



**Action Construction Equipment Ltd.**

## **Lifting India's infrastructure growth**



## Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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## **NOTICE**

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

**Day, Date :** Wednesday, 21st September 2011

**Time :** 12:00 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, 2011, audited Profit & Loss Account for the year ended 31st March, 2011, Board's Report and addendum thereto, Auditors' Report.
2. To confirm interim dividend and declare final dividend for the financial year 2010-11
3. To appoint a Director in place of Mr. Subhash Chandra Verma, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Amar Singhal, 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.

### **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. The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE).
4. The Register of Members and Share Transfer Book("Books") would remain closed from 16th September, 2011 to 20th September, 2011 (both days inclusive) for the purpose of Clause 16 of the Listing Agreement, wherein the Books should be closed at least once a year.
5. 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.

6. Members are further informed that as a part of Green initiative taken by Ministry of Corporate Affairs, the Company is sending this Annual Report and would send all the future Notices and Communications to the e-mail addresses of the shareholders, whose e-mail are registered with the Company or either with the Depository. However, the Shareholders of whose e-mail ids are not registered with the Company or either with the depository would continue to receive the same in physical form. Any shareholder desirous of receiving physical copy of any document can apply for the same to the Company. The Share holders whose e-mail Id's are not registered with the Company, are requested to register the same by sending a letter as per the attached format, as they would be able to receive the information in quick time and also it would be useful to the environment.
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.
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:-
  - a. Bring their copy of Annual Report and attendance Slip at the venue of the meeting.
  - b. Quote their Folio/DP & Client Id No. in all correspondence with the Company/ R&T Agent.
  - 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 **no gifts** will be distributed at the Annual General Meeting.
  - e. Note that **shareholders present in person or through registered proxy** shall only be entertained.
  - f. 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**

Sd/

**(Rajan Luthra)  
CFO & Company Secretary**

**Place:** Ballabgarh

**Date:** 30th May, 2011



**Action Construction Equipment Limited**



**Action Construction Equipment Ltd.**

Registered Office: 5th Floor, TDI Centre, Jasola, New Delhi-110076

I/We \_\_\_\_\_ being a member of Action Construction Equipment Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy, in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 21st day of September, 2011 at 12:00 a.m. at MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Delhi-110054

Signature:  
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 11

Affix  
Revenue  
stamp of  
Rs.1/-

Ledger Folio/DP & Client Id No.	
No. of Shares	
Name	
Address	
Proxy No.	

Note : The proxy in order to be valid, must be deposited at the Registered Office of the Company duly stamped, completed and signed, not less than 48 hours before the time of holding the meeting.



**Action Construction Equipment Ltd.**

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

Ledger Folio/DP & Client Id No.	
No. of Shares	
Name	
Address	
Proxy No.	

I hereby record my presence at the Annual General Meeting of the Company to be held on Wednesday, 21st day of September, 2011 at 12:00 a.m. at MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Delhi-110054

Signature of Shareholder/Proxy:



To,

The Manager  
Karvy ComputerShare Pvt. Ltd.  
(Unit: ACE)  
'Karvy House', 46 Avenue 4,  
Street No.1, Banjara Hills,  
Hyderabad-500034

**FORMAT FOR INTIMATING E-MAIL ADDRESS TO COMPANY**

I/We, \_\_\_\_\_, holding shares of ACTION CONSTRUCTION EQUIPMENT LIMITED vide folio no. / DP ID Client ID \_\_\_\_\_ wish/wishes to receive all documents / notices from Company through e-mail. Company is hereby advised to record below mentioned e-mail for this purpose:

E-MAIL ADDRESS: \_\_\_\_\_

Thanking you,

(\_\_\_\_\_)   
Signature of the First and Jt. Holder(s)  
(as per specimen Registered)

(You can also send a scanned copy of the letter duly signed at the email address: [cs@ace-cranes.com](mailto:cs@ace-cranes.com))



# **A great grand debate is on... across every part of India about what role infrastructure can play to catalyse growth and usher in a new socio-economic Renaissance.**

To say the sectoral opportunity is humongous is an understatement: US\$ 514.04 billion is the projected infrastructure investment for the Eleventh Five-Year Plan. To be allocated across ports (US\$ 22 billion), airports (US\$ 7.74 billion), railways (US\$ 65.45 billion), roads and highways (US\$ 78.54 billion) and energy (US\$ 166.63 billion).

The result is that India's infrastructure is at a historic threshold of an explosive opportunity.

But India needs a catalyst to transform its investment potential into an everyday reality. It will not be a dry investment statistic, but a better quality of life in the form of enhanced rail-road connectivity, advanced port facilities, sophisticated airports and more electricity to light up homes and urbanisation.

At ACE, our business revolves around this national priority on infrastructure growth through critical multi-sectoral intervention in material handling and construction equipment.

India's infrastructure saga has just begun to unfold. We believe that this is going to be one of the biggest socio-economic revolutions since Independence to catapult the nation to the esteemed league of a developed economy.





**"FY 2010-11 proved to be a landmark year in the history of the Company, not simply because of mind-blowing figures and numbers but also the way the company reacted in the adverse situation, responded and reached to such level."**

## CMD's Review

### Dear Stakeholders,

In FY 2008-09, the Indian and Global economy was slumping, the financial markets were uncertain and prospects of doing business in those situations was frightening as well as challenging but still we as a Company were quite sure of doing business in those difficult situations also. We were sure of the basics which we have put in while making the Company i.e. to satisfy our customers whatever be the situations and conditions are. Then came the FY 2009-10, which through its passing by not only put the growth back on track but also promised a wonderful financial year ahead and as they say, "things that can't destroy you, make you stronger", so did happen with us. FY 2010-11 proved to be a landmark year in the history of the Company, not simply because of good figures and numbers but also the way the company responded in the adverse situation and reached to such a level.

### ACCELERATED GROWTH

To sum up growth of the Company this year, only one word comes to my mind ..... phenomenal.... The Net sales of the Company for the FY 2010-11 grew from the last year figures of Rs. 42712 lacs in FY 2009-10 to Rs. 68647 lacs in FY 2010-2011. The PBT of the Company grew from Rs. 3277 lacs in FY 2009-10 to Rs. 5432 lacs in FY 2010-11. The Net Profit of the Company grew from Rs. 2444.01 lacs in FY 2009-10 to Rs. 4060 lacs in FY 2010-11.

A final dividend of 50% has been recommended by Board, in addition to the interim dividend of 50% for the year, making a total 100% for the year.

The figures are quite heartening and reflect the efforts which we as a Company have put in, in the growth of the Company with the help of all other stakeholders of the Company. The previous two years were the consolidating years, however FY 2010-11 just proved to be takeoff phase wherein not only figures almost doubled but some major investments have been done in the Company by other big corporates like Reliance Capital, who were allotted 3.23% stake in the Company.

Now, I would like to focus on how we plan to strengthen ACE and execute our strategy to extend our market leadership.



## FUTURE PLANS

As said, this is a take-off phase not only from the Company's point of view but from economy's point of view as well, with the government emphasizing to achieve a growth rate in double figures, we are sure to capitalize on it. As discussed in the last Annual report that the Government plans a US \$ 514.04 billion projected investment in infrastructure, with major emphasis on ports, airports, railways, road & highways, energy, pipelines etc., I am quite pleased to inform you that the Company is all set to take the advantage of the same and act as catalyst to the same.

It cheers me to say that the Company has started making almost every equipment which is needed for Infrastructure development and is also increasing capacities for the same. As told in previous annual report regarding doubling of our capacity and installing a new plant each in Faridabad and Uttaranchal for Mobile Cranes, I am pleased to inform you that Company has started a new plant in Palwal nearby Faridabad, wherein the Company has already started making upto 500 Nos. Mobile Cranes and which can be utilized for production upto 800 Nos. equipment.

The Company would soon be opening another plant at Kashipur, as a part of its expansion plans. The Company is planning to double its capacity every year for tractors for next - 3 years, this is to inform that the Company is well-poised for the same and hopefully in FY 2011-12, construction equipment and tractor business would see unprecedented growth. The company also introduced indigenously manufactured Tower Cranes and Crawler Cranes in FY11 which received a very hearty response from the customers.

Company also plans to add bigger models of Tower Cranes & Crawler Cranes in the near future.

## RESEARCH AND DEVELOPMENT

As you are aware that the Company's sole motive is to provide quality products at reasonable prices, for which the Company has one of the largest in-house team of Research and Development professionals, working with best available software and technologies to drive product innovation. The sole motive of this team is to continuously modify and alter the products of the Company, as per the needs of the market and to provide best products to its customers. I am also extremely pleased to inform you that the Company has also got recognition for its in-house research and development centre from DSIR (Department of Scientific & Industrial Research),

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which would also enable the company to avail benefits under Income Tax, 1961. The benefits of the recognition would be available to us in FY 2010-11 itself and in future also.

Finally, a word on our people. Our people are our strength. We believe in selecting and retaining the best and continuously hone their skills with training and other skill building programs. We continue to invest significantly in the knowledge, skill and competence of Human Resources. Because, at the end of day we believe that the organization is as good as it's people are.

We made technology investments that allow us to better integrate our talent management and performance and gain transparency across the Company. By investing in people's development, helping employees to realize their potential and develop the skills and competencies we will need as markets change, we are investing in the future of the Company.

## NOTE OF GRATITUDE

I would like to thank our investors, clients, employees, vendors and other stakeholders for their continuous and never ending support to the Company, in tough times, as well as in fairer times. I seek similar kind of support in the years to come, so that we can fulfill the dream of taking the Company to greater heights. We continue leverage our strong cash flow and zero-debt status to drive growth and efficiencies generating long-term value for our shareholders.

Vijay Agarwal  
Chairman and Managing Director

**ACE is India's leading material handling and construction equipment manufacturing company, enjoying over 50% market share in Mobile Cranes and Tower Cranes segment.**

### Vision to excel

To be the leading company in cranes and construction equipment sector, with a global focus.

### Mission to stay ahead

To consolidate existing business further in terms of customer relations and manufacturing and to continuously add new products to our 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 product support and spares availability.

### Quality policy

We are in business only because of our valued customers, whose point of view is the only way for us to see things. We dedicate all our resources to delight our customers by providing them quality products and services.

### Legacy that entails responsibility

- > At ACE, we are headed by Mr. Vijay Agarwal, Chairman and Managing Director and managed by professionals having rich industry experience. We are focused on providing integrated solutions through equipment for construction and material handling for over 16 years.
- > Headquartered in New Delhi, ACE enjoys a pan-India presence through a network of 96 sales and service