



LOYAL equipments limited.

(Formerly known as Loyal Equipments Private Limited)

Registered Office & Works : Block no. 35/1-2-3-4, Village: Zak,

Ta: Dahegam. Tel.: +91 2718 247236 Fax: +91 2716 269033

E-mail: info@loyalequipments.com , www.loyalequipments.com

CIN NO. U29190GJ2007PLC050607



Date: 15th September, 2016

To,
Compliance Department,
BSE Limited, P.J. Towers,
Dalal Street, Fort,
Mumbai – 400 001

Dear Sir/ Madam,

**Sub: Submission of Annual Report under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Loyal Equipments Limited
Script Code: 539227**

As per the regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of Loyal Equipments Limited for the financial year ended on 31st March, 2016. The Annual General Meeting of the Company was held on 27th August, 2016.

This is for your information and Record.

Thanking You,

Yours faithfully,

For, LOYAL equipments limited



Alkesh Rameshchandra Patel

(Managing Director)

DIN:02672297



LOYAL equipments limited

Registered Office:-

Block No. 35/1-2-3-4, Village Zak,
Dahegam, Gujarat-382330, India
Tel No:+91-2718-247236, +91-2716-269399
Fax No.: +91-2716-269033

ANNUAL REPORT – 2015-16

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CORPORATE INFORMATION

Board of Directors:-

Mr.RameshchandraNathalal Patel - Chairman cum Whole Time Director
Mr.AlkeshRameshchandra Patel - Managing Director
Mrs.JyotsanabenRameshchandra Patel - Whole time Director
Mr.Babubhai Patel – Non Executive Independent Director
Mr.GirishNathubhai Desai - Non Executive Independent Director
Mr.KalpeshLalitchandra Joshi –Non Executive Independent Director

Company Secretary & Compliance Officer:-

Ms.KomalManoharlalMotiani

Chief Financial Officer:-

Mr.Amit Patel

Corporate Identification No.

U29190GJ2007PLC050607

Registered Office:-

Block No. 35/1-2-3-4, Village Zak,
Dahegam, Gujarat-382330, India
Tel No:+91-2718-247236, +91-2716-269399
Fax No.: +91-2716-269033

Statutory Auditor:-

M/S. J.M. Patel & Bros.,
Chartered Accountants
204-205-206, Harsh Aevenue,
Second Floor Navjivan Press Road off Ashram Road,
Navijan Post, Ahmedabad-380014 Gujarat
Tel No:+91-079-27541460, 27541560
Email: jmpatelca@yahoo.co.in
Contact Person: CA JaswantMannilal Patel

Registrar and Share transfer Agent:-

SHAREX DYNAMIC (INDIA) PVT. LTD
Unit-1, Luthra Industrial Premises,
Safed Pool, AndheriKurla Road, Andheri (E),
Mumbai – 400072, Maharashtra.
Tel. No.: 91-22 – 28515606/44 Fax No.: 91-22 – 28512885
Website: www.Sharexindia.com
Investor Grievance Email: investor@sharexindia.com
Email: info@sharexindia.com
Contact Person: Mr. K C Ajitkumar
SEBI Regn. No. INR000002102

Contact Person for Investors:-

Ms. Komal ManoharlalMotiani
Company Secretary and Compliance Officer
Block No. 35/1-2-3-4, Village Zak,
Dahegam, Gujarat-382330, India
Tel No:+91-2718-247236,
Fax No.: +91-2716-269033
E-mail: cs@loyalequipments.com
Website: www.loyalequipments.com

Listed on Stock Exchange:-

SME Platform of BSE Limited
P.J. Tower, Dalal Street, Fort,
Mumbai – 400001, Maharashtra, India

Board Committee:-

Audit Committee:-

Mr.Babubhai Patel
Mr.KalpeshLalitchandra Joshi
Mr.RameshchandraNathalal Patel

Shareholders' / Investors' Grievance Committee:-

Mr.Babubhai Patel
Mr.KalpeshLalitchandra Joshi
Mr.AlkeshRameshchandra Patel

Nomination and Remuneration/ Compensation Committee:-

Mr.GirishNathubhai Desai
Mr.KalpeshLalitchandra Joshi
Mr.Babubhai Patel

ABOUT US

Loyal equipments limited is ISO certified, ASME “U” & “U2” Stamp holder, one of the known reputed company in India for design, manufacturing, supply and erection/commissioning of process equipments like Pressure vessels, Air cooled heat exchanger, Shell & tube heat exchanger, Storage tanks, Pressure receivers, Chimney, Heavy structural items, Skids, Base plates and other items for Oil/Gas, petroleum, chemical, sugar, steel, fertilizers and power plant sector.

Loyal Equipment is an ISO 9001-2008 certified company and follow Quality Management Systems for the entire business process right from the beginning to manufacturing/fabrication and installation at the site.

Loyal Equipment is having continuously long experience with EIL, GSPC, GAIL, ONGC, Ingersoll Rand, Linde, Dresser Rand, L&T, Reliance, ALSTOM, Kirlosker, Texas Southpiller-USA and others govt. & private organization.

We have enlisted with governments undertaking and other parties such as Engineers India Limited, and Gujarat State Petronet Ltd., as registered supplier for supply of Pressure Vessels and Heat Exchangers. Also our Company is a member of Heat Transfer Research Inc, the world’s premier source of technology information, services and software in field of process heat transfer

VISION & MISSION

Company Vision

- ✓ To conserve environment
- ✓ To follow the ethical norms
- ✓ To manufacture the products par excellence
- ✓ To grow by diversification

Company Mission

- ✓ Loyal total quality satisfaction to customer
- ✓ On time shipments
- ✓ Participative approach in managing
- ✓ Adoptautomization for productivity
- ✓ Conserve energy and natural resources

LETTER TO THE STAKEHOLDERS



Alkesh Rameshchandra Patel
Managing Director

It gives me immense pleasure to present the Annual Report of 2015-16 of Loyal Equipments Limited and I also thank our customers, employees, officials, and bankers for their continued support. I strongly believe that each person involved directly or indirectly contributes to the success of organization. It would never be possible for a single individual to pull off this tough task, without the dedication and honest effort of our workers, our staff and their families.

This company was set with an aim to serve the industry with superior quality products that are not just technologically advance but are also priced right. Till date, the company has performed accordingly.

Our strategies revolve around People, Customers, Technology, Quality, Innovation and Efficiency. These, we believe, will lead to exceptional quality products for our customer's consistent and improved profitability for the company.

The 21st century demands companies and products of high quality only. We are committed to meet these challenges through our business strategy of providing a quality product at cost competitive prices.

We would like to increase our product range & production capacities, and continue to provide our customers with the best quality products possible. We believe that our customers, our employees and our vendors are all part of our family. We encourage their Career and creative experimentation.

Loyal Equipments Limited has always looked beyond immediate opportunities to create businesses with long-term prospects and relevance. From the beginning, we have understood, accepted and implemented that change is the only constant thing. Through the intelligent extension of expertise and knowledge acquired in one business, we have grown our business over the years.

I would like to place on record my sincere appreciation to the Board of Directors for their valuable guidance, support and prudent counsel. I and my colleagues on the board place our appreciation for support and guidance received from government, SEBI, Stock Exchange and other regulatory authorities, various financial institution, banks and correspondents in India.

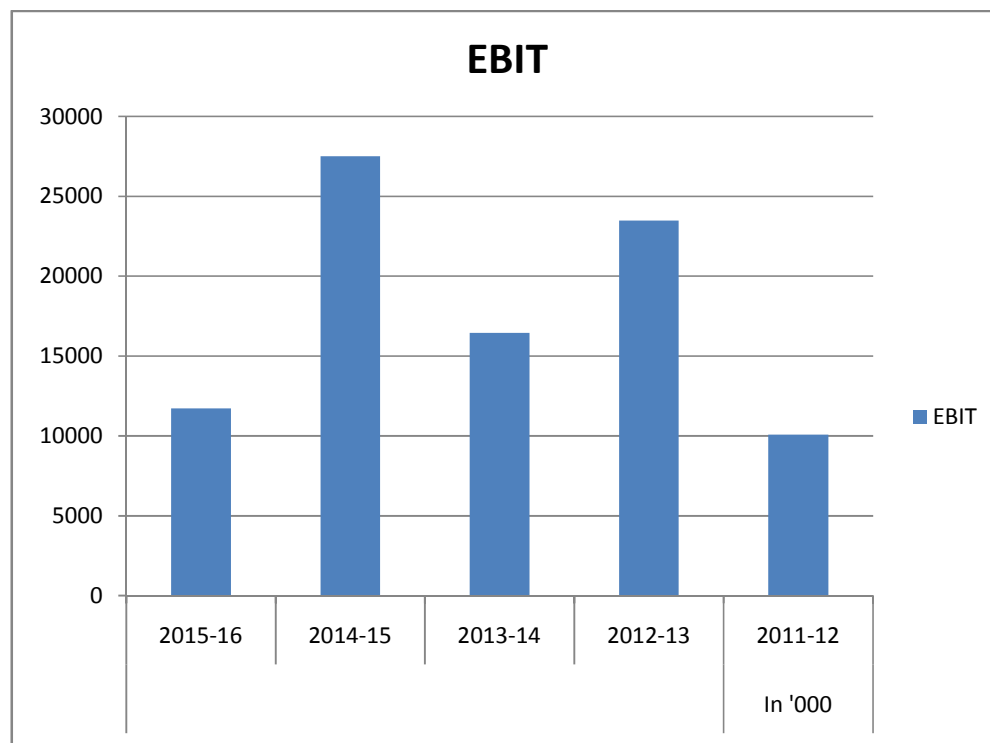
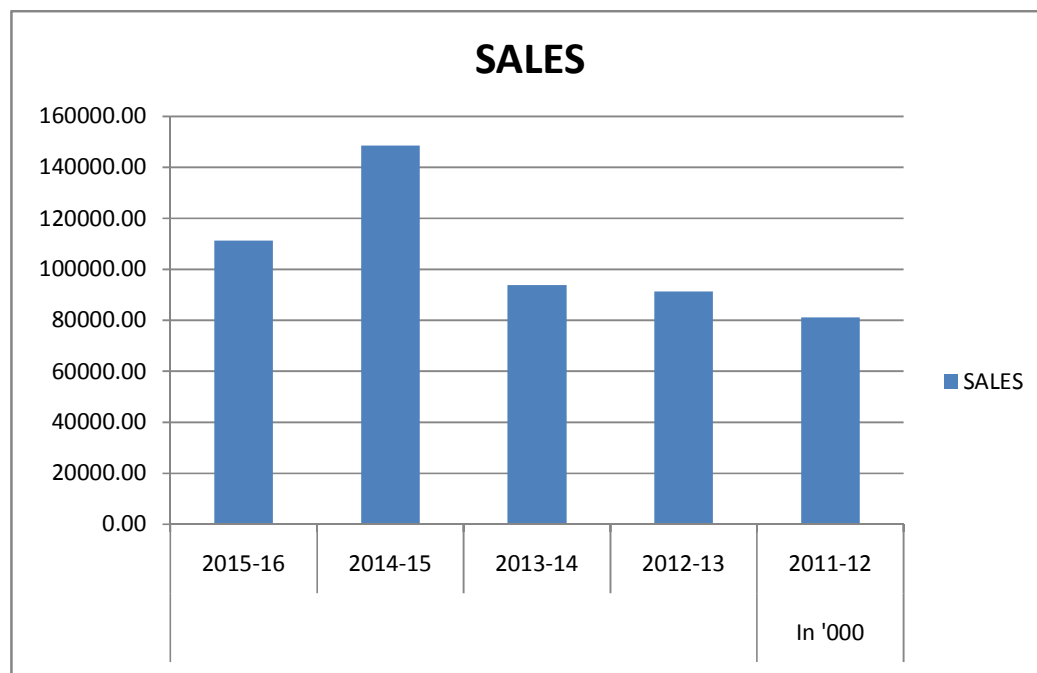
Before I conclude, I would like to thank all of you for your presence and faith in the Company.

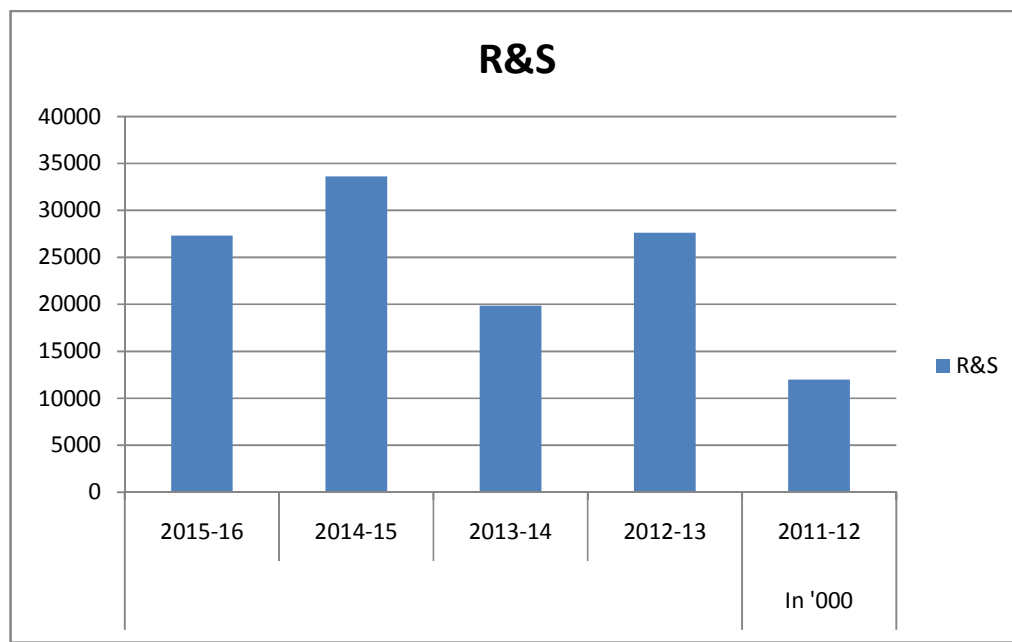
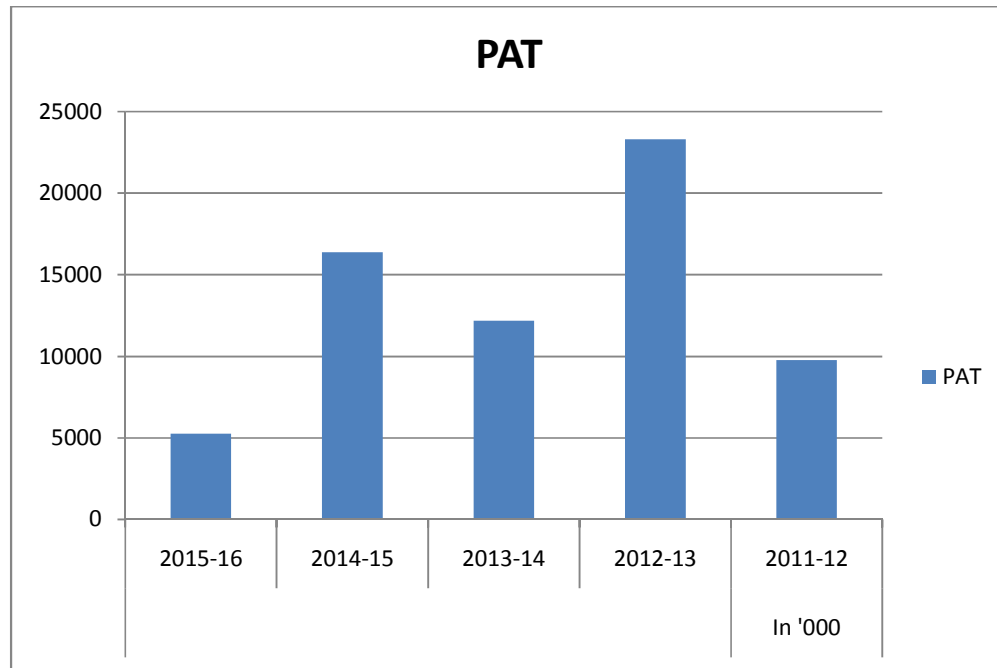
Wish best wishes
Sincerely

Alkesh Rameshchandra Patel
Managing Director

August 02, 2016

OUR STORY IN NUMBERS





COMPANY'S PROFILE

Our Company was incorporated as Loyal Equipments Private Limited on April 20, 2007 under the provisions of Companies Act, 1956 in Registrar of Companies, Dadra and Nagar Haveli, Gujarat and establish the unit at Village Zak,, Dahegam, Gujarat for manufacturing and supplying of Coded Pressure Vessels & Heat Exchangers (Ferrous & Non Ferrous), Air Cooled Heat Exchangers, Skids for Dynamic and Static Machineries, Base-Plates, Sterilizers, Chimneys and Columns, Tanks & Receivers, Site Fabrication & Erection Activities.

Our Products are widely used in the industries like Petro-chemicals, Compressor Industries, Power Plants, Fertilizers, Refinery, Pharmaceuticals and Dairy Industry. We manufacture and design the products as per the needs of the customer, so that they can avail the products as per their specifications and customizations. We are an ISO 9001:2008 certified company and our Quality Management Systems confirms to the standards laid down in the Industry.

We have enlisted with governments undertaking and other parties such as Engineers India Limited, and Gujarat State Petronet Ltd., as registered supplier for supply of Pressure Vessels and Heat Exchangers. Also our Company is a member of Heat Transfer Research Inc, the world's premier source of technology information, services and software in field of process heat transfer

Further, Our Company is authorized under The American Society of Mechanical Engineers (ASME) for "U" and "U2" Stamp on Manufacture of pressure vessels and also authorized by The National Board of Boiler & Pressure Vessel Inspectors for "NB" Mark in Pressure Vessels and other pressure retaining items.

OUR PRODUCTS PORTFOLIO:-

We have developed wide variety of Products as below:-

Coded Pressure Vessels (Ferrous & Non-Ferrous) - Pressure vessels are used to hold liquids or gases at specified pressures. Pressure vessels are used in manufacturing and process equipment, refineries and petrochemical plants, submarines, spacecraft and in all hydraulic and pneumatics systems.

Heat Exchangers (Ferrous & Non-Ferrous) - A heat exchanger is a piece of equipment built for efficient heat transfer from one medium to another. They are widely used in heating equipments, refrigeration, air-conditioning, power plants, chemical plants, petrochemical plants, petroleum refineries, natural gas processing and sewage treatment

Air Cooled Heat Exchanges (Ferrous & Non Ferrous) - Air Cooled Heat Exchangers are widely used in power plants, chemical plants, petrochemical plants, petroleum refineries, Fertilizers, natural gas processing, and refrigeration, air conditioning plant.

Skids For Dynamic And Static Machineries - Skids are mainly used in Refineries and petrochemical plants, Fertilizers, Compressor Industries

Base-Plates - Base-Plates are used for Driver & Driven Mounting for Reciprocating & Rotary Equipments.

Chimneys And Columns - Chimneys & Columns are mainly used in Refineries and petrochemical plants, Fertilizers

Tanks & Receivers - Tanks & Receivers are mainly used in Refineries and petrochemical plants, Fertilizers

Site Fabrication & Erection Activities - We also undertake some site fabrication and erection activities relating to the establishment of the equipments at the client premises.

BOARD PROFILE

Mr.RameshchandraNathalal Patel, Chairman & Whole Time Director

Mr.RameshchandraNathalal Patel is the Chairman & Whole Time Director of our Company. He has been on the Board since incorporation. He has more than 41 years of experience in the equipments manufacturing sector. He has experience of working in equipments manufacturing Company i.e. Ingersoll Rand India Limited for a period of 20 years at an initial stage. Under his dynamic leadership and vast experience, he is able to deliver constant value to our Company's projects and expansion strategy. He has overall experience of 40 Years in the business activities such as manufacturing of equipment for petro-chemicals and chemical plants, power plants, fertilizers and gas processing plants, petroleum refineries and compressor industries, pharmaceutical plants, dairy plants. Being an early starter he has worked on almost all levels of the organization which helps him understand and handle major functions of our Company. His varied experience and varied helps us work united towards the same goals of the vision set by the management. Under his guidance our Company witnessed continued growth.






Mr.AlkeshRameshchandra Patel, Managing Director

Mr.AlkeshRameshchandra Patel is the Managing Director of our Company. He has been on the Board since incorporation. He has more than 23 years of experience in the equipments manufacturing sector. He started his initial stage in field of technician and got certificate for completing the course in Maintenance Technician from Technical Examination Board, Gujarat. Having active involvement in activities of the Company including manufacturing, designing, and development of customize product and marketing of all equipments manufactured. His dynamism helps us cope with the work pressures efficiently and effectively and in execution of all operations specifically related to production and business activities of our Company.

Mrs.JyotsanabenRameshchandra Patel, Whole Time Director

Mrs.JyotsanabenRameshchandra Patel is the Whole Time Director of our Company. She is one of the founder promoters of our Company. She is having sound and rich experience of our Industry and she looks after overall administration and co-ordination of the Company.



	<p>Mr. Babubhai Patel, Non Executive & Independent Director</p> <p>Mr. Babubhai Patel is Non Executive & Independent of the Company with having degree in Economics and Law along with masters in Labour Welfare from Gujarat University and Diploma in Personnel Management from London School of Economics and Political Science. He has experience of 56 years in field of Human Resource Management. He was Secretary General with Gujarat Chamber of Commerce and Industry and was Member on Board of Directors of Ahmedabad Stock Exchange Limited.</p>
<p>Mr. Girish Nathubhai Desai , Non- Executive & Independent Director, Age : 68 years</p> <p>Mr. Girish Nathubhai Desai is Non Executive & Independent of the Company and is Graduate in field of Mechanical Engineering from Gujarat University with having 46 years of experience in field of designing material management, projects and operation in managerial cadre. He has a vast experience in equipment manufacturing industry.</p>	
	<p>Mr. Kalpesh Lalitchandra Joshi, Non Executive & Independent Director, Age: 49 years</p> <p>Mr. Kalpesh Lalitchandra Joshi is Non Executive & Independent of the Company with having 21 years of experience in field of equipment manufacturing industry. He has vast experience in purchase, supply chain and strategic sourcing and international sourcing function of pressure vessels. Also he has experience of structural fabrication, piping, and storage tanks manufacturing.</p>

NOTICE

Notice is hereby given that the Ninth Annual General Meeting of Loyal Equipments Limited will be held on Saturday, 27th August, 2016 at 9.30 a.m. at the registered office situated at Block No. 35/1-2-3-4 Village – Zak, Dahegam, Gandhinagar - 382330 Gujarat to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon; and
2. To declare a final dividend on Equity Shares of Rs. 10/- each for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Mr. Rameshchandra Nathalal Patel (DIN: 01307699) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s J. M. Patel & Bros., Chartered Accountants (Firm Registration No. 107707W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the calendar year 2017 subject to the ratification of the appointment by the members in AGM to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors
For Loyal Equipments Limited

Alkesh Rameshchandra Patel
Managing Director
DIN - 02672297

Place – Gandhinagar, Gujarat
Date – 02nd August, 2016

Notes:

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 19th August, 2016 to Saturday, 27 August, 2016 (both days will be inclusive).
3. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
4. The record date for the purpose of dividend and Annual General Meeting will be 18th day of August, 2016.
5. The dividend on Equity Shares, as recommended by the Board of Directors, if declared at the meeting will be credited/ dispatched on or after 27th August, 2016 to those members whose names appear on the Company's Register of Members as on the close of the business hours on 18th day, of August 2016 and payment of such dividend will be made as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Thursday, 18th August, 2016;
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on Wednesday, 18th August, 2016.
6. The route map and prominent landmark of the venue of the Annual General Meeting as required under Clause 1.2.4 of the Secretarial Standards on the General Meeting is annexed herewith as with this Report.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Sharex Dynamic India private Limited ("the RTA") to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the RTA.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in

- electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Sharex Dynamic India Private Limited (RTA).
8. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
 9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
 10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
 11. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
 12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13.
 13. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF): No such dividends are pending hence no such transfer is required to be made.
 14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
 15. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2015-16 will also be available on the Company's website viz. www.loyalequipments.com
 16. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs. The registered e-mail address will be used for sending future communications.
 17. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
 18. The board of directors has appointed Mr.Amit K. Patel Practicing Company Secretaries (Membership No. FCS 8291) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

19. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
20. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
21. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on 24th August, 2016 from 9.00 a.m and ends on 26th August, 2016 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18th August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to

share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Explanatory Statement

STATEMENT SETTING OUT THE MATERIAL FACTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4

This explanatory statement is provided though strictly not required as per Section 102 of the Act. M/s. J. M. Patel & Bros., (ICAI Firm Registration No. 107707W), Chartered Accountants, Ahmedabad were appointed as the statutory auditors of the Company for a period of five years till the financial year 2018-19. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item no. 4 of the Notice.

The Board commends the Resolution at item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

By order of the Board of Directors
For Loyal Equipments Limited

Alkesh Rameshchandra Patel
Managing Director
DIN - 02672297

Place – Gandhinagar, Gujarat
Date – 2nd August, 2016

Details of Director Seeking Re-appointment at the Annual General Meeting

Particulars	Mr. Rameshchandra Nathalal Patel
Date of Birth	23/10/1946
Date of Appointment	20/04/2007
Qualifications	Senior Higher Secondary
Expertise in specific functional areas	He has overall experience of 41 Years in the business activities such as manufacturing of equipment for petro-chemicals and chemical plants, power plants, fertilizers and gas processing plants, petroleum refineries and compressor industries, pharmaceutical plants, dairy plants.
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	None
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	None
Number of shares held in the Company	1400000
DIN	01307699

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel please refer Corporate Governance Report attached to the Board Report.

DIRECTORS' REPORT

To The Members,

The directors submit Ninth annual report of **Loyal Equipments Limited** (the "Company" or "Loyal") along with the audited financial statements for the financial year (FY) ended March 31, 2016.

1. FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2016 is summarized as below:

Particulars	Amount in Rs.	
	Current Year 2015-16	Previous Year 2014-15
Revenue from operations	111,308,750/-	148,568,490/-
Other income (net)	1,215,510/-	152,710/-
Total Income	112,524,260/-	148,721,200/-
Less:		
Operating & Administrative expenses	90,702,250/-	109,896,600/-
Profit Before Depreciation Interest & Tax	21,822,010/-	38,824,600/-
Less:		
Depreciation and amortization expense	10,105,230/-	10,294,840/-
Finance costs	3,269,330/-	3,419,360/-
Profit before exceptional item and tax	8,447,450/-	25,110,400/-
Exceptional item	-	-
Profit before tax (PBT)	8,447,450/-	25,110,400/-
Tax expense	3,193,370/-	8,746,320/-
Profit after tax for the year (PAT)	5,254,080/-	16,364,080/-
Balance brought forward from previous year	33,630,250/-	
Amount available for appropriation	38,884,330/-	19,860,570/-
Appropriations		
Proposed dividend on equity shares (excluding tax)	3,400,000/-	3,000,000/-
Tax on dividends	692,160/-	509,850/-
General reserve	14,048,990/-	3,614,810/-
Statutory reserve	-	-
Balance carried to balance sheet	27,314,770/-	33,630,250/-

2. OPERATION & REVIEW:

Revenue from the operations of your Company for the year was Rs. 111,308,750/-, 25.08% lower than Rs. 148,568,490/- in the previous year. Profit before Depreciation Interest & Tax was Rs. 21,822,010/- against Rs. 38,824,600/- in the previous year. Profit after Tax for the year at Rs. 5,254,080/- was lower by 67.89% over Rs. 16,364,080/- in the previous year. Detailed report on operations of and structure of Business of the Company has been included in Management Discussion and Analysis Report, which forms part of this Annual Report.

3. RISK MANAGEMENT AND INTERNAL CONTROL

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company at regular intervals monitors the financial, operational, legal risk to the Company through procedures like audit, inspections etc. There is no risk, which in the opinion of the Board may threaten the existence of the Company. The internal financial controls are adequate and are monitored at regular intervals.

4. ISSUE OF EQUITY SHARES

The Company allotted 18,00,000 Equity shares of Rs. 10/- each at a premium of Rs. 8/- per share through Initial Public Offer (IPO) on SME Platform of BSE Limited on 14th July, 2015. The Company got listed on BSE SME Platform with effective from July 16, 2016.

5. USE OF PROCEEDS

The proceeds from the Issue of the Company vide prospectus dated 28th June, 2016 have been utilized / are in process of utilization for the purpose for which they were raised and there is no deviation in the utilization of proceeds.

6. DIVIDEND

Based on the Company's performance, the directors are pleased to recommend for approval of the members a final dividend of Rs. 0.50 per equity share (5% on the Equity Shares of Rs. 10/- each) on 6,800,000 Equity Shares of Rs 10/- each for the year ended 2015-16. The final dividend on equity shares, if approved by the members would involve a cash outflow of Rs4,092,160/- including dividend tax.

7. TRANSFER TO RESERVES

The Company has transferred Rs. 14,048,990/- to the Capital Reserve during the year and transferred Rs. 1,877,400/- for the Gratuity provision during the year.

8. MANAGEMENT AND DISCUSSION ANALYSIS REPORT:

A Separate report on Management Discussion and Analysis Report as required under clause 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been presented in a separate section forming part of this Annual Report.

9. HUMAN RESOURCE DEVELOPMENT

During the year under review various employee centric policies were implemented by the Company for improving employee skills and enhancing employee productivity. The relations with the employees were cordially during the year under review.

10. QUALITY INITIATIVES:

The Company is committed to the highest level of quality and continuous improvement programme are organized at all the level. The manufacturing operation of the Company is ISO 9001:2008, U-Stamp and U2- Stamp certified by the independent originations.

11. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary companies hence Your Company is not required to present the consolidated financial statement as per the requirement of the provision of Section 136 of the Companies Act, 2013.

12. DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm:

- (i) in the preparation of the annual financial statements, applicable accounting standards have been followed and there are no material departures from the said standards;
- (ii) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2016 and of the profit of the company for the year ended on that date;
- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities;
- (iv) the annual financial statements have been prepared on a going concern basis;
- (v) proper internal financial controls are in place and are adequate and are operating effectively; and
- (vi) the systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 149 of the Companies Act, 2013, Mr. Babubhai Patel and Mr. Girish Desai were appointed as independent directors at the annual general meeting of the Company held on 11th June, 2015. Mr. kalpesh Joshi was appointment as an independent director of the Company at the Extra Ordinary General Meeting held on 13th June, 2015. They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

Mr. Rameshchandra Nathalal Patel retires by rotation and being eligible has offered himself for re-appointment.

Pursuant to the provisions of section 203 of the Act, during the year under review the Company has appointed Mr. Alkesh Rameshchandra Patel as Managing Director, Mr. Amit Patel as Chief Financial Officer and Ms. Komal Motiani as Company Secretary as the key managerial personnel of the Company. There has been no change in the key managerial personnel since their appointment.

14. NUMBER OF MEETINGS OF THE BOARD

Seventeen meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

15. BOARD EVALUATION

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance. The evaluation covered functioning and composition of the Board and its committees, understanding of the roles and responsibilities, experience, competencies, participation at the Board and Committee meetings, corporate governance practices etc.

Evaluation of the Board and its compositions was carried out through a defined process covering the areas of the Boards functioning viz. composition of the Board and Committees, understanding of roles and responsibilities, experience and competencies, contribution at the meetings etc.

16. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

Pursuant to the requirement of Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy on appointment of Directors including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other senior management has been disclosed in the corporate governance report, which forms part of this report.

17. AUDIT COMMITTEE

During the year under review, the Company constituted the Audit Committee and the primary objective is to monitor and supervise the financial reporting, to ensure accurate and timely disclosures, transparency, integrity and quality of financial reporting. As of the date of this report, the audit committee is comprised of Mr. Babubhai Patel (Chairman), Mr. Rameshchandra Nathalal Patel (Member) and Mr. Kalpesh Joshi (Member).

18. AUDITORS

J. M. Patel & Bros., Chartered Accountants, who are the statutory auditors of the Company, hold office until the conclusion of the ensuing AGM and are eligible for re-appointment. Members of the Company at the AGM held on 30th September, 2014 had approved the appointment of J. M. Patel & Bros. as the Statutory Auditors for a period of five years from the conclusion of the Annual General Meeting held on 30th September, 2014 till the conclusion of Annual General Meeting of the Company to be held in calendar year 2018. As required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, requisite resolution forms part of the notice convening the AGM. The auditors' report does not contain any qualifications, reservations or adverse remarks.

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Amit K. Patel, Company Secretary in practice to undertake the Secretarial Audit of the Company for the year under review. The Board has duly reviewed the Secretarial Auditor's Report and the comments, appearing in the report are self-explanatory and do not call for any further explanation by the Board of Directors as provided under section 134 of the Act. The Secretarial Audit Report is annexed herewith as "Annexure-IV".

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

20. TRANSACTIONS WITH RELATED PARTIES

Pursuant to the provisions of Section 134 (3) read with Section 188 (2) of the Companies Act, 2013, details of transaction for the year under review are given in Form AOC-2 as Annexure-III to this report and in the section on Related Party Transactions in Corporate Governance Report.

21. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 as per provisions of Companies Act, 2013 and rule thereto is annexed to this report as "Annexure - II".

22. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 in respect of employees of the Company will be provide upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto excluding the information on employees particulars which is available for inspection by members at the registered office of the Company during the business hours on all working days of the Company up to the date of ensuing Annual General Meeting of the Company. If any member is interested in inspection the same, the member may write to the Company Secretary in advance.

23. DEPOSITS FROM PUBLIC

Your Company has not accepted any Fixed Deposits as defined under Section 73 of the Companies Act, 2013 and rules framed thereunder.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO CONSERVATION OF ENERGY:

Details of the energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this report as “Annexure – I”.

25. ACKNOWLEDGEMENT

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels.

On behalf of the board of directors

Date:2nd August, 2016

Place: Dahegam, Gandhinagar,

AlkeshRameshchandra Patel
Managing Director

RameshchandraNathalal Patel
Chairman& Whole-time Director

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE -I****DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:****A. CONSERVATION OF ENERGY**

(i)	The steps taken or impact on conservation of energy;	The Company has adopted the system of shutting down the electrical machineries and appliances when not in use to avoid unnecessary waste of energy. New investment in machines is being considered with an idea to have reduction of consumption of energy. The impacts of measures taken are not precisely ascertainable.
(ii)	The steps taken by the company for utilizing alternate sources of energy;	NIL
(iii)	The capital investment on energy conservation equipment;	NIL

B. TECHNOLOGY, ABSORPTION, ADOPTION & INNOVATION:

(i)	The efforts made towards technology absorption;	The activities of the Company at present do not involve technology absorption and research and development
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
(iv)	The expenditure incurred on Research and Development.	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year:	NIL
The Foreign Exchange outgo during the year in terms of actual outflows:	Rs. 24,23,720/-

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year
16000 Shares	NIL	NIL	16000 Shares

We hereby declare that the voting rights on shares in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

On behalf of the board of directors

Date: 2nd August, 2016
Place: Dahegam, Gandhinagar,

Alkesh Rameshchandra Patel Rameshchandra Nathalal Patel
Managing Director Chairman & Whole-time Director

ANNEXURE –II

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i. CIN: U29190GJ2007PLC050607
- ii. Registration Date: 20th April, 2007
- iii. Name of the Company: Loyal Equipments Limited
- iv. Category / Sub-Category of the Company: Company Limited By Shares / Indian Non Government Company.
- v. Address of the registered office and contact details: Block No. 35/1-2-3-4, Village Zak, Dahegam, Gandhinagar – 382 330.
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any: Sharex Dynamic (India) Private Limited, Unit –I, Luthra Industrial Premises, Safeed Pool, Andheri- Kurla Road, Andheri (East), Mumbai – 400 072

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main Products/ Services	NIC Code of the Product/ service	% to total turnover of the company
1	To carry on the business as manufacturers, manufacturers' representatives, exporters, importers, fabricators, machinists, installers, repairers, factors, agents, dealers and distributors of all classes, kinds, types, nature and description of plants, machineries, tools, jigs, fixtures, dies, patents, instruments, appliances and parts, components and accessories thereof including but without limiting the generality thereof particularly of engineering goods, engineering machineries/equipments made of whatever metals and substances.	2911	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NOT APPLICABLE						

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-4-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A: Promoters									
(1) Indian:									
a) Individual/ HUF	-	3000000	3000000	100.00	4999990	-	4999990	73.529	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
Sub - Total (A) (1)	-	3000000	3000000	100.00	4999990	-	4999990	73.529	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any other...	-	-	-	-	-	-	-	-	-
Sub - Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1) + (A)(2)	-	3000000	3000000	100	4999990	-	4999990	73.529	-
B: Public Shareholding									
1 Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub - Total (B) (1)	-	-	-	-	-	-	-	-	-
2 Non-institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	928000	-	928000	13.647	13.647
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
I) Individual	-	-	-	-	568010	-	568010	8.353	-9.059

shareholders holding nominal share capital up to Rs. 1 lakh									
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh					304000	-	304000	4.471	-3.176
c) Others									
(c-i) NRIs (Repatriation)									
(c-ii) NRIs (Non-repat.)									
(c-iii) Foreign Companies									
Clearing member					-	-	-		-
HUF									
Trust									
Sub - Total (B) (2)	-	-	-	-	1800010	-	1800010	26.471	-
Total public shareholding (B) = (B) (1) + (B)(2)	-	-	-	-	1800010	-	1800010	26.471	
C: Shares Held By Custodian For GDRS & ADRS									
GRAND TOTAL (A+B+C)	-	3000000	3000000	100.00	6800000	-	6800000	100.00	-

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	AlkeshRameshchandra Patel	840000	28.00	-	1399960	20.588	-	-7.41
2	JyotsanabenRameshchandra Patel	1320000	44.00	-	2200000	32.353	-	-11.65
3	RameshchandraNathalal Patel	840000	28.00	-	1400000	20.588	-	-7.41
4	Patel Kalpeshbhai H	-	-	-	10	0	-	-
5	HemaMaheshkumar Patel	-	-	-	10	0	-	-
6	ParulAlkeshbhai Patel	-	-	-	10	0	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change):

SL No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2015		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the Year	
		No. of	% of			No. of	% of	No. of	% of

		Shares	Total Shares of the Company			Shares	Total Shares of the Company	Shares	Total Shares of the Company
1	AlkeshRamesh chandra Patel	840000	28.00	28 th April 2015	Increase due to bonus issue	560000	28.00	1400000	28.00
				30 th April, 2015	Decrease due to transfer of shares	40	-	1399960	28.00
2	JyotsanabenRameshchandra Patel	1320000	44.00	28 th April 2015	Increase due to bonus issue	560000	44.00	2200000	44.00
3	Rameshchandra N Patel	840000	28.00	28 th April 2015	Increase due to bonus issue	880000	28.00	1400000	28.00
4	Patel Kalpeshbhai H	0	-	30 th April, 2015	Increase due to transfer of shares	10	-	10	-
5	HemaMaheshkumar Patel	0	-	30 th April, 2015	Increase due to transfer of shares	10	-	10	-
6	ParulAlkeshbhai Patel	0	-	30 th April, 2015	Increase due to transfer of shares	10	-	10	-

iv. Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):-

Sr. No.	Name	Shareholding at the beginning of the year (01/04/2015)		Date	Increase/Decreases shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares
1	Hem Financial Services Limited	48000	0.706	18-03-2016				
	-Closing Balance			31-03-2016			48000	0.706
2	RajmalaFinlease Pvt. Ltd.	200000	2.941	25-03-2016				
	-Closing Balance			31-03-2016			200000	2.941
3	Hem Securities Limited	96000	1.412	17-07-2015				
				24-07-2015	488000	Transfer	584000	8.588
				31-07-2015	80000	Transfer	664000	9.765

				07-08-2015	208000	Transfer	872000	12.824
				14-08-2015	24000	Transfer	896000	13.176
				21-08-2015	-24000	Transfer	872000	12.824
				28-08-2015	24000	Transfer	896000	13.176
				11-09-2015	24000	Transfer	920000	13.529
				18-09-2015	-32000	Transfer	888000	13.059
				25-09-2015	-24000	Transfer	864000	12.706
				30-09-2015	24000	Transfer	888000	13.059
				09-10-2015	-8000	Transfer	880000	12.941
				16-10-2015	16000	Transfer	896000	13.176
				23-10-2015	16000	Transfer	912000	13.412
				30-10-2015	-272000	Transfer	640000	9.412
				06-11-2015	8000	Transfer	648000	9.529
				13-11-2015	-8000	Transfer	640000	9.412
				20-11-2015	16000	Transfer	656000	9.647
				31-12-2015	-8000	Transfer	648000	9.529
				11-03-2016	-8000	Transfer	640000	9.412
				18-03-2016	176000	Transfer	816000	12
				25-03-2016	-200000	Transfer	616000	9.059
	-Closing Balance			31-03-2016			616000	9.059
4	KadambiniUdyog Limited	16000	0.235	24-07-2015				
	-Closing Balance			31-03-2016			16000	0.235
5	Patel DipakbhaiMafatbhaiHuf	16000	0.235	17-07-2015				
				14-08-2015	40000	Transfer	56000	0.824
	-Closing Balance			31-03-2016			56000	0.824
6	Rajendrakumar Manubhai Patel	8000	0.118	17-07-2015				
				05-02-2016	16000	Transfer	24000	0.353
	-Closing Balance			31-03-2016			24000	0.353
7	RadhaKrishanGoyal	5077	0.075	24-07-2015				
				31-07-2015	18923	Transfer	24000	0.353
	-Closing Balance			31-03-2016			24000	0.353
8	Kowshik B M	8000	0.118	07-08-2015	0		0	0
				14-08-2015	8000	Transfer	16000	0.235
				30-10-2015	8000	Transfer	24000	0.353
				06-11-2015	8000	Transfer	32000	0.471
	-Closing Balance			31-03-2016	0		32000	0.471
9	JigishabenJayendraPatel	16000	0.235	21-08-2015	0		0	0

	-Closing Balance			31-03-2016	0		16000	0.235
11	AmitBhogilal Shah	8000	0.118	11-03-2016	0		0	0
				18-03-2016	16000	Transfer	24000	0.353
	-Closing Balance			31-03-2016	0		24000	0.353

v. Shareholding of Directors and Key Managerial Personnel: -

Sr. No.	Name	Shareholding at the beginning of the year (01/04/2015)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares
1	AlkeshRamesh chandra Patel	840000	28.00	28th April 2015	Increase	Bonus Issue	1400000	28.00
				30th April, 2015	Decrease	Transfer	1399960	28.00
2	JyotsanabenRameshchandra Patel	1320000	44.00	28th April 2015	Increase	Bonus Issue	2200000	44.00
3	Rameshchandra Nathalal Patel	840000	28.00	28th April 2015	Increase	Bonus Issue	1400000	28.00
4	AmitChandulal Patel	-	-	30th April, 2015	Increase	Transfer	10	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015):				
i) Principal Amount	32789720	-	4200000	36989720
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	180840	-	-	180840
Total (i+ii+iii)	32970560	-	4200000	37170560
Change in Indebtedness during the financial year:				
* Addition	7785900	-	-	7785900
* Reduction	-	-	(4200000)	(4200000)
Net Change	7785900		(4200000)	3585900
Indebtedness at the end of the financial year (31.03.2016):				
i) Principal Amount	40575620	-	-	40575620
ii) Interest due but not paid	-	-	-	-

iii) Interest accrued but not due	96960	-	-	96960
Total (i+ii+iii)	40672580	-	-	40672580

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Rameshchandra N. Patel	Jyotsnaben R. Patel	Alkesh Patel	
1	Gross salary	3100000	-	4350000	7450000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	3100000	-	4350000	7450000

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Babubhai Patel	Girish Desai	Kalpesh Joshi	
1	Independent Directors:				
	Fee for attending board /committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	TOTAL (1)	-	-	-	-
2	Other Non-Executive Directors:				
	Fee for attending board /committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	TOTAL (2)	-	-	-	-
	TOTAL B = (1+2)	-	-	-	-
	TOTAL MANAGERIAL REMUNERATION	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration To Key Managerial Personnel other than MD/Manager/Whole Time Director

SI. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Amit Patel (CFO)	Komal Motiani Company Secretary	
1	Gross salary	461000	105000	566000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity			
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	461000	105000	566000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ compounding fees imposed	Authority (RD/NCLT / COURT)	Appeal made, if any (give details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On behalf of the board of directors

Date: 2nd August, 2016

Place: Dahegam, Gandhinagar,

Alkesh Rameshchandra Patel
Managing DirectorRameshchandra Nathalal Patel
Chairman & Whole-time Director

ANNEXURE –III

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Loyal Equipments Limited has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during FY 2015-16.

- i. Name(s) of the related party and nature of relationship: Not Applicable
- ii. Nature of contracts/arrangements/transactions: Not Applicable
- iii. Duration of the contracts / arrangements/transactions: Not Applicable
- iv. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- v. Justification for entering into such contracts or arrangements or transactions: Not Applicable
- vi. Date(s) of approval by the Board: Not Applicable
- vii. Amount paid as advances, if any: Not Applicable
- viii. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (Rs)
Loyal Engineers	Proprietorship of Director /Promoter	Rent Agreement effective from 1 st January, 2009 and subsequent modification thereof, Lease agreements effective from 1 st January, 2016.	Rent Agreement	2400000

On behalf of the board of directors

Date: 2nd August, 2016

Place: Dahegam, Gandhinagar,

Alkesh Rameshchandra Patel
Managing Director

Rameshchandra Nathalal Patel
Chairman & Whole-time Director

ANNEXURE - IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of
The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members
LOYAL EQUIPMENTS LIMITED
Block No. 35/1-2-3-4, Village Zak
Dahegam, Ganshinagar – 382 330

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Loyal Equipments Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and therepresentations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company as per Annexure A for the Financial Year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the period)

- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the period)
- vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;(Not applicable to the Company during the period)
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not applicable to the Company during the period) and
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the period)
- (vi) We further report that having regard to the compliance system prevailing in the company and on examination of relevant documents and records in pursuance thereof, on test check basis, the company has generally complied with other laws identified by the management as applicable specifically to the company broadly covering Laws relating to engineering Industries.

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (d) to (h) of para (v) mentioned hereinabove during the period under review.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the BSE Ltd. read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

However, it was noted that compliance of secretarial standards issued by ICSI were not mandatory as none of the standards were notified during the period under review.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under the laws and regulations applicable to the Company as referred hereinabove and verification of documents and records on test check basis.

We further report that the compliance by the company of the direct and indirect tax laws has not been reviewed during this audit as the same had been subject to review by the statutory financial audit and other designated professionals.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Ahmedabad

Date: 2nd August, 2016

Name of Company Secretary: Amit Patel
Company Secretary
FCS No. 8291 CP. No. 15068

This report is to be read with our letter of even date which is annexed as Annexure B and forms an integral part of this report.

ANNEXURE - A

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Companies Act and rules made there under viz.
 - Register of Directors & KMP
 - Register of Directors' Shareholding
 - Register of loans, guarantees and security and acquisition made by the Company
 - Register of Members
 - Periodical BENPOS, Registers of Demat/Remat and records made available from RTA
5. Agenda papers relating to the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013.
7. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the period under report.
8. Intimations/ documents/ reports/ returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the period under report.
9. Communications/ Letters issued to and acknowledgements received from the Independent directors for their appointment
10. Various policies framed by the company from time to time as required under the Companies Act as well as listing agreement/SEBI Regulations.

ANNEXURE - B

To,
The Members
LOYAL EQUIPMENTS LIMITED
Block No. 35/1-2-3-4, Village Zak
Dahegam, Gandhinagar – 382 330

Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2016

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad

Date: 2nd August, 2016

Name of Company Secretary: Amit Patel
Company Secretary
FCS No. 8291 CP. No. 15068

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SUMMARY OF OUR INDUSTRY

Global Economic Outlook

The last couple of months have been increasingly challenging for the global economy, the rapid decline in oil prices, quick adjustments in exchange rates (with the US dollar appreciating and weakening of most other currencies, notably the euro), and the new quantitative easing program of the ECB are just a few examples of the economic factors at play. In addition, there is increased geopolitical uncertainty related to the Russia-Ukraine and Middle East conflicts, as well as increased concern about the economic and political future of the Euro Area and European Union. Overall GDP growth across the globe is sluggish. If we look geography wise, US and European market looks positive, Asia Pacific region will remain leaders in the growth prospectus, Economic conditions in Latin America will improve in coming quarters while Africa will remain uncertain about the growth prospectus.

Global Capital Goods & Engineering equipment Industry

Over the past years, collective demand has prompted a dramatic increase in pressure vessel production numbers. Overall annual production (all vessel types) stood at approximately 5.5 million units in 2012, valued at \$1.1 billion. With increasing demand in 2013, the global market rose to 9.7 million units, worth \$2.3 billion. The rush in demand motivated a number of vessel fabricators to significantly expand their capacity — much of which became operational this year. By 2016, this analysis forecasts that production will approach 12.5 million pressure vessels and could grow to more than 20 million units by the end of the forecast. Over the entire 2014-2023 period, predicted production of pressure vessels represents about \$45 billion in potential sales, broken down regionally as follows:

- Europe 14%
- North America <1%
- Asia-Pacific 61%
- Latin & South America 12%
- Africa <1%
- Middle East 12%

Indian Capital Goods & Engineering Equipments Sector

Machine tool industry is considered as mother industry for capital goods sector as it supplies machinery for the entire manufacturing sector. The industry constitutes almost 800 manufacturers, largely SMEs. Various types of machine tools currently manufactured in India include General/Special Purpose Machines, Standards CNC machines, Gear cutting, Grinding, Medium sized machines, EDM, Presses, Press Brakes, Pipe Bending, Rolling, Bending, Measuring, metrology and gauging, etc. The demand for machine tools has been growing at a fast pace (nearly 16% per annum) but the domestic supply is not sufficient to meet the same. Consequently, India is highly dependent upon imports of machine tools. Process Plant Equipment There are over 200 units engaged in the manufacturer of process plant machinery in the country out of which 65% are SMEs. Major process plant machineries include tanks, pressure vessels, evaporators, stirrers, heat exchangers, towers & columns, crystallizer, furnace, etc. are used in energy sector, gas, oil, refinery, chemical & petrochemical, fertilizer, paper & pulp, sugar, cement, dairy industry, etc. Over the years, Indian capital goods manufacturers have improved in terms of technology utilisation and quality control (though it is still lower in comparison to major competing countries). Several players in the industry possess state-of-the-art technology and have added significant capacities to increase the plant size at par with global companies. Further, the manufacturers have shifted focus from mere fabrication and are present across the value chain, from design and engineering at the back-end to erection and commissioning at the front end. However, the industry lacks the know-how on process technology, which has made it dependent on Overseas process Licensors.

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors of the economy, is of strategic importance to India's economy. Growth in the sector is driven by various sub-sectors such as infrastructure, power, steel, automobiles, oil and gas, Chemical Industry, Pharmaceutical Industry, and Fertilizers Industries etc.

The Indian government has appointed the Engineering Export Promotion Council (EEPC) to be the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world.

Market size

Driven by strong demand for engineering goods, exports from India registered a double digit growth at 10.22 per cent to touch US\$ 26.4 billion in June 2014 from US\$ 24.02 billion in the corresponding month last year. This growth can be credited to the robust expansion in shipments of aircraft, spacecraft parts and automobiles. The second best performing sector was non-ferrous metals and metal products.

Engineering exports from India are expected to cross US\$ 70 billion in FY 15 registering a growth of 15 per cent over the previous fiscal, as demand in key markets such as the US and the UAE is on the rise. Apart from these traditional markets, markets in Eastern and Central European countries such as Poland also hold huge promise. India exports its engineering goods mostly to the US and Europe, which accounts for over 60 per cent of the total exports. Recently, India's engineering exports to Japan and South Korea have also increased with shipments to these two countries rising by 16 and 60 per cent respectively.

Future Outlook

The engineering sector is expected to grow in the future and has a positive outlook owing to infrastructure development, favourable government policies and new investments in power projects, metals, oil & gas, and petrochemicals industries. Further industrial and manufacturing growth will boost growth in the engineering sector. As the export market offers more opportunities to explore, India's contribution in global engineering exports is expected to increase. Emerging trends like outsourcing of engineering services provide opportunities for growth. Engineering and design services such as new product designing, product improvement, maintenance and designing manufacturing systems are getting increasingly outsourced to Asian countries like India. It is estimated that by 2020 India can be a US\$ 40 bn market for engineering outsourcing services. In addition, Department of Commerce set a target of US\$ 125 bn for engineering exports in 2013-14. Thereafter, for the remaining three years of the 12th Five Year Plan, based on a CAGR of 20% for the major sectors of engineering exports except Industrial Machinery, Electrical Machinery and Shipbuilding, the overall export target for engineering exports at the end of the 12th Five Year Plan has been set at US\$ 222 bn. Thus, there are many opportunities for the Indian engineering sector.

SUMMARY OF OUR BUSINESS

Our Company was incorporated as Loyal Equipments Private Limited on April 20, 2007 under the provisions of Companies Act, 1956 in Registrar of Companies, Dadra and Nagar Haveli, Gujarat and establish the unit at Village Zak, Dahegam, Gujarat for manufacturing and supplying of Coded Pressure Vessels & Heat Exchangers (Ferrous & Non Ferrous), Air Cooled Heat Exchangers, Skids for Dynamic and Static Machineries, Base-Plates, Sterilizers, Chimneys and Columns, Tanks & Receivers, Site Fabrication & Erection Activities. Our Products are widely used in the industries like Petro-chemicals, Compressor Industries, Power Plants, Fertilizers, Refinery, Pharmaceuticals and Dairy Industry. We manufacture and design the products as per the needs of the customer, so that they can avail the products as per their specifications and customizations. We are an ISO 9001:2008 certified Company and our Quality Management Systems confirms to the standards laid down in the Industry. We have enlisted with various governments undertaking and other parties such as Engineers India Limited and Gujarat

StatePetronet Ltd. as registered supplier for supply of Pressure Vessels and Heat Exchangers. Also our Company is a member ofHeat Transfer Research Inc, the world's premier source of technology information, services and software in field of processheattransferFurther, Our Company is authorized under The American Society of Mechanical Engineers (ASME) for "U" and "U2"Stamp on Manufacture of pressure vessels and also authorized by The National Board of Boiler & Pressure VesselInspectors for "NB" Mark in Pressure Vessels and other pressure retaining items.

SALIENT FEATURES OF OUR PRODUCTS:

- Produced from the toughest materials like steel, non ferrous materials.
- Compliance to customer Requirements
- Adherence to the Quality standards as required by monitoring agencies
- Timely Delivery
- Customization
- Consignment packaging as per specification of customer.

Our production facility is currently located in the state of Gujarat, India. Our manufactured products have presences acrossmajor states of India as well as outside India Our Major customers such as:-

- Engineers India Limited
- Dresser-Rand India Pvt. Ltd.-Ahmedabad
- Ingersoll Rand India Limited-Ahmedabad
- Kirloskar Pneumatic Co. Limited-Pune
- Larsen & Turbo Limited-Baroda
- Reliance Industries Limited-Mumbai / Jamnagar
- Alstom Projects India Limited-Baroda
- Linde Engineering (India) Limited – Baroda.
- Bharat Pumps & Compressors Limited-Naini, Allahabad
- Texas Southpiller Limited-USA
- Voirth
- Dresser Rand, USA

OUR COMPETITIVE STRENGTHS

We believe that the following are our primary competitive strength:

Customized Product Offering:-

Our Company offers customization facilities to the customers, so that they can avail the products as per their specifications.The companies which require the products as per their specification approach us. We design the products as per thespecifications and requirements of the clients. This provides a complete satisfaction to our clients and enables us to expandour business from existing customers, as well as address a larger base of potential new customers.

Quality Assurance and Standards:-

We believe in providing our customers the best possible quality products. We have developed quality policies of theCompany to provide our client the best possible quality product. We adopt quality check to ensure the adherence to desiredspecifications, quality and standards. Since, our Company is dedicated towards quality products, processes and inputs; weget repetitive orders from our clients, as we are capable of meeting their quality standards.

Existing customer relationship:-

We believe that we constantly try to address customer needs around a variety of products. Our existing customer relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our customers represents a competitive advantage in gaining new customers and increasing our business.

Existing relationship with suppliers:-

We have acquired raw materials from several suppliers and have contacts with them for a long time. We believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of raw materials. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn has enabled us to generate repeat business.

OUR BUSINESS STRATEGY

Meeting Customer requirements:

Our Company intends is to provide the customer with 100% satisfaction. We clearly understand the requirement and specification of the products required by the clients. Based on these requirements and specification products are designed and developed, customization is done wherever required. The products are manufactured using good quality material procured from reliable sources so that the customers receive the products with the best possible quality standards within the stipulated time frame.

Adopting automation in production process:

We possess sound manufacturing facility which is assisted by our production team. The manufacturing unit is outfitted with the requisite machines, tools and equipments. The production process are designed and carried out as per the industry standards.

To build-up a professional organization:-

As an organization, we believe in transparency and commitment in our work and with our suppliers, customers, government authorities, banks, financial institutions etc. We have an experienced and technically sound team for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business.

Optimal Utilization of Resources:-

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We regularly analyze our existing raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

On behalf of the board of directors

Date: 2nd August, 2016

Place: Dahegam, Gandhinagar,

Alkesh Rameshchandra Patel
Managing Director

Rameshchandra Nathalal Patel
Chairman & Whole-time Director

CORPORATE GOVERNANCE REPORT FOR THE YEAR **2015-16**

I. Company's philosophy on Corporate Governance

The Company's philosophy on Corporate Governance revolves around principles of ethical governance and is aimed at conducting of business in an efficient and transparent manner and in meeting its obligations to stakeholders. Your Company beholds Corporate Governance measures as an integral part of business strategy which adds to considerable internal and external values and contributes to the business growth in ethical perspective. Your Company believes that any meaningful policy on Corporate Governance must empower the executive management of the Company. At the same time, Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

Our Corporate governance framework has helped us be aligned with the new guidelines of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Pursuant to "SEBI Listing Regulations" the Company has executed fresh Listing Agreements with the BSE. We believe that an active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financial performance and governance of the Company. Your Company has complied with the requirements of Corporate Governance as laid down under Clause 49 of the Listing Agreement and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

II. Board of Directors:

- i. As on March 31, 2016, the Company has six Directors. Of the six Directors, three are Non-Executive Directors and three are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- ii. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2016 have been made by the Directors.
- iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- iv. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2016 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanships / Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.

Name of the Director	Category of Directorship	Number of board meetings during the year 2015-16		Whether attended last AGM held on June 11, 2015	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Alkesh R. Patel	Managing Director	17	17	Yes	None	None	None	None
Jyotsanaben R. Patel	Whole Time Director	17	17	Yes	None	None	None	None
Rameshchandra N. Patel	Chairman & Whole Time Director	17	17	Yes	None	None	None	None
Babubhai Patel	Independent, Non-Executive	17	8	NA	None	None	None	None
Girish Desai	Independent, Non-Executive	17	8	NA	None	None	None	None
Kalpesh Joshi	Independent, Non-Executive	17	8	NA	None	None	None	None

Note:

- (1) The number of other directorships excludes directorships held in Private Limited Companies, Foreign Companies and that of the Company.
- (2) This includes the Chairmanship/Membership only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted public limited companies.

- v. Seventeen Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:

Date of Board Meeting: 20/04/2015, 25/04/2015, 28/04/2015, 30/04/2015, 01/05/2015, 15/05/2015, 18/05/2015, 25/05/2015, 13/06/2015, 25/06/2015, 29/06/2015, 07/07/2015, 14/07/2015, 31/10/2015, 01/01/2016 and 23/03/2016

The necessary quorum was present for all the meetings.

- vi. During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

III. COMMITTEES OF BOARD:**A. AUDIT COMMITTEE:**

The audit committee of the Company is constituted during the year under review, in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

Role of the Audit Committee:

- (i). Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii). Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii). Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv). Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- (v). Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi). Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii). Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- (viii). Approval or any subsequent modification of transactions of the Company with related parties;

- (ix). Scrutiny of inter-corporate loans and investments;
- (x). Examination of the financial statement and the auditors' report thereon;
- (xi). Evaluation of internal financial controls and risk management systems;
- (xii). Establish a vigil mechanism for directors and employees to report genuine concerns in
- (xiii). Such manner as may be prescribed;
- (xiv). The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- (xv). The audit committee shall review the information required as per SEBI Listing Regulations.
- (xvi). The audit committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- (xvii). The Secretary of the Company acts as a Secretary to the Committee.
- (xviii). The previous Annual General Meeting was held before the constitution of the Audit Committee hence the Chairman of the Committee was not present
- (xix). The Committee comprises of three directors and all the members of the Audit Committee have accounting and financial management expertise. In the financial year 2015-16, four meetings were held on 14/07/2015, 31/10/2015 and 01/01/2016 and 23/03/2016. The time gap between any two meetings was less than four months. Composition of committee as on 31st March 2016 and member's attendance at the meetings during the year are as under:

Name of Director/ Member	Chairman/ Member	Category of Directorship	No. of Meetings Attended
Babubhai Patel	Chairman	Non Executive Independent	Four
Kalpesh Joshi	Member	Non Executive Independent	Four
Rameshchandra N Patel	Member	Executive – Whole Time Director	Four

B. NOMINATION AND REMUNERATION COMMITTEE:

The nomination and remuneration of the Company is constituted during the year under review, in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

Composition, Meeting and Attendance during the year

As on March 31, 2016, the Nomination and Remuneration Committee comprises of the three Directors, all the members of the Committee are Non-Executive (Independent) Directors as mentioned in the following table. The composition of the Committee and details of attendance of the Committee members at the meetings are given in the following table. During the financial year under review, four meeting of the Committee was held on 14/07/2015, 31/10/2015 and 01/01/2016 and 23/03/2016.

Name of Directors	Chairman / Member	Category	No. of Meeting	
			Held	Attended
Girish Desai	Chairman	Non-Executive (Independent)	Four	Four
Babubhai Patel	Member	Non-Executive (Independent)	Four	Four
Kalpesh Joshi	Member	Non-Executive (Independent)	Four	Four

The roles and responsibilities of the Committee include the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board for their appointment and removal.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To devise a policy on Board diversity.
- To ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Considering, approving and recommending to the Board changes in designation and increase in salary of the Directors, KMP and other employees.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Remuneration Policy:

Pursuant to the requirement of Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy on appointment of Directors including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other senior management. Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our Business Model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to applicable rules and regulation.

The Company pays remuneration by way of salary, benefits, perquisites and allowances and commission, if approved by the Board to its Managing Director and the Whole Time Directors. Annual increments are decided by the Nomination and Remuneration Committee within the

salary scale approved by the members and are effective April 1, each year. The Nomination and Remuneration Committee decides on the commission payable to the Managing Director and the Whole Time Directors out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director and each Whole Time Director.

Managerial Remuneration:

a. Remuneration of Chairman & Managing Director and Whole Time Director

The details of remuneration paid to Chairman & Director, Managing Director and Whole Time Director of the Company for the financial year 2015-16 are as under:

Particulars	Amount in Rs.		
	Rmeshchandra Nathalal Patel	Alkesh Rameshchandra Patel	Jyotsnaben Rameshchandra Patel
Salary	3078400	4328400	-
Contribution to PF & Other Funds	21600	21600	-
Commission	-	-	-
Total	3100000	4350000	-

b. Independent Non Executive Directors (INEDs):

During the year, the INEDs were neither paid any remuneration nor granted any loans or advances. A Non-Executive Director is paid sitting fees for each meeting of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014. A Non-Executive Director is also reimbursed the expenses incurred by him for attending the Board and / or Committee of Board meetings, there are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the year ended on 31st March, 2016.

The details of sitting fees paid to the Non-Executive Directors during the financial year 2015-16 are given below:

Sr. No.	Name of Non-Executive Director	Sitting Fees (in Rs.)
1	Babubhai Patel	-
2	Girish Desai	-
3	Kalpesh Joshi	-

c. Details of shares of the Company held by the Directors as on March 31, 2016 are given below:

Sr. No.	Name of the Director	No. of Equity Shares held
1	Rameshchandra Nathalal Patel	1400000
2	Alkesh Rameshchandra Patel	1399960
3	Jyotsnaben Rameshchandra Patel	2200000
4	Babubhai Patel	Nil
5	Girish Desai	Nil
6	Kalpesh Joshi	Nil

C. Stakeholders' Relationship Committee:

- (i). The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.
- (ii). The Committee to consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
- (iii). The Committee to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- (iv). Four meetings of the stakeholders' relationship committee were held during the year on 14/07/2015, 31/10/2015 and 01/01/2016 and 23/03/2016.
- (v). The composition of the Stakeholders' Relationship Committee and meetings attended by the members of the committee are given below:

Name of Director	Chairman / Member	Category
Babubhai Patel	Chairman	Non-Executive (Independent)
Kalpesh Joshi	Member	Non-Executive (Independent)
AlkeshRameshchandra Patel	Member	Non-Executive (Independent)

- (vi). Name, designation and address of Compliance Officer:

Ms.KomalMotiani, Company Secretary
 Loyal Equipments Limited
 Block No. 35/1-2-3-4, Village Zak,
 Ta: Dahegam, Gandhinagar – 382 330
 Tel No: +91-2718-247236, +91-2716-269399
 Fax No.: +91-2716-269033,
 E-mail: cs@loyalequipments.com

IV. Website: www.loyalequipments.com GENERAL BODY MEETING:**Annual General Meetings (AGM):**

The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are given below:

Day, Date and Time of AGM	Venue	Special Resolutions passed
11 th June, 2015 at 11.00 a.m.	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhnagar – 382330	1. Regularisation of appointment of Babubhai Patel as an independent Director. 2. Regularisation of appointment of Girish Desai as an independent Director
30 th September, 2014 at 11.00 a.m.	6, Chitrakoot Bungalows, Nr. Surdhara Society, Dahegam Road, Naroda - 382330	NIL
30 th September, 2013 at 11.00 a.m.	6, Chitrakoot Bungalows, Nr. Surdhara Society, Dahegam Road, Naroda - 382330	NIL

Extra ordinary General Meetings (EGM):

Day, Date and Time of EGM	Venue	Special Resolutions passed
16 th November, 2013 at 11.30 a.m.	6, Chitrakoot Bungalows, Nr. Surdhara Society, Dahegam Road, Naroda - 382330	1. Alteration of Articles of Association 2. Issue of Bonus Shares
28 th April, 2015 at 11.00 a.m.	6, Chitrakoot Bungalows, Nr. Surdhara Society, Dahegam Road, Naroda - 382330	1. Increase in Authorised Share Capital 2. To issue Bonus Shares 3. Shifting of Registered Office
2 nd May, 2015 at 11.00 a.m.	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhnagar – 382330	1. Conversion of Company from Private Limited to Public Limited 2. Alteration of Articles of Association 3. Alteration of Memorandum of Association
19 th May, 2015 at 11.00 a.m.	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhnagar – 382330	1. Approval of Initial Public Offer
13 th June, 2015 at 11.00 a.m.	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhnagar – 382330	1. Change in Designation of Alkesh Patel 2. Change in Designation of Rameshchandra Patel 3. Change in Designation of Jyotsnaben Patel 4. Regularisation of Appointment of Kalpesh Joshi

Resolutions Passed Though Postal Ballot:

'No Special Resolution requiring a postal ballot was passed during the year under review. No Special Resolution requiring a postal ballot is being proposed in the ensuing Annual General Meeting.

V. DISCLOSURES:

- i. Related Party Transaction:
All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year were in the ordinary course of business.
- ii. Details of Legal Compliances:
Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2013-14, 2014-15 and 2015-16 respectively: Nil
- iii. Code of Conduct:
The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2016. The annual report of the Company contains a certificate by the Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.
- iv. Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

VI. MEANS OF COMMUNICATION:

The Company’s website (www.loyalequipments.com) contains a separate dedicated section ‘Investor Relations’ where shareholders’ information is available. The Company’s Annual Report is also available in a user-friendly and downloadable form.

The Annual Report containing, inter alia, Audited Financial Statement, Directors’ Report, Auditors’ Report and other important information is circulated to members and others entitled thereto. The Management’s Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company’s website. The main channel of communication to the shareholders is through Annual Report.

The Annual General Meeting is a platform for face-to-face communication with the shareholders, where the Chairman, Managing/Whole Time Director makes presentation on the performance, operating and financial results of the Company. The Chairman, Managing/Whole Time Director and other Key Managerial Personnel also respond to the specific queries of the shareholders.

As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, ECS advices for dividends, etc. were sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ RTA. This helped in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

The Company also intimates to the Stock Exchanges all price sensitive matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on such matters, wherever necessary.

BSE’s Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, media releases, among others are also filed electronically on the Listing Centre.

VII. GENERAL SHAREHOLDER INFORMATION:

i. Company Registration Details:

The Company is registered in the State of Gujarat, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U29190GJ2007PLC50607.

ii. Annual General Meeting:

Date & Time	Saturday, 27 th August, 2016 at 9.30 a.m.
Venue	Loyal Equipments Limited, Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382330

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the AGM to be held on 27th August, 2016.

iii. **Financial Calendar:**

Year ending	March 31
AGM in	August
Dividend Payment	The final dividend, if declared, shall be paid / credited after August 27 th , 2016

iv. **Date of Book Closure/ Record Date:** As mentioned in the Notice dated August 01, 2016 of the AGM to be held on 27th August, 2016

v. **Listing on Stock Exchanges:** The Company got listed on 16th July, 2015 on the SME Platform of BSE Limited. The Securities of the Company is listed on the SME Platform of BSE Limited, P.J. Towers, Dalal Street, Mumbai and the Security code of the Company is 539227.

vi. **Dividend Policy:** Dividends, other than interim dividend(s), are to be declared at the annual general meetings of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions.

vii. **Market Price Data:** The closing market price of equity shares on 31st March, 2016 (last trading day of the year) was Rs. 13.00 on BSE. The monthly movement of equity share prices from the month of listing to March, 2016 at BSE is summarized as herein below:

Month	High Price	Low Price	No. of Equity Shares Traded
Jul-15	22.5	19.25	1504000
Aug-15	21.5	18	312000
Sep-15	18	17	64000
Oct-15	18.75	15.5	344000
Nov-15	17.25	12.9	128000
Dec-15	19.45	16	24000
Feb-16	15.95	12.1	32000
Mar-16	14.75	10.1	320000

viii. **Registrars and Transfer Agents:** Name and Address are as under:
Sharex Dynamic (India) Private Limited - Unit-1, Luthra Ind Premises, 1st Floor, 44 E, M Vasanti Marg, Andheri Kurla Road, Safeed Pool, Andheri East, Mumbai, Maharashtra 400072

ix. **Share Transfer System:** 100.00% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company.

x. **Shareholding as on March 31, 2016 :****Distribution of equity shareholding as on March 31, 2016 :**

No. of equity shares held	No. of shareholders	% of shareholders	Total Amount	% of Amount
1-500	4	3.96	400.00	-
501-1000	-	-	-	-
1001-2000	-	-	-	-

2001-3000	-	-	-	-
3001-4000	-	-	-	-
4001-5000	-	-	-	-
5001-10000	75	74.26	6000000	8.82
10001 and Above	22	21.78	61999600	91.18
TOTAL	101	100.00	68000000	100.00

By category of shareholders:

Category	No. of Shares held	% of Shareholding
Promoters	4999990	73.53%
Banks, FIs, Insurance companies	-	-
Private Bodies Corporate	-	-
Non-Resident Indians	-	-
Indian Public	920010	13.53%
Other (Clearing Member)	880000	12.94%
Total	6800000	100.00%

Top ten equity shareholders of the Company as on March 31, 2016:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage of holding
1	JyotsanabenRameshchandra Patel	2200000	32.353
2	RameshchandraNathalal Patel	1400000	20.588
3	AlkeshRameshchandra Patel	1399960	20.588
4	Hem Securities Limited	616000	9.059
5	RajmalaFinlease Pvt. Ltd.	200000	2.941
6	Patel DipakbhaiMafatbhaiHuf	56000	0.824
7	Hem Financial Services Limited	48000	0.706
8	Kowshik B M	32000	0.471
9	AmitBhogilal Shah	24000	0.353
10	RadhaKrishanGoyal	24000	0.353

- xi. Dematerialisation of shares and liquidity:** The Company's shares are compulsorily traded in dematerialised form on BSE. 100.00 % of the Equity share capital is dematerialised as on March 31, 2016. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE876S01017.
- xii. Outstanding GDRs / ADRs / Warrants / any other convertible instruments:** As on date, the Company does not have any outstanding instruments of the captioned type.
- xiii. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund ("IEPF"):** No amount pursuant to Sections 205A and 205C of the Companies Act, 1956 and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment.

- xiv. Address for correspondence:**
Loyal Equipments Limited
Block No. 35/1-2-3-4, Village Zak,
Dahegam, Gandhinagar – 382 330

On behalf of the board of directors

Date: 2nd August, 2016
Place: Dahegam, Gandhinagar,

Alkesh Rameshchandra Patel
Managing Director

Rameshchandra Nathalal Patel
Chairman & Whole-time Director

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2016, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Global Head - HR, Global Business Unit Heads, Global Head - Legal and the Company Secretary as on March 31, 2016.

Alkesh Rameshchandra Patel
Managing Director

INDEPENDENT AUDITORS' COMPLIANCE
CERTIFICATE

**TO THE MEMBERS OF
LOYAL EQUIPMENTS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by Loyal Equipments Limited("the Company"), for the year ended on 31stMarch 2016, as stipulated in:
 - Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
 - Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015to September 1, 2015.
 - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C,D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Amit Patel
Company Secretary
Membership No. F8291,COP No. 15068

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

**TO THE MEMBERS OF
LOYAL EQUIPMENTS LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of **Loyal Equipments Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, for the year ended on March 31, 2016, the Cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance & cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, and the Rules made thereunder including the accounting & auditing standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, and its Profit & Loss A/c & Cash Flow for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by 'the Companies (Auditors Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss & Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of internal financial control over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in Annexure "B" and;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - (i) The Company does not have any pending litigations as at March 31, 2016.
 - (ii) The Company has made provision, as at March 31, 2016 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) The Company is not liable to transfer any amounts, to the Investor Education and Protection Fund during the year ended March 31, 2016.

Place: Ahmedabad
Date: 28th May, 2016

For, J. M. PATEL & BROS.
Chartered Accountants
F.R.No. 107707W

(J. M. Patel)
Proprietor

ANNEXURE “A” TO THE AUDITOR’S REPORT

REFERRED TO IN PARAGRAPH 10 OF OUR REPORT OF EVEN DATE

On the basis of such checks as we considered appropriate and according to the information and explanations 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 fixed assets;
 - b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - c) The title deeds of immovable properties are held in the name of the company.
- 2)
 - a) The management has conducted the physical verification of inventory at reasonable intervals.
 - b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2016 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7)
 - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) 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 not taken any loan either from financial institutions or from the government and has not issued any debentures.

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has raised moneys by way of initial public offer or further public offer excluding debt instruments and term Loans & the same has been applied for the purpose for which those are raised
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Ahmedabad
Date: 28th May, 2016

For, J. M. PATEL & BROS.
Chartered Accountants
F.R.No. 107707W

(J. M. Patel)
Proprietor

ANNEXURE “B” TO THE AUDITOR’S REPORT**Report on the Internal Financial Control under clause (i) of sub section 3 of Section 143 of companies Act , 2013 (‘The Act’)**

We have audited the internal financial control over financial reporting of Loyal Equipments Limited (‘the company’) as of 31st March, 2016 in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

Management Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3)

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ahmedabad
Date: 28th May, 2016

For, J. M. PATEL & BROS.
Chartered Accountants
F.R.No. 107707W

(J. M. Patel)
Proprietor

FINANCIAL STATEMENTS**BALANCE SHEET AS AT 31ST MARCH 2016**

Particulars	Note	Amount (In '000)	Amount (In '000)
	No.	31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
1) Shareholder's Funds			
a) Share Capital	1	68000.00	30000.00
b) Reserve & Surplus	2	27314.77	33630.25
c) Money received against share warrants		0.00	0.00
2) Share Application Money Pending Allotment			
3) Non-Current Liabilities			
a) Long-Term Borrowings	3	9500.00	17478.43
b) Deferred Tax Liabilities (Net)	4	731.83	1442.93
c) Other Long-Term Liabilities		0.00	0.00
d) Long-Term Provisions	5	1877.40	0.00
4) Current Liabilities			
a) Short-Term Borrowings	6	31075.62	19511.29
b) Trade Payables	7	13137.28	14813.35
c) Other Current Liabilities	8	32869.77	1793.98
d) Short-Term Provisions	9	7413.53	9801.56
	TOTAL	191920.20	128471.79
II. ASSETS			
1) Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	10	47708.43	51283.44
ii) Intangible Assets	10	3060.78	2713.59
iii) Capital Work-in-Progress			
iv) Intangible Assets under Development			
b) Non-Current Investments	11	400.00	400.00
c) Deferred Tax Assets		0.00	0.00
d) Long-Term Loans & Advances	12	987.52	43.52
e) Other Non-Current Assets	13	2765.36	0.00
2) Current Assets			
a) Current Investments	14	15920.38	0.00
b) Inventories	15	61560.94	45088.95
c) Trade Receivables	16	17981.60	14146.23
d) Cash and Cash Equivalent	17	34291.32	1105.80
e) Short-Term Loans and Advances	18	2805.02	0.00
f) Other Current Assets	19	4438.86	13690.27
	TOTAL	191920.20	128471.79
Significant Accounting Policies	28		
Notes on Financial Statements			

For and On behalf of the Board
For Loyal Equipments Limited

Rameshchand N Patel
Director
DIN 01307699
Place : Ahmedabad
Date : 28/05/2016

Alkesh R Patel
Managing Director
DIN 02672297

Amit Patel
Chief Financial
Officer

Komal M. Motiani
Company Secretary
M.No. A39696

As per Our Separate Report of Date
For JM Patel & Bros
CHARTER ACCOUNTANTS

CA. J.M. Patel
PROPRIETOR
M.NO. 30161

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31 MARCH 2016**

Particulars	Note	Amount (In '000)	
		31.03.2016	31.03.2015
I. INCOME			
a) Revenue from Operations	20	111308.75	148568.49
b) Other Income	21	1215.51	152.71
TOTAL REVENUE		112524.26	148721.20
II. EXPENDITURE			
a) Cost of Raw Material Consumed	22	50369.84	86829.85
b) Purchases of Stock in Trade		0.00	0.00
c) Changes in Inventory of Finished Goods, Work In Progress & Stock In Trade	23	3074.66	-8065.76
d) Employee Benefit Expenses	24	19262.69	15475.36
e) Finance Costs	25	3269.33	3419.36
f) Depreciation and Amortisation Expenses	26	10105.23	10294.84
g) Other Expenses	27	17995.06	15657.15
TOTAL EXPENSES (a to g)		104076.81	123610.80
Profit Before exceptional and extraordinary items and Tax		8447.45	25110.40
Less: Exceptional items			0.00
Profit Before extraordinary items and Tax		8447.45	25110.40
Less: Extraordinary items			0.00
Profit Before Tax		8447.45	25110.40
Less : Tax Expenses			
a) Current year Tax		3321.37	6291.71
b) Income Tax related to Previous Year		583.10	1011.68
c) Deferred Tax		(711.10)	1442.93
Profit/(Loss) for the Year		5254.08	16364.08
<i>Earning per equity share of face value of Rs. 10 each</i>		0.84	3.44
Basic and Diluted			
Significant Accounting Policies	28		
Notes on Financial Statements			

For and On behalf of the Board
For Loyal Equipments Limited

Rameshchandra N Patel Alkesh R Patel
Director Director
DIN 01307699 DIN 02672297
Place : Ahemdabad
Date : 28/05/2016

Amit Patel
Chief Financial
Officer

Komal M.
Motiani
Company
Secretary
M.No.A39696

As per Our Separate Report of Even
Date
For JM Patel & Bros
CHARTEREDACCOUNTANTS

CA. J.M. Patel
PROPRIETOR
M.NO. 30161

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Amount (Rs. In '000)	Amount (Rs. In '000)
	31.03.2016	31.03.2015
Cash flows from operating activities		
Profit before taxation & Extraordinary items	8,447.45	25,110.40
Adjustments for:		
Depreciation	10,105.23	10,294.84
Investment income	(1,039.23)	(149.05)
Finance Cost	2,918.51	3,419.36
Working capital changes:		
(Increase) / Decrease in trade and other receivables	(3,835.37)	(13,528.73)
(Increase) / Decrease in other current assets	6,446.40	19,648.42
(Increase) / Decrease in inventories	(16,472.00)	(8,065.76)
Increase / (Decrease) in trade payables	(1,676.07)	(14,712.46)
Increase / (Decrease) in other current liabilities	31,075.79	157.69
Cash generated from operations	35,970.70	22,174.70
Income taxes paid	(6,874.81)	(5,306.91)
Payment of Dividend & Dividend Distribution Tax	(3,509.85)	(5,811.15)
Net cash from operating activities	25,586.04	11,056.64
Cash flows from investing activities		
Purchase of Fixed Assets	(6,877.41)	(34,866.31)
Purchase of Investments	(15,920.37)	-
Long terms loans & Advances granted	(3,709.36)	-
Interest received	999.13	108.95
Dividend received	40.10	40.10
Net cash used in investing activities	(25,467.91)	(34,717.26)
Cash flows from financing activities		
Proceeds from issue of share capital	18,000.00	5000.00
Proceeds from Securities Premium	14,400.00	-
Payment of Long Term Borrowings	(7,978.43)	-
Proceeds from Long Term Borrowings	-	16,376.49
Proceeds from Short Term Borrowings	11,564.33	-
Payment of Finance Cost	(2,918.51)	(3,419.36)
Refund of Share Application Money	-	-
Net cash used in financing activities	33,067.39	17,957.13
Net increase in cash and cash equivalents	33,185.52	(5,703.49)
Cash and cash equivalents at beginning of period	1,105.80	6,809.29

Cash and cash equivalents at end of period	34,291.32	1,105.80
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For and On behalf of the Board

As per Our Separate Report of Even Date

For LOYAL EQUIPMENTS LIMITED

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

**Amit Patel
Chief Financial Officer**

Ramesh Chandra N Patel Alkesh R Patel
Director Director
DIN 01307699 DIN 02672297
Place : Ahemdabad
Date : 28/05/2016

Komal M. Motiani (J.M.Patel)
Company Secretary M.Com, F.C.A.
M.No. A39696 M.No 30161

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2016

CIN No U29190GJ2007PLC050607, E-Mail ID-info@loyalequipments.com, Tel. 2716-269033

Particulars	Amount (In '000)	Amount (In '000)
	31.03.2016	31.03.2015
<i>The previous year figures have been regrouped, rearranged and/or reclassified, wherever necessary to conform to the current year presentation.</i>		
<u>NOTE NO. - 1</u>		
<u>SHARE CAPITAL</u>		
Authorised Capital	80000.00	30000.00
(80,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		
(Previous Year 30,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		
Issued, Subscribed and Paid Up Capital	68000.00	30000.00
(68,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		
(Previous Year 30,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		
TOTAL	68000.00	30000.00
1.1) The details of Shareholders holding more than 5% shares :-		
Name of the Shareholder (% of Holding)	No. of Shares (% of holding)	No. of Shares (% of holding)
Alkesh R Patel	1399960 (20.59%)	840000 (28%)
Jyotsnaben R Patel	2200000 (32.35%)	1320000 (44%)
Rameshchandra N Patel	1400000 (20.59%)	840000 (28%)
Hem Securities Limited	616000 (9.06%)	0.00 0.00
1.2) The reconciliation of the number of shares outstanding is set out below :-		
Particulars	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3000000	2500000
Add : Shares issued during the year	3800000	500000
Equity Shares at the end of the year	6800000	3000000

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2016

Particulars	Amount (In '000)	
	31.03.2016	31.03.2015
NOTE NO. 2		
RESERVE AND SURPLUS		
(a) Capital Reserves		
Opening Balance	5951.01	2336.20
Add: Transfer from Reserves in Current Year	14048.99	3614.81
Less : Utilized for Issue of Bonus Shares	20000.00	0.00
Closing Balance	0.00	5951.01

(b) Surplus		
Opening balance	27679.24	17524.37
(+) Net Profit/(Net Loss) For the current year	5254.08	16364.08
(-) Proposed Dividends	3400.00	3000.00
(-) Provision for Tax on Proposed Dividend	692.16	509.85
(-) Transfer to Reserves	14048.99	3614.81
(-) Provision for Gratuity	1877.40	0.00
(-) Adjustments	0.00	-915.45
Closing Balance	12914.77	27679.24

(C) Securities Premium		
Opening Balance	0.00	0.00
Add : Addition in Current Year	14400.00	0.00
Less : Utilized in Current Year	0.00	0.00
Closing Balance	14400.00	0.00
Total	27314.77	33630.25

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2016

Particulars	Amount (In '000)	Amount (In '000)
	31.03.2016	31.03.2015
<u>NOTE NO. 3</u>		
<u>LONG-TERM BORROWINGS</u>		
SECURED LOANS		
Kotak Mahindra Prime Ltd.	0.00	93.31
Kotak Mahindra Loan	0.00	85.12
Small Industrial Development Bank of India	9500.00	13100.00
UNSECURED LOANS		
Loans from related parties	0.00	4200.00
TOTAL	9500.00	17478.43
<u>NOTE NO.4</u>		
<u>DEFERRED TAX LIABILITY (NET)</u>		
Deffered Tax	1442.93	1442.93
Add : Addition to Current Year	-711.10	0.00
	731.83	1442.93
<u>NOTE NO.5</u>		
<u>LONG TERM PROVISIONS</u>		
Provision for Gratuity	1877.40	0.00
	1877.40	0.00
<u>NOTE NO.6</u>		
<u>SHORT-TERM BORROWINGS</u>		
SECURED LOANS		
Kotak Mahindra Bank O/D	27390.50	15724.43
Kotak Mahindra Bank Limited	85.12	186.86
Small Industrial Development Bank of India	3600.00	3600.00
	31075.62	19511.29
<u>NOTE NO.7</u>		
<u>TRADE PAYABLES</u>		
Sundry Creditors for Expenses	3014.11	14813.35
Sundry Creditors for Goods	10123.17	0.00
TOTAL	13137.28	14813.35

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2016

Particulars	Amount (In '000)	
	31.03.2016	31.03.2015
NOTE NO.8		
<u>OTHER CURRENT LIABILITIES</u>		
Unpaid Electricity bill	136.16	72.57
Unpaid Prof. Tax	83.61	0.00
Unpaid Prov. Fund	102.49	79.81
Unpaid Salary	736.79	548.33
Unpaid Interest	96.96	180.84
Unpaid Remuneration	0.00	650.82
T.D.S Payable	6.69	13.63
VAT Payable	144.17	0.00
Unpaid Travelling Allowance	27.22	0.00
Advance Received from Debtors	31535.68	247.98
TOTAL	32869.77	1793.98
NOTE NO.9		
<u>SHORT TERM PROVISIONS</u>		
Equity dividend Provision	3400.00	3000.00
Dividend distribution tax provision	692.16	509.85
Income Tax Provision	3321.37	6291.71
TOTAL	7413.53	9801.56

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2016

NOTE NO. : 10

(Rs. In '000)

	Fixed Assets	Gross Block				Accumulated Depreciation					Net Block		
		Balance as at 01/04/2015	Additions / (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31/03/2016	Balance as at 01/04/2015	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31/03/2016	Balance as at 31/03/2016	Balance as at 31/03/2015
(a)	Tangible Assets												
	Land/Shed	1395.31	0	0.00	0.00	1395.31	0.00	0.00	0.00	0.00	0.00	1395.31	1395.31
	Buildings	13205.59	1466.53	0.00	0.00	14672.12	2947.86	1035.61	0.00	0.00	3983.47	10688.65	10257.73
	Plant and Equipment	49308.27	3011.10	0.00	0.00	52319.37	11112.21	7272.27	0.00	0.00	18384.48	33934.88	38196.05
	Furniture and Fixtures	589.27	72.83	0.00	0.00	662.10	456.30	62.35	0.00	0.00	518.65	143.45	132.97
	Vehicles	3529.58	0.00	0.00	0.00	3529.58	3047.64	168.48	0.00	0.00	3216.12	313.46	481.94
	Office equipment	2874.95	880.34	0.00	0.00	3755.29	2055.51	467.10	0.00	0.00	2522.61	1232.68	819.44
	Total	70902.96	5430.80	0.00	0.00	76333.76	19619.52	9005.81	0.00	0.00	28625.33	47708.43	51283.44
(b)	Intangible Assets												
	Softwares	7390.32	1446.61	0.00	0.00	8836.93	4676.73	1099.42	0.00	0.00	5776.15	3060.78	2713.59
	Total	7390.32	1446.61	0.00	0.00	8836.93	4676.73	1099.42	0.00	0.00	5776.15	3060.78	2713.59
	Grand Total	78293.28	6877.41	0.00	0.00	85170.69	24296.26	10105.23	0.00	0.00	34401.49	50769.20	53997.02

For and On behalf of the Board

For Loyal Equipments Limited

Rameshchand N Patel

Director

DIN 01307699

Place : Ahmedabad

Date : 28/05/2016

Alkesh R Patel

Director

DIN 02672297

As per Our Separate Report of Even Date

For JM Patel & Bros

CHARTERED ACCOUNTANTS

CA. J.M. Patel

PROPRIETOR

M.NO. 30161

Amit Patel

Chief Financial Officer

Komal M. Motiani
Company Secretary

M.No. A39696

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2016

Particulars	Amount	Amount (In
	(In '000)	'000)
	31.03.2016	31.03.2015
<u>NOTE NO. 11</u>		
<u>NON CURRENT INVESTMENTS</u>		
Investment in Equity Shared of NNCB Limited	400.00	400.00
TOTAL	400.00	400.00
<u>NOTE NO. 12</u>		
<u>LONG TERM LOANS AND ADVANCES</u>		
Security Deposit with BSNL	1.70	1.70
Security Deposit with BSE	324.00	0.00
Rent Deposit	600.00	0.00
Sales Tax New Registration Deposit	20.00	0.00
Security Deposit with UGVCI	40.32	40.32
Deposit with Vijay Gas & Domestic Appliances	1.50	1.50
TOTAL	987.52	43.52
<u>NOTE NO. 13</u>		
<u>OTHER NON CURRENT ASSETS</u>		
Miscellaneous Expenditure		
<i>(To the extent not written off)</i>		
IPO Expenses	2765.36	0.00
TOTAL	2765.36	0.00
<u>NOTE NO. 14</u>		
<u>CURRENT INVESTMENTS</u>		
Fixed Deposits with Kotak Mahindra Bank Limited	15920.38	0.00
TOTAL	15920.38	0.00
<u>NOTE NO. 15</u>		
<u>INVENTORIES</u>		
Raw Material	19546.65	0.00
WIP	27423.31	45088.95
Finished Goods	14590.98	0.00
TOTAL	61560.94	45088.95

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2016

Particulars	Amount	Amount (In
	(In '000)	'000)
	31.03.2016	31.03.2015
<u>NOTE NO. 16</u>		
<u>TRADE RECEIVABLE</u>		
Less than Six Months	17736.65	14146.23
More than Six Months	244.95	0.00
TOTAL	17981.60	14146.23
<u>NOTE NO. 17</u>		
<u>CASH AND CASH EQUIVALENTS</u>		
Balance with Scheduled Banks	31956.78	128.46
Bank Gurantees	1680.18	593.18
Cash in Hand	654.36	384.16
TOTAL	34291.32	1105.80
<u>NOTE NO.18</u>		
<u>SHORT-TERM LOANS AND ADVANCES</u>		
<i>(Unsecured and Considered Good)</i>		
Advance Against Order	2778.09	0.00
Other Advances	26.93	0.00
TOTAL	2805.02	0.00
<u>NOTE NO. 19</u>		
<u>OTHER CURRENT ASSETS</u>		
VAT Recievable	0.00	441.48
CENVAT Credit Balance	185.98	1014.37
CENVAT Credit Balance (Service Tax)	242.36	166.95
T.D.S	182.77	24.10
Capital Goods Cenvat	147.20	2056.47
Advance Income Tax 2015-16	2000.00	0.00
Advance Income Tax 2014-15	0.00	8000.00
Advance Land Payment	0.00	1900.00
SubhashPanchal	6.00	20.00
Staff Advance	192.02	66.90
Prepaid Expenses	333.24	0.00
Income Tax Refundable	1149.29	0.00
TOTAL	4438.86	13690.27

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2016

Particulars	Amount (In '000)	Amount (In '000)
	31.03.2016	31.03.2015
<u>NOTE NO. - 20</u>		
<u>REVENUE FROM OPERATIONS</u>		
Sales	111308.75	148568.49
TOTAL	111308.75	148568.49
<u>NOTE NO. - 21</u>		
<u>OTHER INCOME</u>		
Interest Income	999.13	108.95
Dividend Income	40.10	40.10
Discount Received	45.68	3.66
Other Incomes	130.60	0.00
TOTAL	1215.51	152.71
<u>NOTE NO. - 22</u>		
<u>COST OF RAW MATERIAL CONSUMED</u>		
Opening stock of Raw Material	0.00	0.00
Add : Purchases During the Year	69916.49	86829.85
Less : Closing Stock of Raw Material	19546.65	0.00
	50369.84	86829.85
<u>NOTE NO. - 23</u>		
<u>CHANGES IN INVENTORY OF FINISHED GOODS</u>		
<u>WORK IN PROGRESS & STOCK IN TRADE</u>		
Inventories at the beginning of the Year		
- Work In Progress	45088.95	37023.19
- Finished Goods	0.00	0.00
- Stock in Trade	0.00	0.00
Inventories at the end of the Year		
- Work In Progress	27423.31	45088.95
- Finished Goods	14590.98	0.00
- Stock in Trade	0.00	0.00
Net Change in the Inventory of Finished Goods	3074.66	-8065.76
Work in Progress & Stock in Trade		

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2016

Particulars	Amount	Amount
	(In '000)	(In '000)
	31.03.2016	31.03.2015
<u>NOTE NO. - 24</u>		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
Bonus	811.00	883.00
Staff Welfare Expenses	50.93	120.06
Salary to Staff	10846.20	8976.14
Directors Remuneration	6977.00	5062.20
Provident Fund Exp.	577.56	433.96
TOTAL	19262.69	15475.36
<u>NOTE NO. - 25</u>		
<u>FINANCE COST</u>		
Bank Charges	350.82	0.00
Interest expense	2815.46	2945.01
Other borrowing costs	103.05	474.35
TOTAL	3269.33	3419.36
<u>NOTE NO. - 26</u>		
<u>DEPRECIATION & AMORTISATION EXPENSES</u>		
Depreciation	10105.23	10294.84
TOTAL	10105.23	10294.84

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2016

Particulars	Amount	Amount
	(In '000)	(In '000)
	31.03.2016	31.03.2015
<u>NOTE NO. - 27</u>		
<u>OTHER EXPENSES</u>		
<u>DIRECT EXPENSES</u>		
Power & fuel	1382.37	1406.82
Testing & Inspection	1082.05	1572.55
Labour charges	2667.95	3205.49
Transportation Exp.	1238.03	1146.62
Import Material Clearing Charges	220.48	777.99
Engineering Design & Consultancy Exps.	2089.52	1513.01
Factory Shed Repairing Exp.	724.18	0.00
Factory Rent	600.00	0.00
Repair of Plant & Machinery	411.29	0.00
Other Direct Exp.	642.13	0.00
Total (A)	11058.00	9622.48
<u>INDIRECT EXPENSES</u>		
AMC Charges	43.45	0.00
Petrol Exp.	214.78	249.46
Repairs & Maintenance	394.72	1254.71
Insurance	76.25	137.09
Professional & Legal Fees	1617.22	195.22
Rates & Taxes	113.89	31.74
Sundry balance written off	60.33	0.00
Rent	1800.00	1800.00
Travelling & Conveyance Expenses	294.16	640.22
Foreign Travelling Exp.	148.68	0.00
Office Miscellaneous Expenses	794.03	808.92
IPO Expenses	691.33	500.00
Donation	0.00	0.70
Diwali Exp.	38.64	0.00
Packing And Forwarding Charges	16.45	14.08
Postage & Courier	41.15	0.00
Telephone Exps.	187.30	204.97
Stationery / Xerox Exps.	237.09	197.56
Website Exp.	13.04	0.00
Security Exp.	154.55	0.00
Total (B)	6937.06	6034.67
TOTAL (A+B)	17995.06	15657.15

NOTE 28 - SIGNIFICANCE ACCOUNTING POLICIES**1. COMPANY OVERVIEW**

Loyal Equipments Limited ('the Company') was incorporated on April 20, 2007 and is engaged in the business of manufacturing of Equipments.

2. SIGNIFICANT ACCOUNTING POLICIES**A. BASIS OF ACCOUNTING:**

1. These financial statements have been prepared on accrual basis under the historical cost convention in accordance with the generally accepted accounting principles in India and comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of Companies Act, 1956 (Companies (Accounting standards) Rules 2006, as amended) and other relevant provisions of the Companies Act, 2013.
2. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. The Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

B. USE OF ESTIMATES:

The preparation of the financial statements in conformity with generally accepted accounting principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof, requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of liabilities as at the date of financial statements and reported amounts of income and expenditure during the period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

C. DEPRECIATION:

The Company has applied the estimated useful lives as specified in Schedule II and depreciation has been charged in the books of accounts as per "WDV Method" specified under Companies Act, 2013. Accordingly the unamortized carrying value is being depreciated over the remaining useful lives.

D. INVESTMENTS:

Current investments are stated at lower of cost and fair value. Long-term investments are stated at cost after deducting provisions made, if any, for diminution in the value which is other than temporary.

E. BORROWING COST AND FINANCE CHARGES:

Interest and other borrowing costs attributable to qualifying assets have been capitalized. Other interest and borrowing costs are charged to the revenue.

Other Finance cost incurred for raising long term borrowing is amortized over the tenure of the borrowing.

F. INVENTORIES:

Inventories are valued at Cost or Market Value whichever is less as certified by the management. Cost of inventories is computed on a First-in-First-Out basis.

G. REVENUE RECOGNITION:

Revenue from sales is recognised when significant risks and rewards of ownership have been transferred to the buyer which is normally on delivery of goods and is net of sales tax/ value added tax.

H. TAXATION:

Tax expense comprises of current tax, tax related to previous year & deferred tax of Rs. 7,11,100/- and same have been identified as Deferred Tax Assets.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income tax Act, 1961.

The deferred tax for timing differences between the book income and tax income for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets where there are unabsorbed losses and unabsorbed depreciation, are recognised only if there is virtual certainty that such deferred tax assets will be realized against future taxable income.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

I. PROVISIONS, CONTINGENT LIABILITIES AND ASSETS:

Provisions are recognised when the Company has a present obligation as a result of past events and it is more likely that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not discounted to present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities are disclosed by way of notes to the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

J. IMPAIRMENT OF ASSETS:

The carrying amounts of the assets are reviewed at each balance sheet date if there is any indication of impairment based on the internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in the prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

3. Long-term borrowings:**Term Loans from Financial Institutions:**

During the financial year 2015-16 the following loan was outstanding from Financial Institutions:-

(₹ in Lacs)

Name of Financial Institutions/Body Corporate	31 March 2016	31 March 2015	Interest rate as on 31 st March 2016	Repayment terms
Kotak Mahindra Bank - Cash Credit- Working Capital Facility	273.91	157.24	BR Plus 1.50% i.e. 11.50% p.a.; BR - 10%	Tenure - 12 Months, Subject to renewal on 15/03/2017; Modified for adding Collateral Security for Charge Creating
SIDBI	131.00	167.00	PLR + 0.5% i.e. 13.25%	Loan taken for Fintube Machine; 60 Installments consists of first 30 monthly installment of Rs. 3 Lacs each, next 20 months of Rs.3.5 Lacs and last 10 months by repayment schedule
Kotak Mahindra Bank – Vehicle Loan	42.56	1.36	12.55%	59 Installments of Rs. 8785 started from Oct 2011
Kotak Mahindra Bank – Vehicle Loan	42.56	1.36	12.55%	59 Installments of Rs. 8785 started from Oct 2011
Kotak Mahindra Bank – Vehicle Loan	0.00	0.93	11.40%	59 Installments of Rs. 8265 started from May 2011

4. Non Current Investments:**Investment in Equity Shares:**

- (a) Company has Investment in Equity Share of NorodaNagriik Co-operative Bank amounting Rs. 400,000/- as on 31st March 2016

5. Earnings per Share (EPS):

	31 March 16	31 March 15
Profit after Tax (Rs. in Thousands)	5254.08	16364.08
Number of Equity Shares outstanding	68,00,000	30,00,000

Weighted average number of Equity Shares outstanding	6292	4760
Earnings Per Share (Rs.) – Basic and Diluted (Face Value of ₹ 10/- per share)	0.84	3.44

6. Related Party Disclosures:

The Management has identified the following companies and individuals as Related Parties of the Company for the year ended March 31, 2016 for the purpose of reporting of Related Party disclosure as required in terms of Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

A) List of Related Parties:

Name of Related Party	Nature of Relationship
Loyal Engineers	Proprietorship of Director/Promoter
Alkesh Rameshchandra Patel	Director/ Promoter
Rameshchandra Nathlal Patel	Director/ Promoter
Jyotsanaben Rameshchandra Patel	Director/ Promoter

B) Transactions with related parties:

Transactions	(Rs. in Lacs)
Rent (Loyal Engineers)	18.00
Directors Remuneration	69.77
Rent to Jyotsanaben R Patel	6.00

The Company confirms that none of the transactions, if any, with the related parties was in material conflict with the interest of the Company.

7. Contingent Liabilities not provided for:

In respect of Bank Guarantees 16.81Lacs (Previous year: 5.93Lacs).

8. Segment Reporting:

The Company is primarily engaged in the equipments Manufacturing, which in the context of Accounting Standard 17 on “Segment Reporting” constitutes a single reporting segment. Further, there are no geographical segments.

9. Auditor’s remuneration:

During the year under consideration no provision has made for auditor’s remuneration same will be provided in next year.

	31 March 16	(Rs. in Lacs) 31 March 15
Audit Fees	0.25	0.25

10. In the opinion of the Board of Directors, the current assets, loans and advances would realize not less than the value stated if realized in the ordinary course of business. The provision for all known liabilities is adequate and reasonably estimated.

11. The Company has not received any memorandum (as required to be filled by the suppliers with the notified authority under Micro, Small and Medium Enterprise Development Act, 2006) claiming their status during the year as micro, small or medium enterprises. Consequently there are no amounts paid/ payable to such parties during the year.

12. Previous year figures have been regrouped /rearranged wherever necessary to correspond with the current year's classifications/disclosure.

As per our Report of even date.

**For, J. M. PATEL & BROS.
Chartered Accountants
F.R.No. 107707W**

For, Loyal Equipments Ltd.

**(J. M. Patel)
Proprietor
Date: 28/05/2016
Place: Ahmedabad**

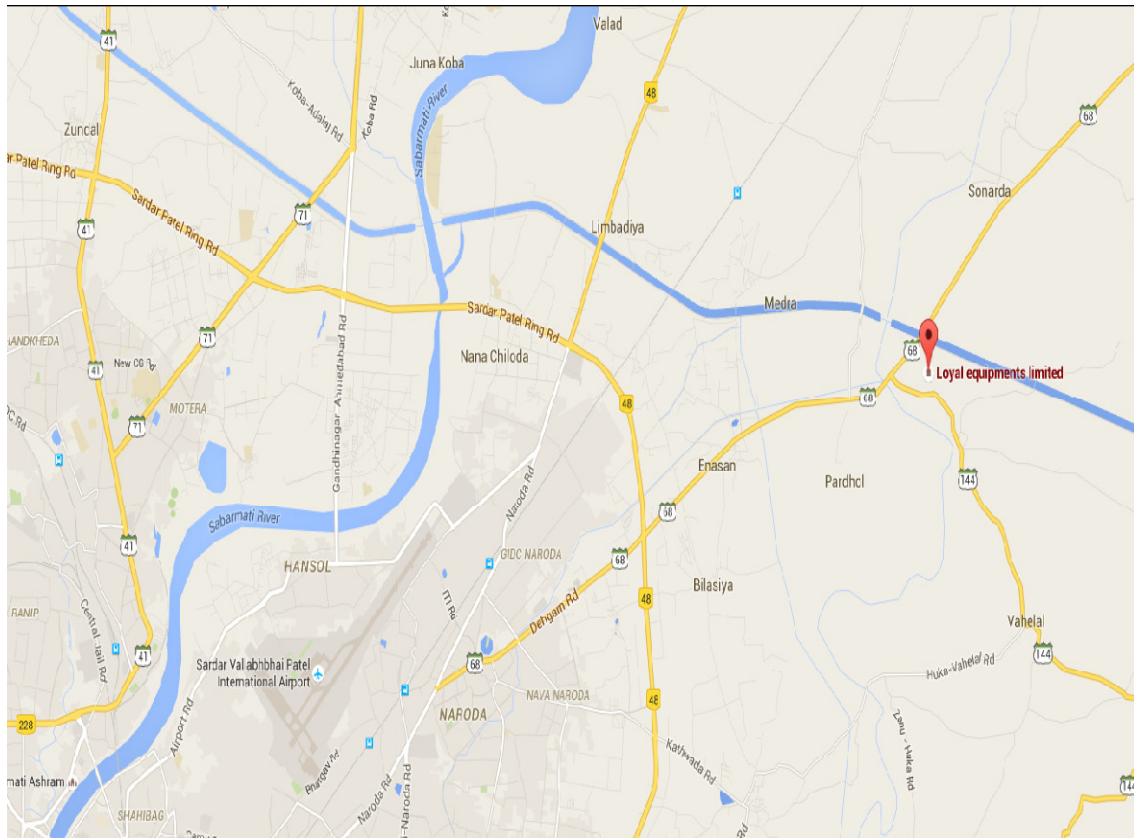
Director

Director

ROUTE MAP

Route Map to the AGM Venue

Venue: Loyal Equipments Limited, Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382 330



ATTENDANCE SLIP

(To be presented at the entrance)

9th ANNUAL GENERAL MEETING ON SATURDAY, 27TH AUGUST, 2016 AT 9.30 A.M.
At Loyal Equipments Limited, Block No. 35/1-2-3-4, Village Zak, Dahegam, Gandhinagar – 382 330

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member _____ Signature _____

Name of the Proxyholder _____ Signature _____

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

LOYAL EQUIPMENTS LIMITED

CIN: U29190GJ2007PLC050607

Registered Office: Block No. 35/1-2-3-4, Village Zak, Dahegam, Gandhinagar – 382 330

Phone: +91-2718-247236, +91-2716-269399, Fax No.: +91-2716-269033, E-mail: cs@loyalequipments.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____

Registered address : _____

E-mail Id : _____

Folio No. / Client ID No. : _____ DP ID No. _____

I / We, being the member(s) of _____ Shares of Loyal Equipments Limited, hereby appoint

1. Name: _____ E-mail Id: _____

Address: _____ Signature: _____ or failing him

2. Name: _____ E-mail Id: _____

Address: _____ Signature: _____ or failing him

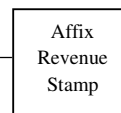
3. Name: _____ E-mail Id: _____

Address: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the ninth Annual General Meeting of the Company to be held on Saturday, 27th August, 2016 at 9.30 a.m. at Loyal Equipments Limited, Block No. 35/1-2-3-4, Village Zak, Dahegam, Gandhinagar – 382 330 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon; and
2. To declare a final dividend on Equity Shares of Rs. 10/- each for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Mr. Rameshchandra Nathalal Patel (DIN: 01307699) who retires by rotation and, being eligible, offers himself for re-appointment.
4. Ratification of appointment of Auditors

Signed this _____ day of _____



Signature of shareholder _____ Signature of Proxyholder(s) _____

NOTES: 1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Block No. 35/1-2-3-4, Village Zak, Dahegam, Gandhinagar – 382 330, not less than 48 hours before the commencement of the Meeting.

2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/Proxy.