



ACTION CONSTRUCTION EQUIPMENT LIMITED

CIN: L74899HR1995PLC053860

Regd. & Corporate Office: Dudhola Link Road, Dudhola, Distt. Palwal -121102, Haryana

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Notice

NOTICE TO MEMBERS PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Clause 35B of the Equity Listing Agreement and other applicable laws and regulations, that the resolutions appended below are proposed to be passed by the Members through postal ballot / electronic voting (e-voting). The proposed resolutions, along with the explanatory statement setting out the material facts and reasons thereto, are appended below and a Postal Ballot Form is enclosed for your consideration.

The Board of Directors of the Company in their meeting held on 5th February, 2015 have appointed Ms. Anjali Yadav, Proprietor of M/s. Anjali Yadav & Associates, Company Secretaries as the Scrutinizer for conducting the postal ballot and evoting process in a fair and transparent manner. Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 5:00 P.M. on 6th May, 2015 (Wednesday). Please note that the Postal Ballot Form(s) received after the said date and time will be treated as not having been received.

The Scrutinizer will submit her report to the Chairman or any other Director of the Company after the completion of the scrutiny of the postal ballots (including evoting). The result of postal ballot (including evoting) shall be declared on 8th May, 2015 (Friday) at 5:00 P.M. at the registered office of the Company.

The result and the report of the Scrutinizer on the postal ballot shall be communicated to the Stock Exchanges where the equity shares of the Company are listed, the Depository and the Registrar and Share Transfer Agent and would also be displayed on the Company's website at www.ace-cranes.com.

Members desiring to opt for evoting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through electronic means' in this Notice.

The Notice is being sent to all the members whose name appears in the Register of Members/List of beneficial owners received from National Securities Depositories Limited ("NSDL")/ Central Depository Services (India) Limited ("CDSL") as on 20th March, 2015.

ITEM NO. 1 – INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61, and all other applicable provisions, if any, of the Companies Act, 2013 and the rules issued there under (including any statutory modification or re-enactment thereof for the time being in force), the Authorized Share Capital of the Company be and is hereby increased from Rs. 24,50,00,000/- (Rupees Twenty Four Crore Fifty Lacs) divided into 12,25,00,000 (Twelve Crore Twenty Five Lacs) Equity Shares of Rs. 2/- (Rupees Two) each to Rs. 50,25,00,000/- (Rupees Fifty Crore Twenty Five Lacs Only) divided into 25,12,50,000 (Twenty Five Crore Twelve Lacs Fifty Thousand) Equity Shares of Rs. 2/- (Rupees Two) each and consequently the respective Capital Clauses in the Memorandum of Association of the Company do stand altered accordingly."

ITEM NO. 2 – RE-CLASSIFICATION OF THE AUTHORIZED SHARE CAPITAL AND AMENDMENT IN THE MEMORANDUM OF ASSOCIATION.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61, and all other applicable provisions, if any, of the Companies Act, 2013 and the rules issued

thereunder (including any statutory modification or re-enactment thereof for the time being in force) approval of the members be and is hereby accorded for reclassification of the Authorised Share Capital of the Company from Rs. 50,25,00,000/- (Rupees Fifty Crore Twenty Five Lacs Only) divided into 25,12,50,000 (Twenty Five Crore Twelve Lacs Fifty Thousand) Equity Shares of Rs. 2/- (Rupees Two) each to Rs. 50,25,00,000 (Fifty Crore Twenty Five Lacs Only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs. 2/- (Rupees Two Only) each and 3,02,50,000 (Three Crore Two Lacs Fifty Thousand) 8% Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten Only) each.

V. The Authorized share capital of the Company is Rs. 50,25,00,000/- (Rupees Fifty Crore Twenty Five Lacs Only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs. 2/- (Rupees Two Only) each and 3,02,50,000 (Three Crore Two Lacs Fifty Thousand) 8% Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten Only) each.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) /Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

ITEM NO. 3 –RATIFICATION OF MANAGERIAL REMUNERATION OF MR. VIJAY AGARWAL (DIN:00057634), CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to such other approvals, if any, as may be required, consent of the members be and is hereby accorded to the Board of Directors of the Company to ratify and confirm the remuneration paid, over and above the limits prescribed under the provisions of Sections 198, 309 read together with Schedule XIII of the Companies Act, 1956 and the provisions of Sections 196, 197, 203 of the Companies Act, 2013, well within the limits as approved by the Shareholders in their 16th Annual General Meeting held on 6th September, 2010, amounting to Rs. 2,67,40,000/- (Rupees Two Crore Sixty Seven Lacs Forty Thousand Only) as approved by the Central Government vide SRN No. B70175369/2013-CL-VII dated 21st November, 2013 for the Financial year 2013-14, paid/payable to Mr. Vijay Agarwal (DIN: 00057634), Chairman & Managing Director, during the year 1st April, 2014 to 31st March, 2015 amounting to Rs. 2,67,40,000/- (Rupees Two Crore Sixty Seven Lacs Forty Thousand Only) and Rs. 1,33,70,000 (Rupees One Crore Thirty Three Lacs Seventy Thousand Only) to be paid for remaining period of his tenure from 1st April, 2015 to 30th September, 2015 on pro-rata basis.

RESOLVED FURTHER THAT subject to the approval of Central Government, managerial remuneration of Rs. 2,67,40,000/- (Rupees Two Crore Sixty Seven Lacs Forty Thousand Only) paid/payable to Mr. Vijay Agarwal (DIN: 00057634), Chairman & Managing Director during the period 1st April, 2014 to 31st March, 2015 be and is hereby approved & ratified and Rs. 1,33,70,000 (Rupees One Crore Thirty Three Lacs Seventy Thousand Only) to be paid for remaining period of his tenure from 1st April, 2015 to 30th September, 2015 on pro-rata basis.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered it to be necessary or desirable to give effect to this Resolution in this regard."

ITEM NO. 4–RATIFICATION OF MANAGERIAL REMUNERATION OF MRS. MONA AGARWAL (DIN: 00057653), WHOLE-TIME DIRECTOR OF THE COMPANY.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment

Notice (continued)

and Remuneration of Managerial Personnel) Rules, 2014, subject to such other approvals, if any as may be required, consent of the members be and is hereby accorded to the Board of Directors of the Company to ratify and confirm the remuneration paid, over and above the limits prescribed under the provisions of Sections 198, 309 read together with Schedule XIII of the Companies Act, 1956 and the provisions of Sections 196, 197, 203 of the Companies Act, 2013, well within the limits as approved by the Shareholders in their 16th Annual General Meeting held on 6th September, 2010, amounting to Rs. 1,34,60,000/- (Rupees One Crore Thirty Four Lacs Sixty Thousand Only) as approved by the Central Government vide SRN No. B70093851/2013-CL-VII dated 6th November, 2013 for the Financial year 2013-14, payable to Mrs. Mona Agarwal (DIN: 00057653), Whole-time Director, during the period 1st April, 2014 to 31st March, 2015 amounting to Rs. 1,34,60,000/- (Rupees One Crore Thirty Four Lacs Sixty Thousand Only) and Rs. 67,30,000 (Rupees Sixty Seven Lacs Thirty Thousand Only) to be paid for remaining period of her tenure from 1st April, 2015 to 30th September, 2015 on pro-rata basis.

RESOLVED FURTHER THAT subject to approval of the Central Government, managerial remuneration of Rs. 1,34,60,000/- paid/payable to Mrs. Mona Agarwal (DIN: 00057653), Whole-time Director during the year 1st April, 2014 to 31st March, 2015 be and is hereby approved & ratified and Rs. 67,30,000 (Rupees Sixty Seven Lacs Thirty Thousand Only) to be paid for remaining period of her tenure from 1st April, 2015 to 30th September, 2015 on pro-rata basis.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered it to be necessary or desirable to give effect to this Resolution in this regard."

ITEM NO. 5 –RE-APPOINTMENT OF MR. VIJAY AGARWAL(DIN: 00057634), CHAIRMAN & MANAGING DIRECTOR FOR A PERIOD OF 3 YEARS W.E.F 1ST OCTOBER, 2015 AND FIXATION OF HIS REMUNERATION.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, 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 period of three years with effect from 1st October, 2015 at a remuneration in the scale of Rs. 2,67,40,000 (Rs Two Crores Sixty Seven lacs and Forty Thousand only) to Rs. 3,25,00,000/- (Rupees Three Crore Twenty Five Lacs only) per annum, the details of which are given in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any financial year, the remuneration as set out in the Explanatory Statement be paid to 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 authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Vijay Agarwal (DIN: 00057634), Chairman & Managing Director, including the components of the above mentioned remuneration payable to him subject to the overall limit of Rs. 3,25,00,000/- (Rupees Three Crore Twenty Five Lacs only) per annum."

ITEM NO. 6 –RE-APPOINTMENT OF MRS. MONA AGARWAL(DIN: 00057653), WHOLE-TIME DIRECTOR FOR A PERIOD OF 3YEARS W.E.F 1ST OCTOBER, 2015 AND FIXATION OF HER REMUNERATION.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Mrs. Mona Agarwal (DIN: 00057653) as Whole-time Director of the Company for a period of three years with effect from 1st October, 2015 at a remuneration in the scale of Rs 1,34,60,000 (Rupees One Crore Thirty Four Lacs Sixty Thousand only) to Rs. 1,50,00,000/- (Rupees One Crore Fifty Lacs only) per annum, the details of which are given in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any financial year, the remuneration as set out in the Explanatory Statement be paid to Mrs. 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 authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mrs. Mona Agarwal(DIN: 00057653), Whole-time Director, including the components of the above mentioned remuneration payable to her subject to the overall limit of Rs. 1,50,00,000/- (Rupees One Crore Fifty Lacs only) per annum."

ITEM NO. 7 –RE-APPOINTMENT OF MR. SORAB AGARWAL(DIN: 00057666), WHOLE-TIME WITH THE DESIGNATION OF EXECUTIVE DIRECTOR FOR A PERIOD OF 3 YEARS W.E.F 1ST OCTOBER, 2015 AND FIXATION OF HIS REMUNERATION.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the members be and is hereby accorded to re-appoint Mr. Sorab Agarwal (DIN:00057666) as Whole-time Director with the designation of Executive Director for a period of three years with effect from 1st October, 2015 at a remuneration in the scale of Rs. 36,00,000 (Rupees Thirty Six Lacs only) to Rs. 60,00,000/- (Rupees Sixty Lacs only) per annum, the details of which are given in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any financial year, the remuneration as set out in the Explanatory Statement be paid to 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 authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the Government departments, as may be required in this regard.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Sorab Agarwal(DIN:00057666), Whole Time Executive Director, including the components of the above mentioned remuneration payable to him subject to the over all limit of 60,00,000/- (Rupees Sixty Lacs only) per annum."

Notice (continued)

ITEM NO. 8 –TRANSACTIONS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, if any, consent of the Members be and is here by accorded for entering into related party transactions by the Company with effect from 1st April, 2015 upto the maximum per annum amounts as appended below:-

(Rs. In Lacs)

MAXIMUM VALUE OF CONTRACT / TRANSACTION (PER ANNUM) W.E.F 1ST APRIL, 2015					
	Transaction defined u/s 188(1) of Companies Act, 2013				Others
	Sale, purchase or supply of any goods, materials	Selling or otherwise disposing of, or buying, property of any kind	Leasing of property of any kind	Availing or rendering of any services; Appointment of any agent for purchase or sale of goods, materials, services or property	Donation (for CSR-Corporate Social Responsibility/ initiatives of the Company)
NAME OF RELATED PARTIES					
COMPANIES	On actual basis, Exempted being in the ordinary course of business and on arm's length basis. (Subject to a maximum of amount p.a. as mentioned against the name of the company)				
ACE TC Rentals Private Limited	1500	-	5	-	-
VMS Equipment Private Limited	7500	-	10	-	-
TRUST / SOCIETY / FIRM / LLP:					
ACE Emergency Response Service Trust	-	-	5	-	175
SUBSIDIARIES / STEP-DOWN SUBSIDIARIES / JOINT-VENTURE	-	-	-	-	-
DIRECTORS/KMPs/RELATIVES OF DIRECTORS AND KMPs/ OTHER FIRMS AND COMPANIES in which director have some interest as per the provisions of section 2(76) of the Companies Act, 2013	-	-	75	-	-

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof or any person authorized by the Board, be and are hereby authorized to execute the documents, deeds or writings required to be executed in relation to the transfer and vesting of the Business Undertakings and other incidental documents, make applications to regulatory and governmental authorities for the purposes of obtaining all approvals, consents, permissions and sanctions required by the Company and to do all acts and deeds to give effect to this resolution.”

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

**Sd/-
R.S. Jhanwer
Head-Corporate Affairs
& Company Secretary
M. No. A6846**

Place : Faridabad

Date : 5th February, 2015

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 1 and 2

The equity shares of your Company are listed on The National Stock Exchange of India Limited and BSE Limited. The Board of Directors at their meeting held on 5th February, 2015 considered and approved the modified scheme of Amalgamation between ACE TC Rentals Private Limited (“Transferor Company”) and Action Construction Equipment Limited (“Transferee Company”) subject to the approval of Members, SEBI, Stock Exchanges, Hon'ble High Court for the States of Punjab and Haryana at Chandigarh and other regulatory authorities/ department/agency etc.

In view of the proposed amalgamation, the existing Authorised Share Capital may not be sufficient for the purpose. It is therefore considered necessary to increase the Authorised Share Capital of the Company to the extent mentioned in Item No.1 of the Notice and reclassify the Authorised Share Capital of the Company to enable the Company to allot shares, as proposed in the modified Scheme of Amalgamation, once the Scheme of Amalgamation is finally approved and becomes effective, after all the requisite approvals and for that purpose, the Memorandum of Association of the Company is proposed to be suitably altered as set out at Item No. 2 of the accompanying Notice.

The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for increase in Authorised Share Capital and reclassification of the Authorised Share Capital and the alteration of capital clause of the Memorandum of Association of the Company. Accordingly, the Board of Directors recommends the resolutions set out at Item No. 1 and 2 of the accompanying Notice as Special resolution(s) for the approval of the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No 1 and Item No 2.

The Board commends the Special Resolutions set out at Item No. 1 and 2 of the Notice for approval by the Members.

Item No. 3 & 4

The Members at their 16th Annual General Meeting held on 6th September, 2010 had by way of Special Resolutions, approved the appointment and remuneration of the following Executive Directors, on the terms and conditions as mentioned therein:-

Notice (continued)

S. No.	Name	Term	Date of expiration of term	Remuneration (Rs. in Lacs)
1.	Mr. Vijay Agarwal (DIN: 00057634), Chairman & Managing Director	5 years	30th September, 2015	252 p.a plus perks
2.	Mrs. Mona Agarwal (DIN: 00057653), Whole-time Director	5 years	30th September, 2015	126 p.a plus perks

In view of the inadequate profits, your Company had filed applications to the Central Government for approval of the payment of managerial remuneration to Mr. Vijay Agarwal and Mrs. Mona Agarwal for the year 2012-13 and 2013-14

and Central Government has since accorded its approval for payment of managerial remuneration as under:

Name of the Director	Financial Year (Rs. in Lacs)	
	2012-13	2013-14
Mr. Vijay Agarwal, Chairman & Managing Director	235.06	267.40
Mrs. Mona Agarwal, Whole-time Director	135.96	135.96

It is proposed to pay the following managerial remuneration to its managerial personnel as per details given hereunder:

Name of the Director	Financial Year (Rs. in Lacs)	
	2014-15	2015-16 [01.04.2015 to 30.09.2015]
Mr. Vijay Agarwal, Chairman & Managing Director	267.40	133.70
Mrs. Mona Agarwal, Whole-time Director	134.60	67.30

The maximum remuneration that could be paid to all its managerial personnel, being 10% of the Net Profit of the Company as calculated under the Companies Act, 2013 would not be sufficient to meet the above requirements.

Keeping in view the inadequate actual profits of the Company for the nine months ended 31st December, 2014 and projected profits for the full financial year ending 31st March, 2015, due to lower sales, slowdown in the economic activities and delays in the execution of projects by our customers, the Nomination & Remuneration Committee has recommended to pay the same remuneration for the financial year 2014-15 as approved by the Central Government for the 2013-14 and by the members initially while approving their appointment and remuneration in the members meeting held on 6th September, 2010, though it exceeds the limits prescribed under the Companies Act, 2013 and erstwhile Companies Act, 1956 as set forth in the above resolutions, subject to approval of the shareholders and the Central Government, if required and to be payable for remaining period of his/her tenure from 1st April, 2015 to 30th September, 2015 on pro-rata basis.

Mr. Vijay Agarwal and Mrs. Mona Agarwal are interested in the resolution set out at Item No. 3 and 4 of the Notice. Mr. Sorab Agarwal, Executive Director and Mrs. Surbhi Garg, Executive Director being related to Mr. Vijay Agarwal and Mrs. Mona Agarwal may be deemed to be interested in the resolution set out at Item No. 3 and 4 of the Notice.

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(s).

The Board commends the Special Resolutions set out at Item No. 3 and 4 of the Notice for approval by the Members.

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

Item No. 5.

Mr. Vijay Agarwal, aged 65 years, is a Promoter director and Chairman & Managing Director of the Company. Mr. Agarwal is having over 43 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 20 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.

His current term of appointment as Chairman & Managing Director of the Company will expire on 30th September, 2015. He has excellent grasp and through 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 three years with effect from 1st October, 2015 for smooth and efficient running of the business.

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 of and remuneration payable to Mr. Vijay Agarwal are as under:

(a) Salary, Perquisites and Allowances per annum:

Salary	In the scale of Rs. 252 lacs to Rs. 300 Lacs
Perquisites and Allowances	In the scale of Rs. 15.40 lacs to Rs. 25 Lacs

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

(b) Reimbursement of Expenses

Expenses incurred for travelling, boarding and lodging including for Mr. Vijay Agarwal's spouse and dependents during business trips, any medical

Notice (continued)

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) General:

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

Mr. Vijay Agarwal satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act, 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.

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.

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

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

Item No. 6.

Mrs. Mona Agarwal is a Whole-time Director of the Company. Her current term of appointment as a Whole-time Director of the Company will expire on 30th September, 2015. The Board of Directors considers that for smooth and efficient running of the administrative and Human Resource affairs of the Company, the services of Mrs. Mona Agarwal should be available to the Company for a further period of three years with effect from 1st October, 2015. Under her guidance, the company's administrative affairs are being handled in a professional manner. She has helped the company to formulate effective and motivating HR Policies.

It is proposed to seek the members' approval for the re-appointment of 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 of and remuneration payable to Mrs. Mona Agarwal are as under:

(a) Salary, Perquisites and Allowances per annum:

Salary	In the scale of Rs. 126 lacs to Rs. 140 Lacs
Perquisites and Allowances	In the scale of Rs. 8.60 lacs to Rs. 10 Lacs

The perquisites and allowances, as aforesaid, shall include

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

(b) Reimbursement of Expenses

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

(c) General:

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

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

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

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.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

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

Item No. 7

Mr. Sorab Agarwal, aged 37 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 17 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.

His current term of appointment as Executive Director of the Company will expire on 30th September, 2015. He has excellent grasp and thorough knowledge and experience of general management besides technology &

Notice (continued)

engineering aspect of products and marketing ability. Considering his knowledge of various aspects relating to the Company's affairs and vast business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Sorab Agarwal should be available to the Company for a further period of three years with effect from 1st October, 2015.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Sorab Agarwal as Whole-time Director with the designation as Executive 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 are as under:

(a) Salary, Perquisites and Allowances per annum:

Salary	In the scale of Rs. 33.60 Lacs to Rs.55 Lacs
Perquisites and Allowances	In the scale of Rs. 2.40 Lacs to Rs. 5 Lacs.

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

(b) Reimbursement of Expenses

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

(c) General:

- (i) Whole-time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Chairman & Managing

Director.

- (ii) Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) Whole-time Director shall adhere to the Company's Code of Conduct.

Mr. Sorab Agarwal satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act, 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.

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.

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

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

Item No. 8

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe procedure to be followed for seeking approval of related party transactions. The revised Clause 49 of the Listing Agreement which has come into operation with effect from 1st October, 2014 has also prescribed seeking of shareholders' approval for material related party transactions. The proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis. All the proposed transactions put up for approval are in ordinary course of business and at arm's length. Pursuant to the provisions of revised Clause 49 of the Equity Listing Agreement, the following contracts / arrangements / transactions are material in nature and require the approval of the unrelated shareholders of the Company by a special resolution:

(Rs. In Lacs)

MAXIMUM VALUE OF CONTRACT / TRANSACTION (PER ANNUM) W.E.F 1ST APRIL, 2015					
	Transaction defined u/s 188(1) of Companies Act, 2013				Others
	Sale, purchase or supply of any goods, materials	Selling or otherwise disposing of, or buying, property of any kind	Leasing of property of any kind	Availing or rendering of any services; Appointment of any agent for purchase or sale of goods, materials, services or property	Donation (for CSR-Corporate Social Responsibility/ initiatives of the Company)
NAME OF RELATED PARTIES					
COMPANIES	On actual basis, Exempted being in the ordinary course of business and on arm's length basis. (Subject to a maximum of amount p.a. as mentioned against the name of the company)				
ACE TC Rentals Private Limited	1500	-	5	-	-
VMS Equipment Private Limited	7500	-	10	-	-
TRUST / SOCIETY / FIRM / LLP:					
ACE Emergency Response Service Trust	-	-	5	-	175
SUBSIDIARIES / STEP-DOWN SUBSIDIARIES / JOINT-VENTURE	-	-	-	-	-

Notice (continued)

DIRECTORS/KMPs/RELATIVES OF DIRECTORS AND KMPs/OTHER FIRMS AND COMPANIES in which director have some interest as per the provisions of section 2(76) of the Companies Act, 2013	-	-	75	-	-
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Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company has approved this item in the Board Meeting held on 5th February, 2015. The Board of Directors is of the opinion that the transactions are on arm length basis and are in the ordinary course of

business and recommends the resolution as set out in the accompanying Notice for the approval of members of the company as a Special Resolution.

Except Promoter Directors and their relatives, no other Director is concerned or interested in the Resolution.

Copies of the Individual Contracts with the related parties are available for inspection by the members at the registered office of the Company on all working days between 10:00 A.M to 5:30 P.M.

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO THE PROVISIONS OF PART II SECTION II (B) (iv) OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT TO ITEM NOS. 3-7 OF THE NOTICE

I. GENERAL INFORMATION

- Nature of Industry:** Manufacturing of Cranes
- Date of Commencement of Commercial Production:** Year 1995
- Financial Performance of the Company:**

The Financial Performance of the Company is as follows:

(Amount in Rs. Lacs)

	2014-15 (For Nine Months)	2013-14	2012-13	2011-12
Sales and other Income	42386	60,888	66108	84,757
Profit before Depreciation, Interest and Tax but after Prior Period Items	2346	3,080	3378	5,706
Depreciation / Amortization	720	1,527	1362	1,133
Interest and Finance Charges	991	1,041	1046	735
Profit / (Loss) before Exceptional Items and Tax	635	512	1104	3,836
Exceptional Gain / (Loss)	-	-	-	-
Profit / (Loss) before Tax	635	512	1104	3,836
Profit / (Loss) After Tax	483	402	721	2847

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

II. Information about appointee:

S. No.	Particulars	Mr. Vijay Agarwal	Mrs. Mona Agarwal	Mr. Sorab Agarwal
1.	Background details, Recognition or awards:	He holds a Bachelor's degree in Mechanical Engineering and MBA from Faculty of Management Studies (FMS), Delhi and is looking after over all management and planning of the Company. In addition, his strong entrepreneurial skills, as also an undying commitment and belief in his abilities, have been instrumental in catapulting ACE to its present position as a strong, established brand. He has been associated with the Company since incorporation. He is one of the Promoters and has been managing the affairs of the company as its Chairman & Managing Director (CMD) since 1995. Under his leadership the company has received various awards and recognition.	She looks after the Administration & Human Resources of the Company. Mrs. Agarwal is a promoter and Whole Time Director of the Company. Mrs. Agarwal has over two decades rich experience in the area of administrative and human resource management affairs. She has been with the Company since inception and has been closely involved in its growth.	Mr. Soarb Agarwal has done Mechanical Engineering and is looking after overall marketing functions of the Company. Under his able marketing capabilities, the Company has ventured into new territories and increased market share 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.

Notice (continued)

(Amount in Rs. Lacs)

2.	Past Remuneration			
	2011-12	204.40	136.20	36.00
	2012-13	235.06	135.62	36.00
	2013-14	267.40	134.60	36.00
3.	Job Profile & his/ her suitability	He is responsible for overall day to day management and planning of the Company under the supervision and control of the Board of Directors of the Company.	She is responsible for HR, Administration and overall day to day management of the Company under the supervision and control of the Board of Directors of the Company	He is responsible for marketing operations of the Company under the supervision and control of the Board of Directors of the Company
4.	Remuneration Proposed	The proposed remuneration would comprise of monthly basic salary, allowances and perquisites as mentioned in the proposed Item no. 3 to 7 respectively of this Postal Ballot Notice.		
5.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of origin)	The remuneration of the appointees, Mr. Vijay Agarwal, Mrs. Mona Agarwal and Mr. Sorab Agarwal are fully justifiable and comparable to that prevailing remuneration being paid in the industry, keeping in view their profile, enriched knowledge & vast experience besides position of the appointees. He / She shall be looking after and responsible for the whole affairs of the respective areas of management and shall be accountable to the Board of Directors of the Company.		
6.	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Mr. Vijay Agarwal, Chairman & Managing Director is husband of Mrs. Mona Agarwal, Whole-time Director and Father of Mr. Sorab Agarwal, and Mrs. Surbhi Garg, Executive Directors of the Company and also shareholder of the Company. Mr. Vijay Agarwal's pecuniary relationship with the Company is disclosed in with the "Related party transactions" in Additional notes to the financial statement in the Annual Report.	Mrs. Mona Agarwal, Whole-time Director is wife of Mr. Vijay Agarwal, Chairman & Managing Director and Mother of Mr. Sorab Agarwal, and Mrs. Surbhi Garg, Executive Directors of the Company and also shareholder of the Company. Mrs. Mona Agarwal's pecuniary relationship with the Company is disclosed in with the "Related party transactions" in Additional notes to the financial statement in the Annual Report.	Mr. Sorab Agarwal, Executive Director is son of Mr. Vijay Agarwal, Chairman & Managing Director and Mrs. Mona Agarwal, Whole-time Director and brother of Mrs. Surbhi Garg, Executive Director of the Company also shareholder of the Company. Mr. Sorab Agarwal's pecuniary relationship with the Company is disclosed in with the "Related party transactions" in Additional notes to the financial statement in the Annual Report.

III. Other Information

1. Reasons of loss or inadequate profits:

The Company has been making consistent adequate profits until financial year 2011-12 but the prolonged slow down in the economic activities, consumer sentiments, high interest rates, slump in the infrastructure, real estate sector coupled with the poor liquidity conditions has resulted in considerable decline in the revenue and profits the company from 1st April, 2012 onwards. The Company has been making necessary efforts to improve its performance and aggressively pursuing and implementing its strategies, including cost reduction initiatives. The results of these initiatives are likely to be felt in the coming years.

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

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

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

- Exploring to tap foreign markets for the products of the company.

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

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

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

4. Disclosures

Disclosure of the remuneration package is the part of this notice being sent to Shareholders. All the disclosures as required will be mentioned in the Director's Report/Corporate Governance Report section of the Annual Report to be published for the next Annual General Meeting of the Company.

By Order of the Board
For Action Construction Equipment Limited

Place : Faridabad
Date : 5th February, 2015

Sd/-
R.S. Jhanwer
Head-Corporate Affairs & Company Secretary
M. No. A8646