

**Quarterly Compliance Report on Corporate Governance**

**Name of the Company: Action Construction Equipment Limited**  
**Quarter ending on: 30<sup>th</sup> September, 2015**

| Particulars   | Clause of Listing agreement | Compliance Status Yes/No | Remarks   |
|---|-----------------------------|--------------------------|---|
| <b>II. Board of Directors</b>                           | 49 (II)                     | Yes                      |   |
| (A) Composition of Board                                | 49(IIA)                     | Yes                      | The Company has 4 (Four) Executive Directors and 4 (Four) Non Executive & Independent Directors.  |
| (B) Independent Directors                               | 49(II B)                    | Yes                      | The Company has 4(Four) Independent Directors which meet the criteria of independence as per clause 49 (II B).  |
| (C) Non-executive Directors' compensation & disclosures | 49(II C)                    | Yes                      | Non-Executive Directors are paid only Sitting Fees for attending Board/Committee meetings.  |
| (D) Other provisions as to Board and Committees         | 49(II D)                    | Yes                      | During the Quarter ended 30.09.2015, 1 (One) Board Meeting was held on 08.08.2015.  |
| (E) Code of Conduct                                     | 49(II E)                    | Yes                      |   |
| (F) Whistle Blower Policy                               | 49(II F)                    | Yes                      |   |
| <b>III. Audit Committee</b>                             | 49(III)                     | Yes                      |   |
| (A) Qualified & Independent Audit Committee             | 49(III A)                   | Yes                      | Company has an Audit Committee comprising of 4(Four) Directors out of which 3 (Three) are Independent, all having required accounting /finance expertise. |
| (B) Meeting of Audit Committee                          | 49(III B)                   | Yes                      | Held on 08.08.2015.   |
| (C) Powers of Audit Committee                           | 49(III C)                   | Yes                      | As per law  |
| (D) Role of Audit Committee                             | 49(III D)                   | Yes                      | As per law  |
| (E) Review of Information by                            | 49(III E)                   | Yes                      |   |



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|--|-----------------------------|--------------------------|---|
| Audit Committee  |                             |                          |   |
| <b>IV. Nomination and Remuneration Committee</b>                         | 49(IV)                      | Yes                      |   |
| <b>V. Subsidiary Companies</b>   | 49(V)                       | Yes                      |   |
| <b>VI. Risk Management</b>   | 49(VI)                      | Yes                      |   |
| <b>VII. Related Party Transactions</b>                                   | 49(VII)                     | Yes                      |   |
| <b>VIII. Disclosures</b>   | 49(VIII)                    | Yes                      |   |
| (A) Related party transactions   | 49(VIIIA)                   | Yes                      | Requisite information was provided in 21 <sup>st</sup> Annual Report of the Company.  |
| (B) Disclosure of Accounting Treatment                                   | 49(VIIIB)                   | Yes                      | -----do-----  |
| (C) Remuneration of Directors  | 49(VIIIC)                   | Yes                      | -----do-----  |
| (D) Management   | 49(VIIID)                   | Yes                      | -----do-----  |
| (E) Shareholders   | 49(VIIIE)                   | Yes                      | -----do-----  |
| (F) Proceeds from public issues, rights issue, preferential issues, etc. | 49(VIIII)                   | N.A                      |   |
| <b>IX. CEO/CFO Certification</b>   | 49(IX)                      | Yes                      | CEO/CFO Certification was placed before the Board in its Meeting held on 08 <sup>th</sup> August, 2015.                                   |
| <b>X. Report on Corporate Governance</b>                                 | 49(X)                       | Yes                      | A separate section on report on Corporate Governance was included in the 21 <sup>st</sup> Annual Report of the Company.                   |
| <b>XI. Compliance</b>  | 49(XI)                      | Yes                      | Certificate regarding compliance of conditions of Corporate Governance was included in the 21 <sup>st</sup> Annual Report of the Company. |

For Action Construction Equipment Limited

  
**R.S. Jhanwer**  
**Head-Corporate Affairs & Company Secretary**

