**Independent Auditor's Report****Rajan Chhabra**
B.Sc., F.C.A.**To the Members of ACTION CONSTRUCTION EQUIPMENT LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of Action Construction Equipment Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;



- b) in the case of the Statement of Profit and Loss , of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Rajan Chhabra & Co.

Chartered Accountants

FRN: 009520N



CA RAJAN CHHABRA

PARTNER

Membership No. : 088276

Place: FARIDABAD

Date: 21.05.2014

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Action Construction Equipment Limited for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) No substantial parts of fixed assets have been disposed off during the year.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken/granted any loans, secured or unsecured from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) In our opinion and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.



b) Where each of such transaction is in excess of Rs 5 lacs in respect of any party, the transaction have been made at a price which is prima facie reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.
9. (a) According to information and explanation given to us, in respect of statutory dues undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding undisputed statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating Rs 5363.61 lacs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the disputed dues	Amount (' in Lacs)	Period to which the amount relates	Forum where dispute are pending
Income-Tax Act, 1961	INCOME TAX	2839.00	2007-08 to 2010-11	Referred back to Assessing Officer by ITAT
The Central Excise Act, 1944	EXCISE DUTY	3.76	2006-2007	CESTAT
The Central Excise Act, 1944	EXCISE DUTY	5.37	2009-2010	CESTAT



The Central Excise Act, 1944	EXCISE DUTY	607.44	2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011	CESTAT
The Central Excise Act, 1944	EXCISE DUTY	4.19	2011-2012	Commissioner (Appeals)
The Central Excise Act, 1944	The demand is on account of section 11D of Act from Bazpur Unit, area base exemption.	829.60	2008-09 to 2013-14	Director General of Central Excise and Intelligence
The Service Tax Under Finance Act 1994	SERVICE TAX	1.85	2010-2011	CESTAT
The Haryana Vat Act 2003	LOCAL AREA DEVELOPMENT TAX	17.29	2004-2005 & 2005-2006	Joint Commissioner
The West Bengal Vat Act 2003.	LOCAL SALES TAX	13.00	2011-2012	High Court
The West Bengal Vat Act 2003.	LOCAL SALES TAX	832.37	2006-2007 to 2011-2012.	Commercial tax (Review Board)
CUSTOMS ACT 1962	CUSTOM DUTY	3.81	2010-2011	CESTAT
CUSTOMS ACT 1962	CUSTOM DUTY	205.93	2008-2010	Commissioner of Custom

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. In our opinion and according to information given by the management, we report that the term loans were applied for the purpose for which the loans were obtained.
17. In our opinion and according to information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. In our opinion and according to information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year and there are no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. In our opinion and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Rajan Chhabra & Co
Chartered Accountants
FRN: 009520N



CA Rajan Chhabra
PARTNER
Membership No. : 088276
PLACE: FARIDABAD
DATE: 21.05.2014

ACTION CONSTRUCTION EQUIPMENT LTD

Regd. Office: 5th Floor, TDI Centre, Jasola, New Delhi 110076

Ph.: 011-40549900 (30 lines), Fax: 011-40549922, E-mail: cs@ace-crane.com, Web: www.ace-crane.com
Statement of Audited Financial Results for the Quarter/Year ended March 31st, 2014

(Rs. in lac)

Sl.No.	Particulars	Standalone				Consolidated	
		Quarter Ended		Year ended	Previous year ended	Year ended	Previous year ended
		31-03-2014 (Audited)	31-12-2013 (Reviewed)	31-03-2013 (Audited)	31-03-2014 (Audited)	31-03-2013 (Audited)	31-03-2013 (Audited)
1	Income from operations (a) Net sales/income from operations (Net of excise duty) (b) Other operating income Total income from operations (net)	16,950.35 214.56 17,164.91	15,640.44 154.48 15,794.92	16,906.15 183.76 17,089.91	60,887.71 605.71 61,493.42	66,108.23 676.73 66,784.96	61,026.10 605.71 61,631.81
2	Expenses (a) Cost of materials consumed (b) Purchases of stock-in-trade (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade (d) Employee benefits expense (e) Depreciation and amortisation expense (f) Other expenses Total expenses	16,460.14 36.40 (2,214.70) 1,262.65 394.51 1,034.43 16,973.43	12,306.39 22.44 210.63 1,219.05 391.81 1,341.90 15,492.22	13,899.68 27.05 (245.97) 1,354.07 368.36 1,205.82 16,609.01	51,142.17 114.64 (2,036.35) 4,645.14 1,527.00 5,213.29 60,605.89	52,163.28 499.42 776.60 4,868.44 1,361.35 5,504.25 65,173.34	51,151.92 114.64 (2,036.35) 4,653.40 1,527.90 5,262.12 60,673.63
3	Profit from operations before other income, finance costs and exceptional items (1-2)	191.48	302.70	480.90	887.53	1,611.62	958.18
4	Other income	322.52	123.26	272.71	665.68	537.89	457.99
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	514.00	425.96	753.61	1,553.21	2,149.51	1,488.72
6	Finance costs	321.54	316.67	265.08	1,041.49	1,045.27	1,045.27
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	192.46	109.29	488.53	511.72	1,104.24	447.23
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7 - 8)	192.46	109.29	488.53	511.72	1,104.24	447.23
10	Tax expense	26.93	29.61	178.17	109.42	382.84	109.42
11	Net Profit from ordinary activities after tax (9 - 10)	165.53	79.68	310.36	402.30	721.40	337.81
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net Profit for the period (11 - 12)	165.53	79.68	310.36	402.30	721.40	337.81
14	Paid-up equity share capital (Face Value Per share Rs. 2/-)	1,978.80	1,978.80	1,978.80	1,978.80	1,978.80	1,978.80
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	23,091.69	22,626.28	20,692.25
16 i	Earnings per share (before extraordinary items) (of Rs 2/- each) (not annualised): (a) Basic (b) Diluted	0.17 0.17	0.08 0.08	0.31 0.31	0.41 0.41	0.73 0.73	0.34 0.34
16 ii	Earnings per share (after extraordinary items) (of Rs. 2/- each) (not annualised): (a) Basic (b) Diluted	0.17 0.17	0.08 0.08	0.31 0.31	0.41 0.41	0.73 0.73	0.34 0.34

Select Information for the year ended 31.03.2014

A	PARTICULARS OF SHAREHOLDING							
1	Public shareholding							
	Number of shares	31,427,486	31,548,486	31,618,265	31,427,486	31,618,265	31,427,486	31,618,265
	Percentage of shareholding	31.76%	31.89%	31.96%	31.76%	31.96%	31.76%	31.96%
2	Promoters and Promoter Group Shareholding **							
a)	Pledged / Encumbered							
	Number of shares	105,600	105,600	105,600	105,600	105,600	105,600	105,600
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
	- Percentage of shares (as a % of the total share capital of the company)	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
b)	Non - encumbered							
	Number of shares	67,406,914	67,285,914	67,216,135	67,406,914	67,216,135	67,406,914	67,216,135
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	99.84%	99.84%	99.84%	99.84%	99.84%	99.84%	99.84%
	- Percentage of shares (as a % of the total share capital of the company)	68.13%	68.00%	67.93%	68.13%	67.93%	68.13%	67.93%

S.No.	Particulars	Qtr ended 31-03-14
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	2
	Disposed of during the quarter	2
	Remaining unresolved at the end of the quarter	Nil

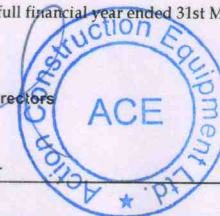
Notes

- The above financial results have been audited by the Company's Statutory Auditors, reviewed by Audit Committee and taken on record by the Board of Directors at their meeting held on 21st May 2014.
- The Board of Director's has recommended a final dividend of Rs.0.10/- (5%) per Equity Share, subject to approval of the Share Holders.
- The Segment-wise Reporting has been prepared in accordance with the Accounting Standard 17- "Segment Reporting" issued by the Institute of Chartered Accountants of India.
- The figures of the last quarter ended 31st March 2014 are the balancing figures between audited figures in respect of full financial year ended 31st March 2014 and the published Year to Date figure up to 3rd quarter of the current financial year.
- Previous year/period figures have been regrouped/rearranged wherever considered necessary.

For & On behalf of Board of Directors

Vijay Agarwal
Chairman & Managing Director

Place : Faridabad
Date : 21st May 2014



Page 20 of 11

ACTION CONSTRUCTION EQUIPMENT LIMITED

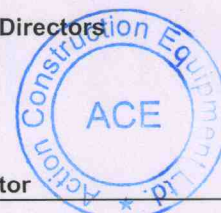
Statement of Assets and Liabilities

Sl. No.	Particulars	Standalone		Consolidated	
		As at	As at	As at	As at
		31st Mar 2014 (Audited)	31st March 2013 (Audited)	31st Mar 2014 (Audited)	31st March 2013 (Audited)
A	EQUITY AND LIABILITIES				
1	Shareholders' Funds				
	(a) Share Capital	1,978.80	1,978.80	1,978.80	1,978.80
	(b) Reserves and Surplus	28,822.98	28,361.83	26,738.56	26,576.76
	(c) Minority Interest	-	-	40.03	30.57
	Sub-total - Shareholder's funds	30,801.78	30,340.63	28,757.39	28,586.13
2	Non-Current Liabilities				
	(a) Long-Term Borrowings	3,946.08	2,323.80	3,946.08	2,323.80
	(b) Deferred Tax Liabilities (Net)	453.28	450.08	453.28	450.08
	(c) Other Long Term Liabilities	317.18	236.79	317.18	236.79
	(d) Long Term Provisions	120.78	134.65	120.78	134.65
	Sub-total - Non-Current Liabilities	4,837.32	3,145.32	4,837.32	3,145.32
3	Current Liabilities				
	(a) Short-Term Borrowings	10,203.07	12,617.63	10,203.07	12,617.63
	(b) Trade Payables	11,407.87	9,964.80	11,699.06	10,305.64
	(c) Other Current Liabilities	4,714.96	5,608.41	4,731.95	5,630.55
	(d) Short-Term Provisions	221.96	456.34	221.96	456.34
	Sub-total - Current Liabilities	26,547.86	28,647.18	26,856.04	29,010.16
	TOTAL - EQUITY AND LIABILITIES	62,186.96	62,133.13	60,450.75	60,741.61
B	ASSETS				
1	Non-Current Assets				
	(a) Fixed Assets (Including Capital Work-in-Progress)	27,028.44	26,066.10	27,845.03	26,867.91
	(b) Non-Current Investments	578.71	552.65	281.53	255.50
	(c) Long term Loans and Advances	6,439.87	7,134.91	3,937.43	5,019.40
	(e) Other Non-Current Assets	105.84	54.58	119.08	65.82
	Sub-total - Non-Current Assets	34,152.86	33,808.24	32,183.07	32,208.63
2	Current Assets				
	(a) Current Investments	883.35	1,083.71	883.35	1,083.71
	(b) Inventories	16,054.48	14,335.23	16,250.18	14,501.45
	(c) Trade Receivables	6,827.81	8,334.00	6,851.06	8,348.34
	(d) Cash and Bank Balances	1,365.49	1,656.25	1,376.70	1,680.40
	(e) Short-term Loans and Advances	2,902.97	2,915.70	2,906.39	2,919.08
	Sub-total - Current Assets	28,034.10	28,324.89	28,267.68	28,532.98
	TOTAL - ASSETS	62,186.96	62,133.13	60,450.75	60,741.61

For & On behalf of Board of Directors

Vijay Agarwal

Vijay Agarwal
Chairman & Managing Director



Place : Faridabad

Date: 21.05.2014



Action Construction Equipment Limited

Regd. Office: 5th Floor, TDI Centre, Jasola, New Delhi 110 076
Ph.: 011-40549900 (30 lines), Fax: 011-40549922, E-mail: cs@ace-crane.com, Web: www.ace-crane.com

(Rs. in lac)

Sl. No.	Particulars	Standalone				Consolidated			
		Quarter Ended		Year Ended		Previous year ended		Year Ended	
		31-03-2014 (Audited)	31-12-2013 (Reviewed)	31-03-2013 (Audited)	31-03-2014 (Audited)	31-03-2013 (Audited)	31-03-2014 (Audited)	31-03-2013 (Audited)	31-03-2013 (Audited)
1.	Segment Revenue								
	A) Cranes	10,929.48	9,260.61	9,652.28	36,023.56	39,229.84	36,023.56	39,229.84	
	B) Material Handling/Construction Equipment	1,350.09	1,678.02	2,705.88	6,917.42	10,840.54	6,917.42	10,840.54	
	C) Agri Equipment	4,670.78	4,701.81	4,547.99	17,946.73	16,037.85	17,946.73	16,037.85	
	D) Subsidiaries Business	-	-	-	-	-	138.39	55.33	
	Total	16,950.35	15,640.44	16,906.15	60,887.71	66,108.23	61,026.10	66,163.56	
2.	Segment Results								
	Less-Inter Segment Revenue	-	-	-	-	-	-	-	
	Net Sales / Income from Operations	16,950.35	15,640.44	16,906.15	60,887.71	66,108.23	61,026.10	66,163.56	
	Segment Results								
	A) Cranes	724.78	674.15	284.20	2,462.27	2,030.68	2,462.27	2,030.68	
	B) Material Handling/Construction Equipment	(52.76)	(117.23)	45.04	(459.41)	(106.28)	(459.41)	(106.28)	
	C) Agri Equipment	141.23	218.71	793.32	800.67	1,453.03	800.67	1,453.03	
	D) Subsidiaries Business	-	-	-	-	-	(64.49)	(112.24)	
	Total	813.25	775.63	1,122.56	2,803.53	3,377.43	2,739.04	3,265.19	
	Less- Interest	321.54	316.67	265.08	1,041.49	1,045.27	1,041.49	1,045.27	
	Less- Other Unallocable Expenditure	299.25	349.67	368.95	1,250.32	1,227.92	1,250.32	1,227.92	
	Total Profit before Tax	192.46	109.29	488.53	511.72	1,104.24	447.23	992.00	
3.	Capital Employed								
	A) Cranes	34,464.42	37,603.78	34,256.30	34,464.42	34,256.30	34,464.42	34,256.30	
	B) Material Handling/Construction Equipment	5,300.92	5,287.46	5,730.45	5,300.92	5,730.45	5,300.92	5,730.45	
	C) Agri Equipment	263.50	631.89	232.91	263.50	232.91	263.50	232.91	
	D) Subsidiaries Business	-	-	-	-	-	(2,412.68)	(2,111.31)	
	Total	40,028.84	43,523.13	40,219.66	40,028.84	40,219.66	37,616.16	38,108.35	

For & On behalf of Board of Directors

Vijay Agarwal
Chairman & Managing Director



Place : Faridabad
Date: 21.05.2014