

**J. M. PATEL & BROS.
CHARTERED ACCOUNTANTS**

**204, HARSH AVENUE,
NAVJIVAN PRESS ROAD,
INCOME TAX, AHMEDABAD.
PHONE NO. 27541460**

AUDITORS REPORT TO THE MEMBERS

**To the Members of
LOYAL EQUIPMENTS PVT. LTD.
AHMEDABAD.**

We have audited the attached balance sheet of **LOYAL EQUIPMENTS PVT. LTD** for the period 01-04-2013 to 31-03-2014 and also Profit & Loss Account of the company for the period on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit:

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) for the companies Act, 1956, the said Annexure enclosed herewith.
3. We have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
4. In our opinion, proper books of account, as required by law have been kept by the company; so far it appears from our examination of the books.
5. The balance sheet and Profit & Loss Account dealt with this report are in agreement with the books of account.
6. In our opinion, the Balance Sheet and Profit & Loss Account comply with the applicable Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
7. On the basis of the written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that, none of the Directors of the Company is disqualified as on 31-03-2014. From being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
8. In our opinion, and to the best of our information and according to the explanation given to us, the said account read with Notes on accounts and read with "Significant Accounting Policies" and other Notes thereon as stated in schedule give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principle generally accepted in India.
 - (a) Insofar as it relates Balance Sheet of the states of affairs of the company as on Dated 31-03-2014.
 - (b) In so far as relates to Profit & Loss Account Profit of the company during the period 01-04-2013 to 31-03-2014.

**Place : Ahmedabad
Date : 01/09/2014**

**For, J. M. PATEL & BROS.
Chartered Accountants**



J. M. Patel
**(J. M. Patel)
M.COM. F.C.A.
F.R.No. 107707W**

ANNEXURE TO THE AUDITOR'S REPORT

Loyal Equipments Private Limited, Ahmedabad. (F.Y. 2013-2014)

- (1).
 - (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b). All the fixed assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification;
 - (c). There has not been any significant disposal of fixed assets during the year, except office premises.
- (2).
 - (a). In our opinion, physical verification of inventory has been conducted by the management at reasonable intervals;
 - (b). The procedure 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). The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification done by the management.
- (3).
 - (a). As informed to us, the company has not granted loan except advances for business.
 - (b). As stated by the management the rate of interest and other terms and condition of the unsecured loan given by the Company are prima facie not prejudicial to the interest of the Company, if any.
 - (c). The payment of the principal and interest are stipulated, as and when necessary.
 - (d). As informed by the management there is no overdue amount in respect of the loan if any.
- (4). In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
- (5).
 - (a). In our opinion and according to the information and explanations given to us, transaction that need to be entered into a Register in pursuance of section 301 of the Companies Act, 1956 have been so entered;
- (6). As informed to us the Company has not accepted Deposits from the public within the meaning of section 58A of the Company Act, 1956 ,and the rules framed there under.
- (7). The Company has an internal audit system, which, in our opinion, is commensurate with size and nature of its business.



- (8). The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, for the any of the products of the Company.
- (9). (a). In our opinion and according to the information and explanation given to us, the Company has been regular in depositing undisputed statutory dues, including provident fund, investor education & protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, and other material statutory dues with the appropriate authorities, where ever applicable;
- (b). According to the information and explanations given to us, there are cases of non-deposit with appropriate authorities of disputed dues of sales-tax, income-tax, customs duty, wealth-tax, excise duty, cess is as under:

Statue	Nature	Amount involved	Period F.Y.	Forum where dispute is pending
Nil	Nil	Nil	Nil	Nil

- (10). There were no accumulated losses as at the end of the year. As informed by the management the Company has not incurred cash losses during the current and the immediately preceding financial year.
- (11). In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has no dues to financial institutions and debenture holders.
- (12). As informed by the management 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 provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- (14). In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments except some occasional trading of shares were done through other dealers as a own activities.
- (15). As informed by the management the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (16). According to the information and explanation given to us, the Company has not raised any term loan during the year under review and hence question of its application does not arise.
- (17). According to the Cash-flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short terms basis have not, prima facie, been used during the year for long term investment and vice versa .



- (18). The Company has not made any preferential allotment of share to parties and companies covered in the Register maintained under section 301 of the companies Act, 1956.
- (19). The Company has not issued any debentures and hence the question of creating securities in respect thereof does not arise.
- (20). During the year, the Company has not raised money by public issue(s).
- (21). To the best of our knowledge and belief, and according to the written information given to us, no fraud on or by the Company was noticed or reported during the year.

PLACE :- Ahmedabad
DATE :- 01/09/2014

For, J. M. PATEL & BROS.
CHARTERED ACCOUNTANTS




(J. M. PATEL)
M.COM, F.C.A.
F.R. NO. 107707W

NOTE- S

LOYAL EQUIPMENTS PVT. LTD.

ACCOUNTING POLICIES AND NOTES ON ACCOUNT: 2013-2014 (31-3-2014)

A) ACCOUNTING POLICIES

1) ACCOUNTING CONVENTIONS:

The accounts have been prepared historical and on the basis of a going concern with revenues recognized and expenses incurred on accrual basis.

2) FIXED ASSETS :

1. Fixed assets stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses etc.
2. Depreciation on Fixed Assets provided as per W.D.V. method of Income Tax Act.

3) INVENTORIES:

Inventories are valued at cost.

4) REVENUE RECOGNITION

1. Debts doubtful of recovery when these can be written off.
2. When the compensation received becomes income if the same is in dispute.
3. All receipt on accrual basis.

B) NOTES OF ACCOUNT

1. All the Debit and Credit balances including, advances lying in various parties, customer's accounts are subject to confirmation.
2. As explained to us all expenses debited to P&L A/c. are for the purpose of business.
3. All fixed assets/ stocks have been verified and certified by the management.
- 4 Previous year figures have been re grouped whenever necessary.
5. Remuneration paid to whole time Director respectively during the year as follows.

Particulars	(Rs. In Thousands)	31-3-2014	31-3-2013
Director's Remuneration		4176.48	2876.48
Auditors Remuneration			
Audit Fee		0.00	15.00

6. RELATED PARTY DISCLOSURE

The company has not done any transactions of a material nature with the promoters, directors of management and their subsidiaries or relatives that may have potential conflict with the interest of the company at large. The register of contacts containing the transactions in which directors are interested in place before the board regularly for it approval.

7. As informed by management there is no any liability of contingent in nature.
In terms of our attached report of even date.

Place : AHMEDABAD
Date : 01/09/2014

For, Loyal Equipments Pvt. Ltd.


Director


Director



For, J. M. PATEL & BROS.
Chartered Accountants

(J. M. PATEL)
M.COM, F.C.A
F.R.No.107707W



LOYAL EQUIPMENTS PVT. LTD
BALANCE SHEET AS ON 31/03/2014

(Rs. In Thousands)

Particulars		Note No.	FY 2013-14	FY 2012-13
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
(a)	Share capital	A	25000.00	5000.00
(b)	Reserves and surplus	B	19860.57	25152.57
(c)	Money received against share warrants			
2	Share application money pending allotment			
3	Non-current liabilities			
(a)	Long-term borrowings	C	20613.23	1464.12
(b)	Deferred tax liabilities (Net)			
(c)	Other Long term liabilities			
(d)	Long-term provisions			
4	Current liabilities			
(a)	Short-term borrowings			
(b)	Trade payables	D	29773.79	20190.09
(c)	Other current liabilities	E	1388.31	835.60
(d)	Short-term provisions	F	10106.38	10133.45
	TOTAL		106742.28	62775.83
II.	ASSETS			
1	Non-current assets			
(a)	Fixed assets	G		
(i)	Tangible assets		25993.35	18602.38
(ii)	Intangible assets		2516.74	2282.03
(iii)	Capital work-in-progress			
(iv)	Intangible assets under development			
(b)	Non-current investments	H	400.00	470.00
(c)	Deferred tax assets (net)			
2	Current assets			
(a)	Current investments			
(b)	Inventories	I	37023.19	26132.54
(c)	Trade receivables	J	617.50	-1080.96
(d)	Cash and cash equivalents	K	6809.29	8824.46
(e)	Short-term loans and advances			
(f)	Other current assets	L	33382.21	7545.38
	TOTAL		106742.28	62775.83
	Contingent Liabilities & Commitments			
	Significant Accounting Policies	S		
	Accompanying notes form integral part of financial statements			

Subject to our audit report of even date:
For, J.M.Patel & Bros.
Chartered Accountants

(J.M.Patel)
M.Com, F.C.A.
M.No 30161



For, LOYAL EQUIPMENTS PVT. LTD

Director

Director



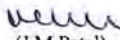
Place :Ahmedabad
Date :01/09/2014

LOYAL EQUIPMENTS PVT. LTD
PROFIT AND LOSS FOR THE YEAR ENDED AS ON 31/03/2014

(Rs. In Thousands)

Particulars	Note No.	FY 2013-14	FY 2012-13
I. Revenue from operations	M	93864.11	91335.71
II. Other income	N	381.39	544.05
III. Total Revenue (I + II)		94245.50	91879.76
IV. Expenses:			
Purchases of Stock-in-Trade		57284.48	55970.76
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-10890.65	-11310.02
Employee benefits expense		9917.71	5828.17
Finance costs	O	878.35	181.59
Depreciation and amortization expense		3601.21	2299.88
Other expenses	P	17889.73	15606.44
Total expenses		78680.83	68576.82
V. Profit before exceptional and extraordinary items and tax (III-IV)		15564.67	23302.94
Equity dividends Provision			
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V - VI)		15564.67	23302.94
VIII. Extraordinary Items			
IX. Profit before tax (VII- VIII)		15564.67	23302.94
X Tax expense:			
(1) Current tax		3383.79	
(2) Deferred tax			
XI Profit (Loss) for the period from continuing operations (IX-X)		12180.88	23302.94
XII Profit/(loss) from discontinuing operations			
XIII Tax expense of discontinuing operations			
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		0.00	0.00
XV Profit (Loss) for the period (XI + XIV)		12180.88	23302.94
XVI Earnings per equity share:			
(1) Basic		0.00	0.00
(2) Diluted			
Significant Accounting Policies Accompanying notes form integral part of financial statements	S		

Subject to our audit report of even date:
 For, J.M.Patel & Bros.
 Chartered Accountants


 (J.M.Patel)
 M.Com, F.C.A.
 M.No 30161



For, LOYAL EQUIPMENTS PVT. LTD


 Director


 Director



Place : Ahmedabad
 Date : 01/09/2014

Notes on Balance Sheet & Profit and Loss Account as at 31/03/2014

Note A Share Capital

Note (1) Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Share Capital	F.Y.2013-14	F.Y.2012-13
Authorised		
30,00,000 Equity Shares of Rs.10 each	30000.00	5000.00
Issued, Subscribed & Paid up		
25,00,000 Equity Shares of Rs.10 each fully paid	25000.00	5000.00

Note (2) Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Particulars	F.Y.2013-14	F.Y.2012-13
Shares outstanding at the beginning of the year	500000	500000
Shares Issued during the year	2000000	0
Shares bought back during the year	0	0
Shares outstanding at the end of the year	2500000	500000

Note (3) Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956

____ Equity Shares (Previous year) are held by _____, the holding company.
Above disclosure is required for each class of Shares held by (Not Applicable)

Note (4) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	F.Y.2013-14		F.Y.2012-13	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Alkesh R. Patel	700000	28%	100000	20%
Jyotsnaben R. Patel	1100000	44%	300000	60%
Rameshchandra N. Patel	700000	28%	100000	20%

Note B Reserves & Surplus

Note (1) Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Reserves & Surplus	FY 2013-14	FY 2012-13
(a) Capital Reserves		
Opening Balance	5730.12	2232.72
Add: Current Year	2336.20	3497.40
Less : Utilized for Share Capital	5730.12	0.00
Closing Balance	2336.20	5730.12
(b) Surplus		
Opening balance	19422.45	9750.37
(+) Net Profit/(Net Loss) For the current year	12180.88	23302.93
(+) Transfer from IT Provision	7633.45	0.00
(-) Proposed Dividends	5000.00	2500.00
(-) Interim Dividends	0.00	0.00
(-) Transfer to Reserves	2336.20	3497.40
(-) Income Tax Provision	5106.38	7633.45
(-) Adjustments (4269.83+5000.00)	9269.83	0.00
Closing Balance	17524.37	19422.45
Total	19860.57	25152.57



For, LOYAL EQUIPMENTS PVT. LTD.

(X)

Director

For, LOYAL EQUIPMENTS PVT. LTD.

(X)

Director

Note C Long-Term Borrowings

Note (1) Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Long Term Borrowings	FY 2013-14	FY 2012-13
(I) Secured		
(f) Long term maturities of finance lease obligations		
Bajaj Auto Finance Loan Loan No.20436	0.00	6.11
Bajaj Auto Finance Loan No.24340	0.00	3.41
Kotak Mahindra Prime Ltd.	0.00	241.98
Kotak Mahindra Prime Ltd.	176.60	250.94
Kotak Mahindra Loan (Secured By Hypothecation)	436.63	581.68
Small Industrial Development Bank of India (Secured by Fixed Assets)	20000.00	0.00
	20613.23	1084.12
(II) Unsecured		
(e) Loans and advances from related parties (All of the above loans is guaranteed by Directors and / or others)	0.00	380.00
	0.00	380.00
Total	20613.23	1464.12

Note D Trade Payables

Note (1) Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Trade Payables	FY 2013-14	FY 2012-13
Sundry Creditors for Expenses	14169.36	19987.56
Advance Received from debtors	15604.43	0.00
Sundry Creditors for Goods	0.00	202.53
Total	29773.79	20190.09



For, LOYAL EQUIPMENTS PVT. LTD.



[Signature]
Director

For, LOYAL EQUIPMENTS PVT. LTD.



[Signature]
Director

Note E Other Current Liabilities

Note (1) Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Other Current Liabilities	FY 2013-14	FY 2012-13
(a) Other payables (specify nature)		
Unpaid Electricity bill	120.49	74.65
Unpaid Labour Exps.	0.00	0.00
Unpaid Prof. Tax	21.36	15.24
Unpaid Prov. Fund	58.97	114.58
Unpaid Salary	695.86	290.13
Unpaid Interest	298.62	0.00
Unpaid Remuneration	177.55	0.00
T.D.S Payable	15.46	341.00
Total	1388.31	835.60

Note F Short Term Provisions

Note (1) Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Short Term Provisions	FY 2013-14	FY 2012-13
(a) Provision for employee benefits		
(b) Others (Specify nature)		
Equity dividends Provision	5000.00	2500.00
Dividend tax provision AY 2013-14	0	405.50
Income Tax Provision AY 2013-14	0	7227.95
Dividend tax provision AY 2014-15	811.15	0.00
Income Tax Provision AY 2014-15	4295.23	0.00
Total	10106.38	10133.45



For, LOYAL EQUIPMENTS PVT. LTD.

(X)

[Signature]
Director

For, LOYAL EQUIPMENTS PVT. LTD.

(X)

[Signature]
Director

Note G Fixed Assets

Note (1) Disclosure pursuant to Note no. H (i), (ii), (iii); Note no. H (i)(ii); Note no. H and Note no. H of Part I of Schedule VI to the Companies Act, 1956

(a)	Fixed Assets	Gross Block					Accumulated Depreciation				Net Block	
		Balance as at 01/04/2013	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31/03/2014	Balance as at 01/04/2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31/03/2014	Balance as at 31/03/2013
	Tangible Assets											
	Land/ Shed	4261.70	4149.88			8411.58	0.00	482.40		482.40	7929.18	4261.70
	Buildings	2002.71	0.00			2002.71	1388.90	200.27		1589.17	1802.44	2002.71
	Plant and Equipment	10146.51	5331.44			15477.95	3388.59	1625.25		5013.84	13852.70	10146.51
	Furniture and Fixtures	418.11	85.22			503.33	320.07	57.63		377.70	445.70	418.11
	Vehicles	1299.37	60.64			1360.01	2207.26	199.22		2406.48	1160.79	1299.37
	Office equipment	473.98	664.60			1138.58	764.66	336.04		1100.70	802.54	473.98
	Total	18602.38	10291.78	0.00	0.00	28894.16	8069.48	2900.81	0.00	10970.29	25993.35	18602.38
(b)	Intangible Assets											
	Softwares	2282.03	935.11			3217.14	3156.96	700.40		3857.36	2516.74	2282.03
	Total	2282.03	935.11	0.00	0.00	3217.14	3156.96	700.40	0.00	3857.36	2516.74	2282.03

For, LOYAL EQUIPMENTS PVT. LTD.

 Director



For, LOYAL EQUIPMENTS PVT. LTD.

 Director

Note H NCA-Non Current Investments

Note (1) Disclosure pursuant to Note no. I (i) of Part I of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Particulars	FY 2013-14	FY 2012-13
(A) Other Investments		
(a) Investment in Equity instruments		
The N.N.C.B.L Shares	400.00	400.00
(b) Other non-current investments (specify nature)		
N.S.C. No. 13816/13817	0.00	20.00
N.S.C. No. 259989/90/91/92/93	0.00	50.00
Total	400.00	470.00
Less : Provision for diminution in the value of Investments	0.00	0.00
Total	400.00	470.00

Note I Inventories

Note (1) Disclosure pursuant to Note no.J (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Inventories	FY 2013-14	FY 2012-13
(I) Manufacturing (Valued at Cost or Market Value whichever is less)		
a. Raw Materials and components	0.00	0.00
b. Work-in-progress	0.00	0.00
c. Finished goods	37023.19	26132.54
	37023.19	26132.54
Total	37023.19	26132.54

Note J Trade Receivables

Note (1) Disclosure pursuant to Note no.K (i), (ii), (iii) and (iv) of Part I of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Trade Receivables	FY 2013-14	FY 2012-13
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	617.50	-1080.96
Unsecured, considered doubtful		
Less: Provision for doubtful debts		
	617.50	-1080.96
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good		
Unsecured, considered doubtful		
Less: Provision for doubtful debts		
	0.00	0.00
Total	617.50	-1080.96



For, LOYAL EQUIPMENTS PVT. LTD.

(X)

J. M. Patel
Director

For, LOYAL EQUIPMENTS PVT. LTD.

(X)

J. M. Patel
Director

Note K Cash and cash equivalents

Note (1) Disclosure pursuant to Note no.L (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Cash and cash equivalents	FY 2013-14	FY 2012-13
a. Balances with banks*	3827.87	3142.99
This includes:		
Guarantees	2417.12	5304.85
b. Cheques, drafts on hand		
c. Cash on hand*	564.30	376.62
Total	6809.29	8824.46

Note L Other Current Assets

(Rs. In Thousands)

Particulars	FY 2013-14	FY 2012-13
B.S.N.L deposit	1.70	1.70
Vijaya Gas deposit	1.50	1.50
VAT Recievable	156.39	572.15
CENVAT Credit Balance	739.95	1370.31
CENVAT Credit Balance (Service Tax)	392.77	233.75
T.D.S	35.21	44.39
Capital Goods Cenvat	259.03	390.58
NSC Int. Receivable	0.00	14.00
Advance Income Tax 2012-13	0.00	2900.00
Advance Income Tax 2013-14	3000.00	0.00
Advance Land Payment	1900.00	1900.00
Balvant K Parmar	0.00	10.42
Staff Advance	39.90	86.29
Vijay K Makwana	0.00	10.42
Advance I.Tax	0.00	0.00
Machinery Advance	26855.76	0.00
Registration of Company	0.00	9.87
Total	33382.21	7545.38



For, LOYAL EQUIPMENTS PVT. LTD.



Director

For, LOYAL EQUIPMENTS PVT. LTD.



Director

Note M Revenue From operation

Note (1) Disclosure pursuant to Note no. 2 of Part II of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Particulars	FY 2013-14	FY 2012-13
Sale of products	93864.11	91335.71
Sale of services	0.00	0.00
Other operating revenues		
Less:		
Excise duty		
Total	93864.11	91335.71

Note N Other Income

Note (1) Disclosure pursuant to Note no. 4 of Part II of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Particulars	FY 2013-14	FY 2012-13
Interest Income	333.27	444.89
Dividend Income	48.12	48.12
Discount Received	0.00	51.04
Net gain/loss on sale of investments		
Other non-operating income	0.00	0.00
Total	381.39	544.05

Note O Finance Costs

Note (1) Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

(Rs. In Thousands)

Particulars	FY 2013-14	FY 2012-13
Interest expense	878.35	181.59
Other borrowing costs		
Applicable net gain/loss on foreign currency transactions and translation		
Total	878.35	181.59

Note P Other Expenses

(Rs. In Thousands)

Particulars	FY 2013-14	FY 2012-13
Power & Fuel	1241.85	1033.66
Repairs to Machinery	431.12	650.13
Repairs (Others)	532.15	790.57
Insurance	145.21	144.87
Director Remuneration	4176.48	2876.48
Professional & Legal Fees	295.58	102.17
Rates & Taxes	90.29	-7.99
Rent	1800.00	1500.00
Travelling Expenses	266.56	1192.78
Testing & Inspection Exps.	1880.86	1399.32
Miscellaneous Expenses	5513.81	5182.35
Donation	5.00	26.10
Import Material Clearing Charges	737.23	0.00
Preliminary Expenditure W.off	284.87	0.00
Engineering Design & Consultancy Exps.	488.72	716.00
Total	17889.73	15606.44



For, LOYAL EQUIPMENTS PVT. LTD.

[Signature]
Director

For, LOYAL EQUIPMENTS PVT. LTD.

[Signature]
Director

NOTES ON ACCOUNTS F. Y. 2013-14 (31.03.2014) A.Y. 2014-15

ACCOUNTING POLICIES & NOTES ON ACCOUNT:

A) ACCOUNTING POLICIES

1) BASIS OF ACCOUNTING :

Financial statements are prepared under historical cost convention on accrual Mercantile Basis.

2) FIXED ASSETS :

1. Fixed Assets stated at cost of acquisition inclusive of freight , duties , taxes , incidental expenses etc.
2. Depreciation on Fixed Assets has been charged as per W.D.V. method as per Income Tax Act.

3) INVENTORIES:

The Closing Stock is Valued at cost.

4) REVENUE RECOGNIFICATION :

1. Debts doubtful of recovery when these can be written off.
2. When the compensation received becomes income if the same is in dispute.
3. All Receipts & Expenditures on accrual basis.

B) NOTES ON ACCOUNTS :

We have examined the attached Balance sheet of **LOYAL EQUIPMENTS PRIVATE LIMITED**, as at **31/3/2014** and the profit and loss Account for the period ended on the date, annexed thereto. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimated made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

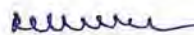
1. All of the Debit, Credit, Balances including, Loan & advances lying in various party's Customer's accounts are subject to their balance confirmation.
2. As explained to us all expenses debited to P & L a/c are for the purpose of business.
3. Quantitative details of Stock has not produced before us for our verification so excess/shortage if any is not ascertainable.
4. Stock Record has not produced before us for our verification.
5. As informed to us that there were no payments inadmissible u/s 40A(3) read with the rule 6DD. However necessary evidences are not verifiable as they are not in the custody of the assessee.
5. The exact effect of increase or decrease, the valuation of opening/closing stock on profit & Loss is not ascertainable in absence of stock record. The value of opening and closing stock has been ascertained by the management which is not verifiable.
6. No details given regarding loan/deposits received or given.
7. Balance Confirmation of all banks account/bank passbook/bank statements not produced before us. Said transaction are subject to verification.
8. As inform us by the partners that there were no any personal expenses debited to P&L a/c Except Income Tax Expenses Donation Exps.
9. As inform us by the partners that no capital expenditure debited to P&L a/c.
10. TRACES intimation not provided to us, in 3CD report Part B, clause 34 is subject to TRACES verification.
11. Ratio may be changed in case of some item of Income/Expense treated as Indirect Income/Expense instead of Direct Income/Expense or Vice Versa.

PLACE: Ahmedabad
DATE : 27/09/2014

Sd/-
FOR, LOYAL EQUIPMENTS PRIVATE LIMITED



For, J.M.PATEL & BROS.
CHARTERED ACCOUNTANTS,


(J.M.PATEL)
(M.COM, F.C.A)
F.R. No. 107707W