year started manufacturing of tractors, which can contribute on a large scale for future growth. The Company through its dedicated and sincere efforts would like to make the same impact in the field of tractors, as it has made in the field of cranes and construction equipment. The idea behind venturing into tractors is to diversify the portfolio of the Company besides having a strong grip on the conventional business of the Company. The Company is also looking towards the possibility of spreading its business arms across the globe. The Company has already tied up with some prominent equipment manufacturing companies like Italy based PM and China based Zoomlion.

ACE has also successfully launched its new product offerings like Concrete Pumps, Crawler Cranes and Piling Rigs keeping in sync with expanding it's infrastructure equipment product portfolio.

Last year, the company also got CE Certification for its equipment, making the same more acceptable in the international market. Besides giving tough Competition to its competitors in India, the company is also making its presence felt in the international market.

The Company is already having two foreign subsidiaries, in Cyprus and Romania. We are sure that these companies would also progress on the same lines with the parent Company.

I am sure that coming years would add to the success, glory and wonderful achievements of the company and we would be able to achieve even bigger milestones.

Vijay Agarwal
Chairman and Managing Director

NOTICE

NOTICE is hereby given that the **Fourteenth Annual General Meeting** of the Members of **Action Construction Equipment Limited** will be held as under to transact the following business:-

Day, Date : Friday, 1st August, 2008

Time : 11:30 A.M.

Venue : MPCU SHAH AUDITORIUM, Shree Delhi Gujrati Samaj Marg, Delhi-110054.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008, audited Profit & Loss Account for the year ended 31st March, 2008, Board's Report and addendum thereto, Auditors' Report.
2. To declare dividend on Equity Share Capital for the financial year ended on 31st March, 2008. The Board has recommended final dividend of 20% on the paid-up Equity Share Capital of the Company for the year ended 31st March, 2008.
3. To appoint a Director in place of Maj. Gen. Dr. K.C. Agarwal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Subhash Chander Verma, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint M/s. Rajan Chhabra & Co., Chartered Accountants, retiring Auditors as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:-

"RESOLVED THAT pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, permissions, sanctions and consents that may be required from such authorities concerned, consent of the Members, be and is hereby accorded to the Board of Directors (hereinafter to be referred as the "the Board", which expression shall include any Committee thereof) to vary, modify, alter add or delete any of the details, as the Board may deem fit in the best interest of the Company, of the objects of the initial public offer of equity shares made by the Company through 100% book building process as contained in the prospectus dated 12th September, 2006 including the change in deployment of funds having regard to business prospects and exigencies and funding requirements of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company including any Committee thereof, be and is hereby authorized to do such acts, deeds, matters and things, as may be necessary, desirable or expedient, and to delegate all or any of the powers conferred herein to any Committee or Executive of the Company, for giving effect to the above Resolution."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY**

NEED NOT TO BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING

2. Members/Proxy should bring the Attendance Slip duly filled in, for attending the meeting.
 3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, with regard to the special business is attached herewith.
 4. The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE).
 5. The Register of Members and Share Transfer Book will remain closed from Friday, the 25th July, 2008 to Friday, 1st August, 2008 (both days inclusive) for payment of dividend. The dividend in respect of Equity Shares held in electronic form will be paid on the basis of beneficial ownership as per the details available from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
 6. For effecting change of Address/Bank details/Electronic Clearing Service (ECS) Mandate, if any, Members are requested to notify the same to the following:-
 - a. if shares are held **in physical mode**, to the Company and/or Registrar and Share Transfer Agent (R&T Agent) of the Company, i.e. M/s. Karvy Computershare Private Limited, 'Karvy House', 46 Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034. Members must quote their Folio No. in all correspondence with the Company/R&T Agent.
 - b. If shares are held **in electronic form**, to their Depository Participant (DP). The Company/ R&T Agent will not entertain requests for noting change of Address/Bank details/ECS Mandate, if any.
 7. Members holding shares in physical form may avail Nomination facility by giving the particulars of their nomination in the prescribed form to the Registrar and Share Transfer Agent.
 8. Members holding shares **in electronic form** may kindly note that their Bank Account details and 9-digit MICR Code of their Bankers, as noted in the records of their Depository, shall be used for the purpose of overprinting on Dividend Warrants, or remittance of dividend through Electronic Clearing Service (ECS), wherever applicable. It is, therefore, necessary that the Members should ensure that their correct bank details and/or 9-digit MICR Code number are noted in the records of the DP. Kindly ensure that the ECS mandate is correctly recorded with your DP so that no ECS rejection takes place.
- Reserve Bank of India (RBI) is providing Electronic Clearing Service (ECS) facility for payment of dividend in selected cities. Members holding shares in physical mode and who are desirous of availing this facility may give the details of their bank account i.e. 9-digit MICR Code in the format prescribed for this purpose (which can be obtained from the Registrar and Share Transfer Agent) along with photocopy of a cheque or a blank cancelled cheque relating to the bank account.
9. 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.

NOTICE

10. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking reappointment at the forthcoming Annual General Meeting is given in the annexure forming part of the Notice.

11. Members are requested to:-

- (i) bring their copy of Annual Report and attendance Slip at the venue of the meeting.
- (ii) Quote their Folio/DP & Client Id No. in all correspondence with the Company/ R&T Agent.
- (iii) 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.
- (iv) Note that **no gifts** will be distributed at the Annual General Meeting.

(v) Note that **shareholders present in person or through registered proxy** shall only be entertained.

(vi) The attendance slips/proxy form should be **signed** as per the specimens signatures registered with the R&T Agent/ Depository Participant (DP). Please carry photo ID card for identification/ verification purposes.

By Order of the Board
For Action Construction Equipment Limited

Place : New Delhi
Date : 19th May 2008

Sd/
(Ashish K Bhatt)
Company Secretary

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No. 6 of the accompanying Notice dated 19th May, 2008.

In Respect of Item No. 6

The Company came out with an Initial Public Offer (IPO) of 46,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 120 per equity share, aggregating to Rs. 59.80 crores. The objects, for which IPO was brought, were described in brief and as well as in detail in the prospectus itself. But due to some reasons, some of the objects for which IPO was brought are not feasible. Also, in order to meet the business exigencies and to ensure optimum utilisation of the funds in the best interest of the Company, certain revisions/ variations are required to be made in the original estimates/ schedules mentioned in the prospectus.

In terms of the provisions of Section 61 of the Companies Act, 1956, approval of the Members of the Company is required for making any variations/change in the deployment of the funds raised through IPO. Hence, your consent is sought for the aforesaid resolution.

At present, the company is not able to set up a Joint Venture (JV) with Tigieffe SRL, Italy. The Company, inter-alia, would like to utilize this money for the purpose of acquisition & setting up another production plant in Uttarakhand, which is a Tax Free Zone under various Acts.

Your Directors commends the Resolution at Item No.6 of the Notice as an Ordinary Resolution for your approval.

None of the Directors of the Company is in anyway, concerned or interested in the above resolution.

By Order of the Board of Directors

Ashish K Bhatt
Company Secretary

Place: New Delhi
Date : 19th May 2008

BRIEF RESUME OF DIRECTORS RETIRING BY ROTATION SEEKING RE-ELECTION**Major General (Retd.) Dr. K.C. Agarwal**

Dr. K.C. Agarwal aged 66 years, is a holder of Ph.D. in Mechanical Engineering from IIT Delhi. He is a retired Major General from Indian Army. During his tenure with Indian Army, he was Director in DRDO Laboratory and has experience of 28 years. He was Vice Chancellor with Rai University. He is presently Director in Ideal Institute of Engineering College. He has introduced the concept of application oriented teaching in which teaching in which practical concept is used to provide knowledge to the students based on practical implementation of project. His major projects include "e-learning "in which on line courses and provided and "Content Development" which includes practical approach to industry oriented study and as per the demand and the Industry requirements.

Dr. K.C. Agarwal does not have any shareholding in the Company. Except, Dr. K.C. Agarwal, no other Director is interested in the Resolution, relating to his appointment.

Mr. Subhash Chander Verma

Mr. Subhash Chander Verma, aged 62 years is graduate and Qualified CAIIB(Associate of Indian Institute of Bankers). He is a retired Dy. General Manager from Punjab National Bank, He has 40 years of experience in Banking Industry, out of which more than 20 years were served in Senior Management cadre like Zonal Manager, Regional Manager etc. He has experience of dealing with Industrial and infrastructural projects for their financial viability and their project Finance and appraisal.

He holds 25000 Equity shares of Rs. 2/- each in the company. Except, Shri Subhash Chander Verma, no other Director is interested in the Resolution, relating to his appointment.

ANNUAL REPORT 2007-08

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is a sound believer of the philosophy that nothing can beat a good product, supported by dedicated & hard-working professionals. The Company's Logo-**"NOTHING BEATS AN ACE"**-speaks volume. Your Company has continued with its run of good performance carried on from past financial years. Sales of your company, increased tremendously from a net turnover of Rs. 24527 lac in FY 2006-2007, to a net turnover of Rs. 40116 lac in FY 2007-2008, registering a impressive growth of 63% and CAGR of 64% in last 5 years.

The Company results for the financial year 2007-2008, which are summarized as under-

1. Increase in net turnover from Rs. 24527 lac to Rs. 40116 lac, registering an increase of 63%.
2. Profit before Tax (PBT) increased by 63% from Rs. 2810 lac to Rs. 4567 lac.
3. Profit after Tax (PAT) increased by 82% from Rs. 1993 lac to Rs. 3628 lac.
4. Earning per Share (weighed) has increased by 60% from Rs. 2.52 to Rs. 4.04 per Share.

Overall performance of the company in the financial year under review is more than satisfactory. The company has also entered new business of Tractors. Further, our latest product offerings of **Truck Mounted Cranes, Concrete Pumps, Piling Rigs & Crawler Cranes** have been very well accepted in the market and we expect to capitalize the potential of these machines in the years to come.

Review of the performance of your Company's business operations, initiatives taken by the Company and its overall financial performance in 2007-2008, are as under.

INDUSTRY STRUCTURE AND DEVELOPMENT

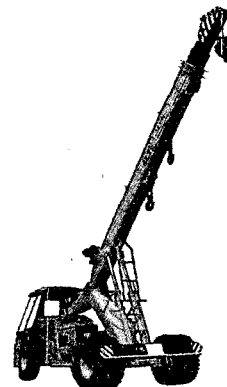
Your Company is leading Mobile Cranes, Tower Cranes and other construction equipment manufacturer with a major market share in these products. Your company has taken several initiatives to steer through the competitive situation in future and to retain its position in the business.

The Company designs, manufactures, sells and provides product support of the following equipment:-

- Hydraulic Mobile Cranes
- Mobile Tower Cranes
- Fixed Tower Cranes
- Back Hoe & Wheeled Loaders
- Lorry Loaders
- Forklift Trucks
- Crawler Cranes
- Piling Rigs
- Concrete Pumps
- Tractors

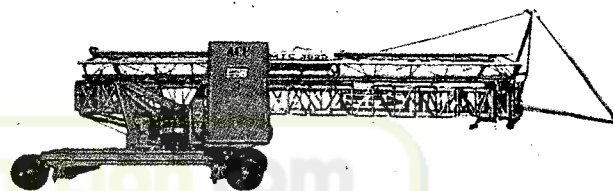
HYDRAULIC MOBILE CRANES

Hydraulic Mobile Cranes are widely used throughout Engineering, Construction and Infrastructure industry. These machines are rough terrain, pick and carry type, used for loading, unloading, moving, shifting and erecting material. The Company currently manufactures these cranes of 3 tons to 18 tons capacity. Your Company is trying to further strengthen its position in this segment. The demand for this product will continue to increase in the coming years as India is on the verge of witnessing major developments in infrastructure segment.

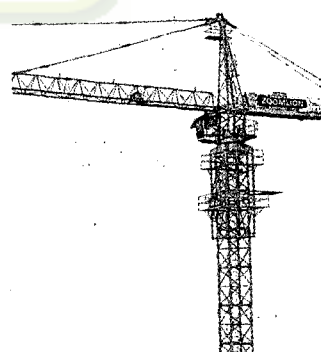


MOBILE/FIXED TOWER CRANES

Tower Cranes are basically used for civil construction. Mobile Tower Crane are self-erecting /self-folding machines. These have provisions for built-in generators to provide electricity needed to oper-

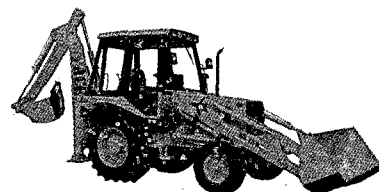


ate the machines. The Company currently manufactures Mobile Tower Cranes, which can work from 6 to 12 storeyed building. Fixed Tower Crane is also used in civil construction, but they are larger. These Cranes have maximum lifting height of 240 meters and a working radius of 70 meters. With the rise in construction of multi-storied buildings, demand for these equipments will be northbound in the years to come.



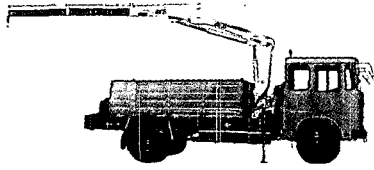
BACK HOE & WHEELED LOADERS

Back Hoe Loaders are used in the construction and infrastructure sector for digging, moving, grading and loading earth and other loose aggregates. The Company is also in the business of Wheeled Loaders.



MDA REPORT

LORRY LOADER CRANES

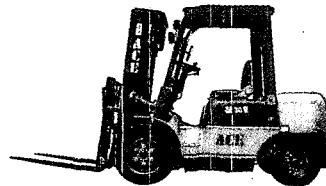


Currently, the Company imports these machines from PM. Italy and mounts them on Indian truck chassis. These machines are widely used in Europe, America and other developed countries. It can

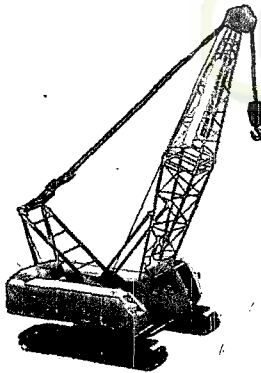
lift loads and transport it on its own chassis, and used unload at the desired destination. These are available from 2 ton/ meter to 80 ton/meter.

FORKLIFT TRUCKS

Forklift, is a powered industrial truck used to lift and transport material. Your Company started this product in previous year and has got overwhelming response in the beginning itself. The Company is supplying both battery operated and diesel operated Forklift Trucks with a lifting capacity of 1.5 ton to 10 Ton. The sale of this equipment would rise in the coming future with the increase in logistics and warehousing activities.



CRAWLER CRANES



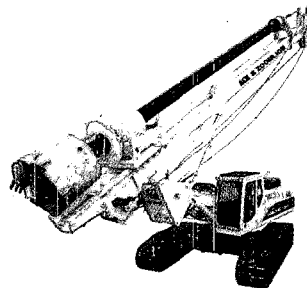
Crawler Cranes are used on soft ground for plant erection and maintenance work or plant renovation. Basically, Crawler Cranes are similar to hydraulic excavators in traction and swing the load at 360 degree. The machine stability is achieved by the tracks themselves.

The basic advantages of the Crawler Crane is, it is quick in operation on soft ground compared to other class of Cranes. ACE is marketing Crawler Cranes from 50 Tons capacity

onwards upto 600 Tons.

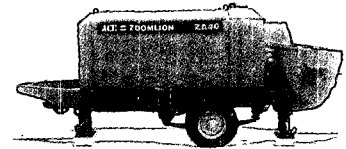
PILING RIGS

Piling Rigs recently have gained acceptance in Indian construction industry as a must have equipment in construction of bridges, metro rails, ports. With almost all the foundations now being compulsorily constructed with piling rigs, introduction of Piling Rigs in ACE range of equipment will be of great advantage. Tie up with Zoomlion ensures supply of quality machines at value for money prices to our existing clients. Zoomlion also has a complete range of models to cover all the strata, depths and diameters.

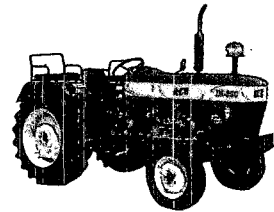


CONCRETE PUMPS

Concrete pumps in the last five years have gained a firm foothold in construction industry as the preferred method of concrete delivery. With the advent of batching plant for concrete production and transit mixers for concrete delivery, the pumps complete the end of chain by receiving and laying the concrete. Zoomlion has a range of concrete pumps which are not only of latest technology but also with proven performance. Being a short life product, the replacement market also will keep the demand high in coming years.



TRACTORS



Your company has started the production of Tractors this year. Tractors are widely used for farming purpose as against the conventional methods. The Company, in the financial year under review, has just started the production of Tractors. Its sales in the coming financial year would definitely grow exponentially.

Tractors are also used for construction and industrial purposes, and ACE shall suitably capitalize its existing strength in these sectors.

MAIN FOCUS AREAS AND APPLICATIONS

Majority of the equipment is supplied for Infrastructure Development and today Infrastructure is the buzzword for the growth of Indian Economy. Your Company's equipment is widely used in all major Infrastructure, Construction, Heavy Engineering and Industrial Projects across the country. Due to the versatility of the Company's equipment to satisfy a vast range of possible applications, the same are being successfully used in many sectors like Infrastructure construction, Power Projects, Ports & Shipyards, Dams, Metro Rail, Roads, Coal Mines, Steel Industry, Engineering Industry, Railways, Cement, Petroleum, Defence, Chemicals and Fertilizer Plants, Building Construction etc.

OPPORTUNITIES

- Your Company can exploit the foreign market, as the rate of custom duty is decreasing in foreign countries to promote competition as per WTO norms.
- Your Company can use its years of expertise to set-up Subsidiaries in foreign countries engaged in the similar field of production. Thus, the Company would be able to use its know-how for exploiting the foreign markets.
- Your Company on the other hand can form Joint Ventures (JV) outside the country to share its expertise, which it has already gained and in return get share in profits from JV. The Company can also form Joint Ventures in the country to counter competition and increase the market share.

- The market for the construction equipment is rapidly increasing due to rapid increase in development of infrastructure in the country. Your Company can turn it into its advantage by proper and timely marketing techniques.

THREATS, RISKS AND CONCERN

- The business of the Company primarily depends on proper supply of the raw material especially steel. Any adverse effect on the supply of the raw material, especially steel can hamper the production of the cranes.
- Increase in the No. of Competitors. As the Company's business is growing, new competitors with similar products are coming into the market. It could affect the company's share in the market.
- Inflation can affect the pricing and thus sales of the Company's Equipment.
- Any adverse changes in Tax laws such as Income Tax Act, Sales Tax Act, Value Added Act, Excise Act, Custom Act can have adverse effect on the sales of the Company.
- Threat from Imported Equipment can not be ignored as government is in the process of decreasing Custom duty under WTO agreements, bringing it to minimum level to promote competition.

INFORMATION AND TECHNOLOGY

Your company believes in inflow, processing and outflow of data to be accurate, efficient and adequate to help the company form well-informed and timely decisions. Your Company continues to invest highly in the IT infrastructure to support business applications. Your Company realizes that the data of the company entered should flow in an accurate and smooth manner, thus making available the right data at the right time. For this purpose, you Company have robust Private Network supplemented by high bandwidth to connect the remote locations.

Your Company believes that today in this world of IT and fast communication world, a good and Robust IT infrastructure can give competitive advantage to the company. The company is already in the process of implementing ORACLE APPS ERP. Once implemented, this can be a good advantage to the company. The implementation of this ERP is currently in final phase. This is also accompanied by significant re-engineering and simplification of our business process to improve quality and customer service at reduced costs.

RESEARCH & DEVELOPMENT

Your Company comprises of talented and motivated engineers with high energy levels, who combine individual creativity with teamwork. This Team has been instrumental in many new products and launches, and has dramatically increased the Company's speed from design to market. In the financial year, your Company launched new models of higher capacity Cranes like RT20, TM230, 18XW etc.

HUMAN RESOURCES

The Company is a technology-driven Company and has its own HR policy, which focuses on qualitative & transparent recruitment, training and development, performance management, labour welfare etc. The Company believes that the development of employees is the prime responsibility of an organization and its employees

are key contributors to its business success. It believes that to maintain the leading position in construction equipment industry, the company requires to provide good working culture and competitive compensation packages, to attract and retain talented people.

The Company seeks to establish and maintain an environment that supports its business processes and ensures that employee performance is evaluated against the achievement of objectives, which are in line with its long-term goals. All employees are provided with an opportunity to discuss their performance, plan their development and submit self-appraisals.

To achieve a high level of ownership feeling and involvement of employees in decision-making, the Company has built its HR Policy in such a way that it achieves overall growth of the company as well of Employees. Further, to motivate the employees and also to reward them for their performance, the company has a system of performance allowance based on output and target achievements, which is reviewed and modified from time to time.

COMMENTS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

YOUR COMPANY'S FINANCIAL PERFORMANCE DURING LAST 5 YEARS

Particulars	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004
Net Sales	40116.20	24527.35	16,567.56	8,780.20	3,437.99
Other Income	1063.86	383.19	31.36	13.48	5.64
TOTAL INCOME	41,180.06	24910.54	16,598.92	8793.68	3,443.63
EXPENDITURE					
Raw materials & goods consumed	30592.40	18,608.41	12,377.54	6933.62	2,842.36
Manufacturing expenses	2078.46	1,261.96	743.63	366.97	122.20
Staff Costs	1368.31	629.14	489.59	275.17	128.94
Selling & Distribution expenses	1287.29	894.42	612.92	222.24	101.71
Administration & other expenses	842.66	534.02	304.28	250.83	154.23
Interest	124.95	43.68	14.24	20.00	28.28
Depreciation	318.93	128.72	71.50	50.61	26.65
TOTAL EXPENDITURE	36613.00	22,100.35	14,613.70	8119.44	3,404.37
Net Profit before tax	4567.06	2,810.19	1,985.22	674.24	39.26
Provision for Taxations	938.86	817.05	716.00	237.00	14.56
Net Profit after tax	3628.20	1,993.14	1,269.22	437.24	24.70