



**LOYAL EQUIPMENTS  
LIMITED**

12<sup>TH</sup> ANNUAL REPORT 2018-19

## CONTENT

<b>PARTICULARS</b>	<b>PAGES</b>
➤ Corporate Information	1
➤ Board of Director	2
➤ Performance Highlights	3
➤ Our Journey over the years	4
➤ Letter to the shareholders	7
➤ Notice	8
➤ Director's Profile	24
➤ Board Report	26
➤ Extract of Annual Return	34
➤ Particulars of Contracts or Arrangements With Related Parties	43
➤ Secretarial Audit Report	44
➤ Management Discussion and Analysis Report	47
➤ Report on Corporate Governance	54
➤ Certificate on Corporate Governance	72
➤ Standalone Financial Statements	73
➤ Consolidated Financial Statements	119
➤ CEO And CFO Certification	155
➤ Proxy Form	157
➤ Attendance Slip	159
➤ Route Map	160

### **12<sup>th</sup> ANNUAL GENERAL MEETING**

**Day & Date - Saturday, August 10, 2019**

**Venue - Block No.35/1-2-3-4, Village – Zak, Dahegam,  
Gandhinagar-382330, Gujarat, India**

# CORPORATE INFORMATION

## Board of Directors

Mr. Rameshchandra Nathalal Patel  
Mr. Alkesh Rameshchandra Patel  
Mrs. Jyotsanaben Rameshchandra Patel  
Mr. Babubhai Patel  
Mr. Girish Nathubhai Desai  
Mr. Kalpesh Lalitchandra Joshi

Chairman cum Whole Time Director  
Managing Director  
Whole Time Director  
Non-Executive Independent Director  
Non-Executive Independent Director  
Non-Executive Independent Director

## Contact Person for Investors

Mrs. Akanksha Aswani  
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](mailto:cs@loyalequipments.com)  
Website: [www.loyalequipments.com](http://www.loyalequipments.com)

## Registrar and Share Transfer Agent

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

## Chief Financial Officer

Mr. Amitkumar Chandubhai Patel

## Company Secretary & Compliance Officer

Mrs. Akanksha Aswani

## 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  
E-mail: [cs@loyalequipments.com](mailto:cs@loyalequipments.com) ;  
Website: [www.loyalequipments.com](http://www.loyalequipments.com)  
CIN: L29190GJ2007PLC050607

## Depositories

National Securities Depository Limited  
Central Depository Services (India) Limited

## Statutory Auditor

M/S. J.M. Patel & Bros.,  
Chartered Accountants  
204-205-206, Harsh Avenue, Second Floor, Navjivan  
Press Road off Ashram Road, Navjivan Post, Ahmedabad-  
380014, Gujarat  
Tel No.: +91-079-27541460, 27541560  
E-mail: [jmpatelca@yahoo.co.in](mailto:jmpatelca@yahoo.co.in)  
Contact Person: CA Jaswant Mannilal Patel

## Secretarial Auditor

M/s Sharma Vivek & Associates,  
Practicing Company Secretaries  
23 KA-4, Jyoti Nagar, Near Vidhan Sabha,  
Jaipur-302005, Rajasthan  
Tel No.: +91-9001637075  
E-mail: [csviveksharma9@gmail.com](mailto:csviveksharma9@gmail.com)

## Shares Listed at

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

## Bankers

Kotak Mahindra Bank Limited

## BOARD OF DIRECTORS



**Mr. Rameshchandra Nathalal Patel**  
Chairman & Whole Time Director



**Mr. Alkesh Rameshchandra Patel**  
Managing Director



**Mrs. Jyotsanaben Rameshchandra Patel,** Whole Time Director



**Mr. Babubhai Patel**  
Non-Executive & Independent  
Director



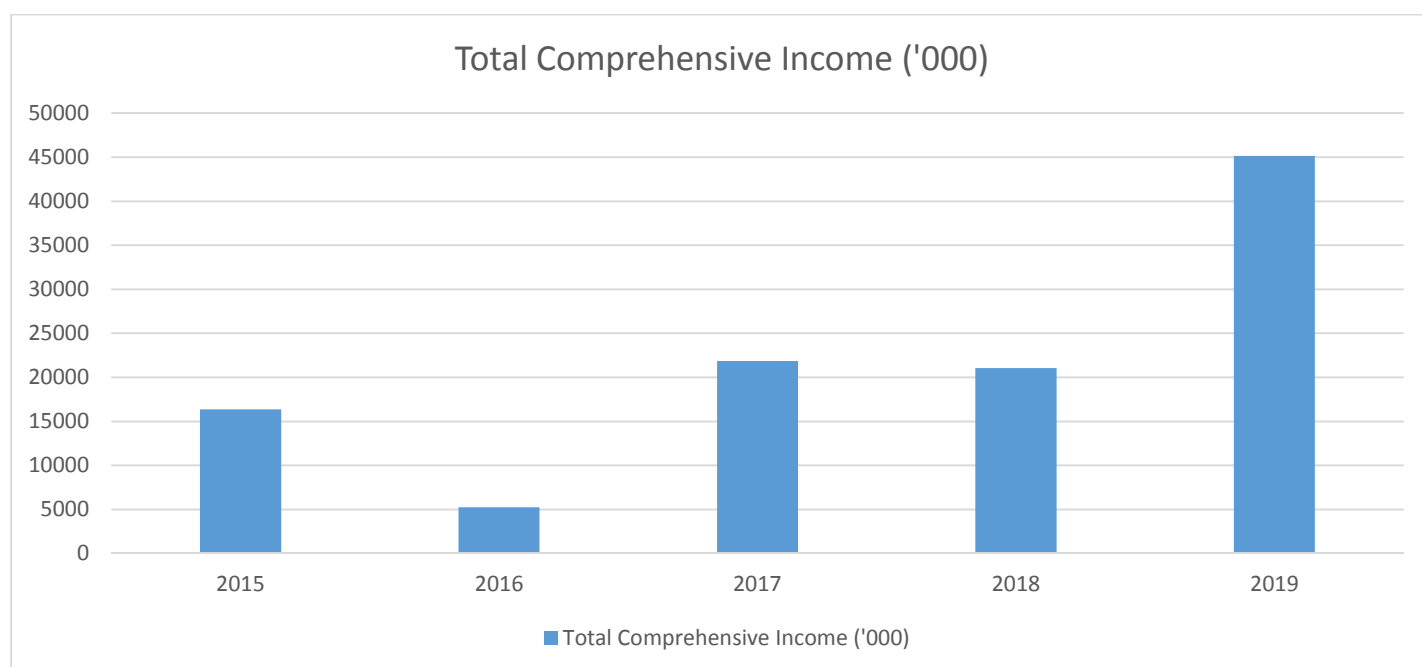
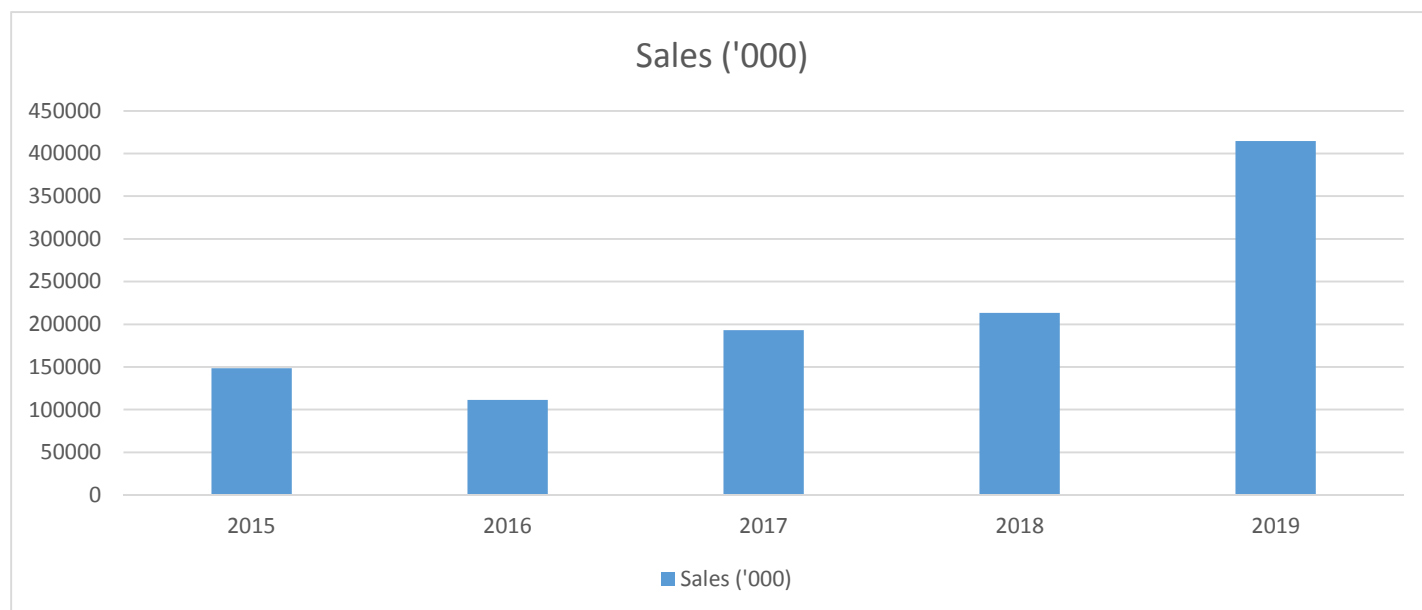
**Mr. Girish Nathubhai Desai**  
Non- Executive & Independent  
Director



**Mr. Kalpesh Lalitchandra Joshi**  
Non-Executive & Independent  
Director

## PERFORMANCE HIGHLIGHTS

Over the past five years, we significantly enhanced our size, scale, scope, asset profile. This has been reflected in our promising turnover and total comprehensive Income.



## OUR JOURNEY OVER THE YEARS

2007

- Incorporation of our Company and Commencement of Production activities

2008

- Enlistment with Gujarat Narmada Valley Fertilizers Co. Limited for supply of Pressure Vessels.

2010

- Enlistment with Projects & Development India Limited (A Govt. of India Undertaking) for Supply of Pressure Vessels

2012

- Certificate of Registration of ISO 9001:2008 for design, manufacture and supply of pressure vessels and heat exchangers and manufacture and supply of heavy structure work.

2012

- Certificate of Registration of ISO 9001:2008 for design, manufacture and supply of pressure vessels and heat exchangers and manufacture and supply of heavy structure work for NABCB Certificate.

2012

- Become the Member of Heat Transfer Research, Inc. the world's premier source of technology, information, services and softwares in the field of process heat transfer.

2013

- Enlistment with Engineers India Limited (A Govt. of India Undertaking) for Pressure Vessels

2014

- Certificate of Authorization from American Society of Mechanical Engineers (ASME) for manufacturing of ASME Boiler and Pressure Vessel Code under U Stamp.

2014

- Certificate of Authorization from American Society of Mechanical Engineers (ASME) for manufacturing of ASME Boiler and Pressure Vessel Code under U2 Stamp.

2014

- Certificate of Authorization from The National Board of Boiler & Pressure Vessel Inspectors for NB mark.

2014

- Enlistment with Engineers India Limited (A Govt. of India Undertaking) for Heat Exchangers.

2014

- Enlistment Certificate with The National Small Industries Corporation Limited (A Government of India Enterprise)

2014

- Enlistment with Gujarat State Petronet Limited for Supply of Pressure Vessels

2015

- Conversion of our Company from Private Limited to Public Limited Company.

2015

- Listed on BSE SME through Initial Public Offer of the Company.

2016

- New dust free, Epoxy painted floor assembly shop created for auxiliary skid packaging.

2017

- Receive certificate of Appreciation from Burckhardt Compression for Best Supplier of Pressure Vessel & heat Exchanger.

2017

- Awarded by "IPF Industrial Excellence Award" for 'Fastest Growing Company' at BSE Limited.

2018

- JSRS Certificate issued by Oman Ministry of Oil & Gas and business gateways.

2018

- The Company has been migrated and Listed on Main Board of BSE Limited from SME Platform of BSE Limited (BSE SME).

2018

- Enlistment with Air Liquid for the supply of Column, Pressure Vessles, Heat Exchangers & Skids.

2018

- Started New Product - Modular Process Plants.

2018

- Company is moving toward Green Initiative by running Plant completely on Solar Power thus reduces nation's natural resources like coal, water etc.

2019

- Our Company has formed a wholly owned Subsidiary in Texas, USA as Loyal Equipments Inc.

2019

- The turnover of our Company has doubled in current year compared to previous year.

2019

- Our Company has executed large order for various domestic and international customers such as Dangote Nigeria, ONGC, Adani, Nirma etc.



# LETTER TO THE SHAREHOLDERS



## Alkesh Rameshchandra Patel, Managing Director

Dear Member(s),

With great pleasure, I welcome you to the 12th Annual General Meeting of Your Company.

We have come along one more year of moving ahead in emerging opportunities in global and domestic markets. Incorporated in 2007, the Company has come a long way of twelfth years from the year of Incorporation to successful completion of SME Listing of four years. Now, the shares of Company are listed on BSE Limited and traded on Main Board of BSE Limited.

Today I am proud to be at the helms of the Company that is run by the team of enthusiastic and dedicated employees who have led the Company to newer heights successfully. In the year 2018-19, your company has crossed the turnover of Rs. 41.44 Crores with appreciation of 94.26%. Further the company has received various order from India and Outside India for supply of Pressure Vessels and other Equipments. The years 2018-19 is one of great year of your Company with crossing the new target in terms of turnover and in term of order receive from various client which will boost our turnover and profit in coming years.

Additionally now company has its global presence in Texas, USA as Loyal Equipments Inc., wholly owned subsidiary of Loyal Equipments Limited.

To proceed, the Board believes that the Company will need to follow a very sharp business strategy so that it will possible for the Company to compete with others and fulfill the needs of the society. The endeavour of the Company's management is always striving towards the optimal results and strengthening the relationship with the society. With your support, I am confident of leveraging opportunities and overcoming challenges to report exciting success in the coming times as well.

At the close, I would like to thank the entire team at Loyal Equipments Limited for an outstanding year which is reflective of their efforts, dedication and commitment to success.

I would like to place on record my sincere appreciation to the Board of Directors for their guidance. I would like to express my gratitude to all our stakeholders for their continuing faith in the Company and I look forward for their support, trust and confidence.

Wish best wishes  
Sincerely

Alkesh Rameshchandra Patel  
Managing Director  
July 09, 2019

# NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of Loyal Equipments Limited will be held on Saturday, August 10, 2019 at 11.00 A.M. at the registered office situated at Block No. 35/1-2-3-4 Village – Zak, Dahegam, Gandhinagar - 382330 Gujarat, India to transact the following business:

## **ORDINARY BUSINESS:**

### **1. To consider and adopt**

- a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Auditors thereon; and

### **2. To appoint a Director in place of Mrs. Jyotsanaben Rameshchandra Patel (DIN-01307770) who retires by rotation and, being eligible, offers herself for re-appointment.**

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Jyotsanaben Rameshchandra Patel (DIN-01307770) who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

### **3. To appoint the Statutory Auditor of the Company and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), M/s A Y and Company, Chartered Accountants, Jaipur (Registration no. 020829C), be and are hereby appointed as the Statutory Auditor of the Company in place of M/s J. M. Patel & Bros., Chartered Accountants, Ahmedabad (Firm Registration No. 107707W), (Statutory Auditor of the Company retiring at the conclusion of this 12th Annual General Meeting) for a period of five years i.e. from the conclusion of this 12th Annual General Meeting till the conclusion of 17th Annual General Meeting of the Company and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee.”

## **SPECIAL BUSINESS:**

### **4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and Section II of Part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and such modifications and conditions as may be prescribed, the approval of the Company be and is hereby accorded to revise the maximum basic salary payable to Mr. Rameshchandra Nathalal Patel Chairperson & Whole-time Director (DIN – 01307699) of the Company as set out in the Explanatory Statement annexed to the Notice, with effect from April 01, 2019 for the remaining period of his tenure.

**FURTHER RESOLVED THAT** for the purpose of giving effect to the above resolution the Board of Directors and/or the Remuneration Committee/the Company Secretary is/are authorized to do all such acts, deeds, matters and things as may be considered it to be necessary or desirable in this regard.”

**5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and Section II of Part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and such modifications and conditions as may be prescribed, the approval of the Company be and is hereby accorded to revise the maximum basic salary payable to Mr. Alkesh Rameshchandra Patel, Managing Director (DIN – 02672297) of the Company as set out in the Explanatory Statement annexed to the Notice, with effect from April 01, 2019 for the remaining period of his tenure.

**FURTHER RESOLVED THAT** for the purpose of giving effect to the above resolution the Board of Directors and/or the Remuneration Committee/the Company Secretary is/are authorized to do all such acts, deeds, matters and things as may be considered it to be necessary or desirable in this regard.”

**6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and Section II of Part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and such modifications and conditions as may be prescribed, the approval of the Company be and is hereby accorded to revise the maximum basic salary payable to Mr. Jyotsanaben Rameshchandra Patel, Whole-time Director (DIN – 1307770) of the Company as set out in the Explanatory Statement annexed to the Notice, with effect from April 01, 2019 for the remaining period of his tenure.

**FURTHER RESOLVED THAT** for the purpose of giving effect to the above resolution the Board of Directors and/or the Remuneration Committee/the Company Secretary is/are authorized to do all such acts, deeds, matters and things as may be considered it to be necessary or desirable in this regard.”

**By order of the Board of Directors  
For Loyal Equipments Limited**

**Sd/-**

**Akanksha Aswani  
Company Secretary**

**Place – Gandhinagar, Gujarat**

**Date – July 09, 2019**

**NOTES:**

1. A Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), in respect of the special business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. 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.

3. If a Person is appointed as Proxy for more than 50 Members, he shall choose any 50 Members and confirm the same to the Company 24 hours before the commencement of the Meeting. In case, the Proxy fails to do so, the Company shall consider only the first 50 proxies received in respect of such person as valid.
  4. Brief Resume of the Director(s) seeking re-appointment, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} and Secretarial Standard on General Meeting (SS-2) as amended issued by the Institute of Company Secretaries of India (ICSI) is annexed hereto and forms part of Notice.
  5. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
  6. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, August 04, 2019 to Saturday, August 10, 2019 (both days will be inclusive).
  7. 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. They are also requested to bring their copy of the Annual report to the Annual General Meeting.
  8. The route map and prominent landmark of the venue of the Annual General Meeting as required under Secretarial Standards on the General Meeting is annexed herewith as with this Report.
  9. 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).
10. 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.
  11. 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.

12. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
13. 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.
14. 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.
15. 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.
16. 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.
17. The Notice of the AGM along with the Annual Report 2018-19 along with the Attendance Slip and Proxy Form 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 2018-19 will also be available on the Company's website viz. [www.loyalequipments.com](http://www.loyalequipments.com).
18. **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.**
19. Members are requested to: -
  - (a) note that copies of annual Report will not be distributed at the AGM and they will have to bring their copies of annual Report;
  - (b) bring the Attendance Slip at the venue duly filled-in and signed for attending the meeting, as entry to the AGM Place will be strictly on the basis of the Entry Slip available at the counters at the meeting venue in exchange of the attendance Slip;
  - (c) quote their Folio / Client ID & DP ID Nos. in all correspondence with the Company / R&TA;
  - (d) note that no gifts / coupons will be distributed at the AGM.

#### **VOTING THROUGH ELECTRONIC MEANS:**

20. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings issued by ICSI, the Company is offering e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the Notice. 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.
21. 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.

22. 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.

23. **The instructions for shareholders voting electronically are as under:**

(i) The voting period begins on Wednesday, August 07, 2019 from 9.00 A.M and ends on Friday, August 09, 2019 at 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 on Saturday, August 03, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The e-voting module shall be disabled by CDSL for voting thereafter.

A. Members whose e-mail address are registered with the Company / Depository Participants will receive an email from CDSL Informing your ID and password:

1. Open e-mail and open PDF file viz., “remote e- voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

2. Launch internet browser by typing the following: URL: <https://www.evotingindia.com>

3. Click on Shareholders/Member- Login

4. If you are already registered with CDSL for e-voting, then you can use your existing user ID and password for casting your vote.

5. If you are logging in for the first time, please enter the User ID and password provided in the pdf file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.

6. Now Enter your User ID

**For CDSL: 16 digits beneficiary ID,**

**For NSDL: 8 Character DP ID followed by 8 Digits Client ID,**

Members holding shares in Physical Form should enter Folio Number registered with the Company.

7. Next enter the Image Verification as displayed and Click on Login.

8. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

9. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>

Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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 6.</li> </ul>
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10. After entering these details appropriately, click on “SUBMIT” tab.
11. 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.
12. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
13. Click on the EVSN for Loyal Equipments Limited for voting.
14. 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.
15. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
16. 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.
17. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
18. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
19. 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.
20. 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.
21. 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](http://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](mailto: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](mailto: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.
22. 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](http://www.evotingindia.com) , under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  23. Any person who acquired shares of the company and becomes shareholders of the company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. Saturday, August 03, 2019, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) of Issuer/RTA.
  24. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off dated Saturday, August 03, 2019.
  25. The board of directors has appointed Mr. Arpit Gupta (Membership No. - 421544), Practicing Chartered Accountants, Partner of M/s A Y & Company (Formerly Known as M/s Arpit R Gupta & Company) (404, Forth Floor, ARG Corporate Park, Ajmer Road, Gopalbari Jaipur-302006, Rajasthan, India) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
  26. The Scrutinizer shall after the conclusion of voting at the general meeting will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e- voting in the presence of at least two witnesses not in the employment of the company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favor or against, if any to the chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  27. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.loyalpequipments.com](http://www.loyalpequipments.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchange.
  28. The Company is not providing Video Conferencing facility for this meeting.
  29. The entire Annual Report is also available on the Company’s website [www.loyalequipments.com](http://www.loyalequipments.com).

**By order of the Board of Directors  
For Loyal Equipments Limited**

Sd/-

**Akanksha Aswani  
Company Secretary**

**Place – Dahegam, Gandhinagar**

**Date – July 09, 2019**



**BRIEF RESUME OF THE DIRECTOR(S) SEEKING RE-APPOINTMENT AT THE 12<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD AT AUGUST 10, 2019.**

<b>Particulars</b>	Mrs. Jyotsanaben Rameshchandra Patel
Date of Birth	18/10/1948
Date of Appointment	13/06/2015
Qualifications	9 <sup>th</sup> Class
Expertise in specific functional areas	Mrs. Jyotsanaben Rameshchandra 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.
Directorships held in other listed 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	33,00,000
Relationships with other Directors, Manager and other Key Managerial personnel	The appointee and Managing Director related to each other as Mother and Son and appointee with other Whole Time Director as wife and husband.
Details of remuneration paid / sought to be paid	Rs. 6,00,000 per annum
Number of meetings of the Board attend during the year	The number of meetings of the Board attended during the year are mentioned in the Corporate Governance Report forming part of Annual Report of the Company for the financial year 2018-19.
DIN	01307770

**EXPLANATORY STATEMENT  
(Pursuant to Section 102 of the Companies Act, 2013)**

**ITEM NO. 3**

Though not statutorily required, the following is being provided as an additional information to the Members as required by amended SEBI (LODR) Regulations.

M/s. J.M. Patel & Brothers, Chartered Accountants, Statutory Auditors of the Company were appointed for five years in the 07th Annual General Meeting (AGM). In terms of their appointment made at the 07th AGM, they are holding office of the Statutory Auditors up to the conclusion of 12th AGM of the Company and whose term of re apportionment has expired by virtue of Section 139(2) of the Companies Act, 2013, at the conclusion of this 12th AGM.

On the recommendation of Audit Committee, the Board has also recommended the appointment of M/s. A Y & Company, Chartered Accountants (Firm Registration No. 020829C) as Statutory Auditors in place of M/s. J.M. Patel & Brothers, Chartered Accountants (Firm Registration No. 107707W), the retiring Statutory Auditor, to hold office from the conclusion of this Annual General Meeting till the Conclusion of 17th Annual General Meeting at a remuneration of Rs. 4,50,000/- plus outlays, taxes and other applicable expenses in connection with Statutory Audit and/or continuous audit. The power may be granted to the Board/Audit Committee to alter and vary the terms and conditions of appointment, revision including upward revision of the remuneration for remaining tenure during the proposed tenure of five years.

M/s. A Y & Company specializes in providing high-end services in Tax, Regulatory and Audit Assurance domain. Built on a foundation of quality, an ability to think out-of-the-box and a business –focused and result oriented approach.

The remuneration payable to M/s. A Y & Company is based on the fee proposal received at the time of selection of the Statutory Auditors by the Audit Committee and is higher as compared to the remuneration of retiring Auditors M/s. J.M. Patel & Brothers due to professional expertise and skills of new auditor.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in item No.3 of the Notice for appointment of M/s. A Y & Company, Chartered Accountants as Statutory Auditors of the Company in place of M M/s. J.M. Patel & Brothers, Chartered Accountants, the retiring Statutory Auditor, to hold office for a period of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the Conclusion of 17th Annual General Meeting of your Company.

M/s. A Y & Company, Chartered Accountants, have given their consent for the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 3 of the Notice.

The Board recommends the Ordinary resolution set out in Item No. 3 of the Notice for approval of the members.

**ITEM NO. 4**

Our Chairman & Whole time Director Mr. Rameshchandra Nathalal Patel (DIN – 1307699) was appointed in Extra Ordinary Meeting held on June 13, 2015 for the period of five years. The Approval of the shareholders be and is hereby accorded to revise the maximum basic salary pursuant to provisions of Sections 196, 197, 198, 203 and Section II of Part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014 and other applicable provisions, if any, of the Companies Act, 2013 and such modifications and conditions as may be prescribed.

Remuneration: In terms of the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year, during the currency of the tenure of managerial personnel, the Company has no profits or its profits are inadequate, the remuneration can be paid by the Company to its managerial personnel as minimum remuneration within the limits arrived at in accordance with the requirements of the said section II, subject to the following: -

- a. The payment of remuneration is approved by a resolution passed by the Board and also by the Nomination and Remuneration Committee of Directors.
- b. There is no default in repayment of any of its debts or interest payable thereon.
- c. A special resolution has been passed at a general meeting of the Company.

The Company has no inadequate profits in the previous year 2018-19. However, out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013.

The Ministry of Corporate Affairs vide its Notification dated 12th September 2016 brought changes in the provisions under Schedule V of the Companies Act, 2013 relating to Appointment and Remuneration of Managerial Personnel by increasing the limits of yearly remuneration basis effective capital as under:

- The companies having effective capital of above 5 crores but less than 100 crores can pay remuneration up-to ₹ 84 Lakhs per annum.
- This limit, specified above, shall be doubled if the special resolution is passed in the matter.

Keeping in view of the above, it is proposed to revise the maximum monthly basic salary from ₹ 2,50,000/- (Rupees Two Lakh fifty thousand) to ₹ 5,00,000/- (Rupees five Lakhs) to Mr. Rameshchandra Nathalal Patel (DIN – 1307699) of the Company with effect from April 01, 2019 for the remaining period of his tenure ending on June 12, 2020, in terms of Companies Act, 2013.

Particulars of details of Mr. Rameshchandra Nathalal Patel, Chairman & Whole time Director, pursuant to the information as required under Schedule V of the Companies Act, 2013 including Secretarial Standard - 2 and SEBI (LODR) Regulations, 2015, as applicable, are stated in Annexure to the Notice.

Pursuant to the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on August 09, 2019 approved the remuneration as stated in Item No. 4 of the Notice. Further, the Board of Directors recommends the resolution stated in the said item for the approval of members of the Company by way of Special Resolution.

Except Mr. Rameshchandra Nathalal Patel, Mr. Alkesh Rameshchandra Patel and Mrs. Jyotsanaben Rameshchandra Patel and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

#### **ITEM No. 5**

Our Managing Director Mr. Alkesh Rameshchandra Patel (DIN – 02672297) was appointed in Extra Ordinary Meeting held on June 13, 2015 for the period of five years. The Approval of the shareholders be and is hereby accorded to revise the maximum basic salary pursuant to provisions of Sections 196, 197, 198, 203 and Section II of Part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and such modifications and conditions as may be prescribed.

Remuneration: In terms of the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year, during the currency of the tenure of managerial personnel, the Company has no profits or its profits are inadequate, the remuneration can be paid by the Company to its managerial personnel as minimum remuneration within the limits arrived at in accordance with the requirements of the said section II, subject to the following: -

- d. The payment of remuneration is approved by a resolution passed by the Board and also by the Nomination and Remuneration Committee of Directors.
- e. There is no default in repayment of any of its debts or interest payable thereon.
- f. A special resolution has been passed at a general meeting of the Company.

The Company has no inadequate profits in the previous year 2018-19. However, out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013.

The Ministry of Corporate Affairs vide its Notification dated 12th September 2016 brought changes in the provisions under Schedule V of the Companies Act, 2013 relating to Appointment and Remuneration of Managerial Personnel by increasing the limits of yearly remuneration basis effective capital as under:

- The companies having effective capital of above 5 crores but less than 100 crores can pay remuneration up-to ₹ 84 Lakhs per annum.
- This limit, specified above, shall be doubled if the special resolution is passed in the matter.

Keeping in view of the above, it is proposed to revise the maximum monthly basic salary from ₹ 3,50,000/- (Rupees three Lakh fifty thousand) to ₹ 8,00,000/- (Rupees Eight Lakhs) to Mr. Alkesh Rameshchandra Patel (DIN – 02672297) of the Company with effect from April 01, 2019 for the remaining period of his tenure ending on June 12, 2020, in terms of Companies Act, 2013.

Particulars of details of Mr. Alkesh Rameshchandra Patel, Managing Director, pursuant to the information as required under Schedule V of the Companies Act, 2013 including Secretarial Standard - 2 and SEBI (LODR) Regulations, 2015, as applicable, are stated in Annexure to the Notice.

Pursuant to the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on August 09, 2019 approved the remuneration as stated in Item No. 5 of the Notice. Further, the Board of Directors recommends the resolution stated in the said item for the approval of members of the Company by way of Special Resolution.

Except Mr. Rameshchandra Nathalal Patel, Mr. Alkesh Rameshchandra Patel and Mrs. Jyotsanaben Rameshchandra Patel and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

## ITEM No. 6

Our Whole-time Director Mr. Jyotsanaben Rameshchandra Patel (DIN – 01307770) was appointed in Extra Ordinary Meeting held on June 13, 2015 for the period of five years. The Approval of the shareholders be and is hereby accorded to revise the maximum basic salary pursuant to provisions of Sections 196, 197, 198, 203 and Section II of Part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and such modifications and conditions as may be prescribed.

Remuneration: In terms of the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year, during the currency of the tenure of managerial personnel, the Company has no profits or its profits are inadequate, the remuneration can be paid by the Company to its managerial personnel as minimum remuneration within the limits arrived at in accordance with the requirements of the said section II, subject to the following: -

- g. The payment of remuneration is approved by a resolution passed by the Board and also by the Nomination and Remuneration Committee of Directors.
- h. There is no default in repayment of any of its debts or interest payable thereon.
- i. A special resolution has been passed at a general meeting of the Company.

The Company has no inadequate profits in the previous year 2018-19. However, out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013.

The Ministry of Corporate Affairs vide its Notification dated 12th September 2016 brought changes in the provisions under Schedule V of the Companies Act, 2013 relating to Appointment and Remuneration of Managerial Personnel by increasing the limits of yearly remuneration basis effective capital as under:

- The companies having effective capital of above 5 crores but less than 100 crores can pay remuneration up-to ₹ 84 Lakhs per annum.
- This limit, specified above, shall be doubled if the special resolution is passed in the matter.

Keeping in view of the above, it is proposed to revise the maximum monthly basic salary from Rs. 50,000/- (Rupees fifty thousand) to Rs. 1,00,000/- (Rupees One Lakhs) to Mr. Alkesh Rameshchandra Patel (DIN – 02672297) of the Company with effect from April 01, 2019 for the remaining period of his tenure ending on June 12, 2020, in terms of Companies Act, 2013.

Particulars of details of Mr. Jyotsanaben Rameshchandra Patel, Whole-time Director, pursuant to the information as required under Schedule V of the Companies Act, 2013 including Secretarial Standard - 2 and SEBI (LODR) Regulations, 2015, as applicable, are stated in Annexure to the Notice.

Pursuant to the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on August 09, 2019 approved the remuneration as stated in Item No. 5 of the Notice. Further, the Board of Directors recommends the resolution stated in the said item for the approval of members of the Company by way of Special Resolution.

Except Mr. Rameshchandra Nathalal Patel, Mr. Alkesh Rameshchandra Patel and Mrs. Jyotsanaben Rameshchandra Patel and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

## ANNEXURE TO THE NOTICE

### STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 [INCLUDING SECRETARIAL STANDARD – 2 AND SEBI (LODR) REGULATIONS, 2015, AS APPLICABLE] IN RESPECTS OF ITEM NO. 4 TO 6 OF THE NOTICE

#### I. General Information:

(1) Nature of industry:-

Manufacturers of Industrial Equipments

(2) Date or expected date of commencement of commercial production

The Company started its commercial production in the year 2007

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus - NA

(4) Financial performance based on given indicators

The brief statement indicating our profit related figures is given below:

(Amt in '000)

Particulars	2017-18	2018-19
Paid up Capital	102000.00	102000.00
Reserve and Surplus	32308.81	77455.04
Total Income	217050.26	418937.26
Less: Expenditure and depreciation	188174.9	356446.34
Profit Before Tax (PBT)	28875.36	62490.92
Less: Current Tax	7835.12	17344.69
Profit After Tax( PAT)	21040.24	45146.23

(5) Foreign investments or collaborations, if any:-

Loyal Equipments Limited has invested in wholly owned Subsidiary i.e. Loyal Equipments Inc incorporated in Texas, USA.

#### II. Information about the appointee:

##### a) Mr. Rameshchandra Nathalal Patel

###### 1. Background Detail

Mr. Rameshchandra Nathalal Patel is the Chairman & Whole Time Director of our Company. He has been on the Board since incorporation. He has more than 44 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.

2. Past Remuneration

Mr. Rameshchandra Nathalal Patel was paid Rs. 32.50 Lakhs as annual remuneration for the financial year 2018-19.

3. Recognition or awards

NIL

4. Job profile and his suitability

Mr. Rameshchandra Nathalal Patel has overall experience of 44 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.

5. Remuneration proposed

The terms of remuneration proposed are detailed in the Item No 4 of the Notice.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

For the responsibility shouldered by Mr. Rameshchandra Nathalal Patel, Director of the Company in driving the Company's growth and Operational efficiency, the remuneration paid to him is commensurate and compares favorably with the compensations paid to the Directors of like sized and similarly positioned businesses.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.-

Mr. Rameshchandra Nathalal Patel holds Equity shares of the Company. He is also the Husband of Mrs. Jyotsanaben Rameshchandra Patel and Father of Alkesh Rameshchandra Patel.

**b) Mr. Alkesh Rameshchandra Patel**

1. Background Detail

Mr. Alkesh Rameshchandra Patel is the Managing Director of our Company. He has been on the Board since incorporation. He has more than 26 years of experience in the equipments manufacturing sector.

2. Past Remuneration

Mr. Alkesh Rameshchandra Patel was paid Rs. 38.50 Lakhs as annual remuneration for the financial year 2018-19.

3. Recognition or awards

NIL

4. Job profile and his suitability

Mr. Alkesh Rameshchandra Patel 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.

5. Remuneration proposed

The terms of remuneration proposed are detailed in the Item No 5 of the Notice.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

For the responsibility shouldered by Mr. Alkesh Rameshchandra Patel, Managing Director of the Company in driving the Company's growth plans, the remuneration paid to him is commensurate and compares favourably with the compensations paid to the business heads of like sized and similarly positioned businesses.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Alkesh Rameshchandra Patel holds Equity shares of the Company. He is also the Son of Mr. Rameshchandra Nathalal Patel and Mrs. Jyotsanaben Rameshchandra Patel.

**c) Mrs. Jyotsanaben Rameshchandra Patel**

1. Background Detail

Mrs. Jyotsanaben Rameshchandra 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.

2. Past Remuneration

Mr. Jyotsanaben Rameshchandra Patel was paid NIL as annual remuneration for the financial year 2018-19.

3. Recognition or awards

NIL

4. Job profile and his suitability

Mrs. Jyotsanaben Rameshchandra Patel is 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.

5. Remuneration proposed

The terms of remuneration proposed are detailed in the Item No 6 of the Notice.



6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

For the responsibility shouldered by Mrs. Jyotsana Rameshchandra Patel, Director of the Company in driving the Company's growth and Operational efficiency, the remuneration paid to her is commensurate and compares favourably with the compensations paid to the Directors of like sized and similarly positioned businesses.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mrs. Jyotsanaben Rameshchandra Patel holds Equity shares of the Company. She is Wife of Mr. Rameshchandra Nathalal Patel and Mother of Mr. Alkesh Rameshchandra Patel

### **III. Other information:**

- (1) Reasons of loss or inadequate profits

Due to change in technology or other governmental regulations or increasing cost of raw material we may have inadequate profits to meet the proposed remuneration out of profit, sometimes.

- (2) Steps taken or proposed to be taken for improvement

We are in process of increasing our capacity to bring economies of scale to our business and will certainly boost our profitability.

- (3) Expected increase in productivity and profits in measurable terms.

The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

### **IV. Disclosures:**

The information, as required, is provided under Corporate Governance Section of the Annual Report 2018-19. The remuneration package proposed to be given to each managerial personnel is as per the details given in the resolution. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel.

## DIRECTORS' PROFILE

### Mr. Rameshchandra Nathalal Patel, Chairman & Whole Time Director (DIN: 01307699)

**Mr. Rameshchandra Nathalal Patel** is the Chairman & Whole Time Director of our Company. He has been on the Board since incorporation. He has more than 44 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 43 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. Alkesh Rameshchandra Patel, Managing Director (DIN: 02672297)

**Mr. Alkesh Rameshchandra Patel** is the Managing Director of our Company. He has been on the Board since incorporation. He has more than 26 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. Jyotsanaben Rameshchandra Patel, Whole Time Director (DIN: 01307770)

**Mrs. Jyotsanaben Rameshchandra 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.





**Mr. Babubhai Patel, Non-Executive & Independent Director (DIN: 00116495)**

**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 59 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.

**Mr. Girish Nathubhai Desai, Non- Executive & Independent Director (DIN: 02824731)**

**Mr. Girish Nathubhai Desai** is Non Executive & Independent of the Company and is Graduate in field of Mechanical Engineering from Gujarat University with having 49 years of experience in field of designing material management, projects and operation in managerial cadre. He has a vast experience in equipment manufacturing industry.



**Mr. Kalpesh Lalitchandra Joshi, Non-Executive & Independent Director (DIN: 07210197)**

**Mr. Kalpesh Lalitchandra Joshi** is Non Executive & Independent of the Company with having 24 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.

# BOARD'S REPORT

To  
The Shareholders,

Your Directors have pleasure in presenting the 12<sup>th</sup> (twelfth) Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2019.

## 1. FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2018 is summarized as below:

(Amount in '000)

Particulars	Current Year (2018-19)	Previous Year (2017-18)
Revenue from operations	414425.21	213335.11
Other income (net)	4369.77	2091.56
<b>Total Income</b>	<b>418794.98</b>	<b>215426.67</b>
<b>Less:</b>		
Operating & Administrative expenses	340600.25	174119.85
<b>Profit Before Depreciation Interest &amp; Tax</b>	<b>78194.73</b>	<b>41306.82</b>
<b>Less:</b>		
Depreciation and amortization expense	10266.03	11234.26
Finance costs	5580.06	2820.80
<b>Profit before exceptional item and tax</b>	<b>62348.64</b>	<b>27251.76</b>
Exceptional item	0.00	0.00
<b>Profit before tax (PBT)</b>	<b>62348.64</b>	<b>27251.76</b>
Tax expense	17305.49	7387.82
<b>Profit after tax for the year (PAT)</b>	<b>45043.15</b>	<b>19863.94</b>

## 2. OPERATION & REVIEW:

Revenue from the operations of your Company for the year 2018-19 was Rs. 414425210/-, 94.26% higher than Rs. 21,33,35,110/- in the previous year. Profit before Depreciation Interest & Tax for the current year was Rs. 7,81,94,740/- against Rs. 4,13,06,820/- in the previous year. Total Comprehensive Income after tax for the current year at Rs. 4,51,46,230 was increase by 114.57% over Rs. 2,10,40,230 /- 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. DIVIDEND**

The Board thinks that the profits should be retained for the expansion of the Company, which is in pipeline for more growth and value addition to the company and forming a strong business base so that revenue flows from many channels and hence the Directors of your Company do not recommend any dividend for FY 2018-19.

#### **5. SHARE CAPITAL**

As on March 31, 2019, The Authorised share capital of the Company was Rs. 1500 Lacs consisting of 150 Lacs equity shares of Rs. 10 each and the Issued and Paid up Share Capital of the Company is Rs. 1020 Lacs consisting of 1,02,00,000 equity shares of Rs. 10/- each.

#### **6. TRANSFER TO RESERVES**

The Company has not transferred any amount to the General Reserve account during the reporting period.

#### **7. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the period under review, there is no unpaid/unclaimed dividend which is required to transfer in IEPF (Investor Education and Protection Fund) as per the provisions of the Companies Act, 2013.

#### **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. CHANGE IN NATURE OF THE BUSINESS**

There was no change in the nature of business of the Company during the year under review.

#### **10. HUMAN RESOURCE DEVELOPMENT**

The Company sees its employees as critical to the future and believes that every employee needs to possess apart from competence, capacity and capabilities, sustainable values, current and contemporary which would make them useful and relevant and competitive in managing the change constructively for overall growth of the organization. To this end the company's approach and efforts are directed towards creating a congenial work atmosphere for individual growth, creativity and greater dedicated participation in organizational development. The Company believes that the success of an organization largely depends on the quality of its workforce. Employee relations remained cordial and peaceful throughout the year.

#### **11. 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 SMERA MSE 2, U-Stamp and U2- Stamp certified by the independent originations.

## **12. SUBSIDIARY COMPANIES:**

Our Company has wholly owned Subsidiary i.e. Loyal Equipments Inc. incorporated in Texas, USA hence Company is presenting the Standalone and Consolidated financial statement as per the requirement of the provision of Section 136 of the Companies Act, 2013.

## **13. MATERIAL CHANGES AND COMMITMENTS**

There is no material change and commitments affecting the Financial Position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relates and the date of the report.

## **14. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**Mr. Jyotsanaben Rameshchandra Patel, Whole Time Director** is liable to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer herself for re- appointment.

A Statement on declaration given by Independent Directors under section 149 sub-section (6) is given by Independent Director of the Company

There was no change in any Key Managerial Personnel of the Company during the year.

## **15. NUMBER OF MEETINGS OF THE BOARD**

Nine (09) 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.

## **16. 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.

## **17. 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.

## **18. 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 Lalitchandra Joshi (Member).

## **19. STATUTORY AUDITORS**

J. M. Patel & Bros., Chartered Accountants, who are the statutory auditors of the Company, hold office until the conclusion of the this Annual General Meeting. Members of the Company at the AGM held on 30<sup>th</sup> 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 30<sup>th</sup> September, 2014 till the conclusion of Annual General Meeting of the Company to be held in calendar year 2019. As required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, M/s A Y and Company, Chartered Accountants, Jaipur (Registration no. 020829C), be and are hereby appointed as the Statutory Auditor of the Company in place of M/s J. M. Patel & Bros., Chartered Accountants, Ahmedabad (Firm Registration No. 107707W), (Statutory Auditor of the Company retiring at the conclusion of this 12<sup>th</sup> Annual General Meeting) for a period of five years i.e. from the conclusion of this 12<sup>th</sup> Annual General Meeting till the conclusion of 17<sup>th</sup> Annual General Meeting of the Company, subject to annual ratification by the shareholders at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee.

## **20. SECRETARIAL AUDITORS**

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 Mr. Vivek Sharma, Proprietor of M/s Sharma Vivek & Associates, 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".

## **21. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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

## **22. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

As per the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Regulation 22 of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a Whistle Blower Policy with a view to provide vigil mechanism to Directors, employees and other stakeholders to disclose instances of wrong doing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Whistle Blower Policy also states that this mechanism should also provide for adequate safeguards against victimization of Director(s)/ Employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

## **23. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the Financial Year 2018-19, the Company has not received any complaints of sexual harassment.

## **24. 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.

## **25. 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 rules there to be annexed to this report as “Annexure – II”.

## **26. 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 employee’s 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.

## **27. 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.

## **28. 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, 2019 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.

## **29. CORPORATE SOCIAL RESPONSIBILITY**

The Company is not falling under the criteria as mentioned in the Section 135 of the Companies Act, 2013 and rules made thereof which specifies the requirement of forming the Corporate Social Responsibility Committee.



### **30. 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”.

### **31. ‘THINK GREEN, GO GREEN’ INITIATIVE**

The Companies Act, 2013 permits companies to send documents like Notice of Annual General Meeting, Annual Report and other documents through electronic means to its members at their registered email addresses, besides sending the same in physical form.

As a responsible Corporate Citizen, the Company has actively supported the implementation of ‘Green Initiative’ of Ministry of Corporate Affairs (MCA) and effected electronic delivery of Notices and Annual Reports to those shareholders whose email ids were already registered with the respective Depository Participants (DPs) and who have not opted for receiving such documents in physical form.

**Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar and Share Transfer agent (R&TA) of the Company/Depository participant (DP) of respective member and take part in the Green Initiative of the Company, for receiving electronic communications and support the “THINK GREEN, GO GREEN” initiative.**

Further, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing e-voting facility to all members to enable them to cast their votes electronically in respect of resolutions set forth in the Notice of Annual General Meeting (AGM). The detailed instructions for e-voting are provided in the Notice of AGM.

### **32. 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.

**For and on behalf of the Board  
Loyal Equipments Limited**

Sd/-

**Alkesh Rameshchandra Patel  
Managing Director  
DIN – 02672297**

Sd/-

**Rameshchandra Nathalal Patel  
Chairman & Whole Time Director  
DIN –01307699**

**Date: July 09, 2019**

**Place: Dahegam, Gandhinagar.**

# ANNEXURE TO BOARD'S 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. Also the Plant continues to run completely on Solar Power thus reduces nation's natural resources like coal, water etc.
(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:	Rs. 54,01,257/-
The Foreign Exchange outgo during the year in terms of actual outflows:	Rs. 2,18,93,400/-

#### DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

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

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.

**For and on behalf of the Board  
Loyal Equipments Limited**

Sd/-

**Alkesh Rameshchandra Patel  
Managing Director  
DIN – 02672297**

Sd/-

**Rameshchandra Nathalal Patel  
Chairman & Whole Time Director  
DIN –01307699**

**Date: July 09, 2019**

**Place: Dahegam, Gandhinagar.**

**ANNEXURE –II**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March, 2018  
[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: L29190GJ2007PLC050607
- ii. Registration Date: 20<sup>th</sup> 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
1.	Loyal Equipments Inc.	2800 Sage Rd, STE A-200, Houston, Texas, USA	803214 247	Wholly owned Subsidiary	100%	2(87)

**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 01-4-2018)				No. of Shares held at the end of the year (As on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A: Promoters</b>									
<b>(1) Indian:</b>									
a) Individual/ HUF	7499985	-	7499985	73.53	7499985	-	7499985	73.53	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
<b>Sub - Total (A) (1)</b>	<b>7499985</b>	<b>-</b>	<b>7499985</b>	<b>73.53</b>	<b>7499985</b>	<b>-</b>	<b>7499985</b>	<b>73.53</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any other...	-	-	-	-	-	-	-	-	-
<b>Sub - Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of promoter (A) = (A)(1) + (A)(2)</b>	<b>7499985</b>	<b>-</b>	<b>7499985</b>	<b>73.53</b>	<b>7499985</b>	<b>-</b>	<b>7499985</b>	<b>73.53</b>	<b>-</b>
<b>B: Public Shareholding</b>									
<b>1 Institutions</b>									
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	-	-	-	-	-	-	-	-	-
<b>Sub - Total (B) (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2 Non-institutions</b>									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	78000	-	78000	0.765	75335	-	75335	0.739	-0.026
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									

I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	441000	-	441000	4.324	560279	-	560279	5.493	1.169
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1899015	-	1899015	18.618	1713816	-	1713816	16.802	-1.816
c) Others									
(c-i) NRIs (Repatriation)	180000	-	180000	1.765	181613	-	181613	1.781	0.016
(c-ii) NRIs (Non-repat.)	-	-	-	-	-	-	-	-	-
(c-iii) Foreign Companies	-	-	-	-	-	-	-	-	-
Clearing member	102000		102000	1	168972		168972	1.657	0.657
Trust	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
<b>Sub - Total (B) (2)</b>	<b>2700015</b>	<b>-</b>	<b>2700015</b>	<b>26.472</b>	<b>2700015</b>	<b>-</b>	<b>2700015</b>	<b>26.472</b>	<b>-</b>
<b>Total public shareholding (B) = (B) (1) + (B)(2)</b>	<b>2700015</b>	<b>-</b>	<b>2700015</b>	<b>26.472</b>	<b>2700015</b>	<b>-</b>	<b>2700015</b>	<b>26.472</b>	
<b>C: Shares Held By Custodian For GDRS &amp; ADRS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>10200000</b>	<b>-</b>	<b>10200000</b>	<b>100.00</b>	<b>10200000</b>	<b>-</b>	<b>10200000</b>	<b>100.00</b>	<b>-</b>

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	Alkesh Rameshchandra Patel	2099940	20.588	-	2099940	20.588	-	-
2	Jyotsanaben Rameshchandra Patel	3300000	32.353	-	3300000	32.353	-	-
3	Rameshchandra Nathalal Patel	2100000	20.588	-	2100000	20.588	-	-
4	Patel Kalpeshbhai H	15	0	-	15	0	-	-
5	Hema Maheshkumar Patel	15	0	-	15	0	-	-
6	Parul Alkeshbhai Patel	15	0	-	15	0	-	-

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

S. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2018		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Alkesh Rameshchandra Patel	2099940	20.588	--	--	--	--	2099940	20.588
2	Jyotsanaben Rameshchandra Patel	3300000	32.353	--	--	--	--	3300000	32.353
3	Rameshchandra Nathalal Patel	2100000	20.588	--	--	--	--	2100000	20.588
4	Patel Kalpeshbhai H	15	0	--	--	--	--	15	0
5	Hema Maheshkumar Patel	15	0	--	--	--	--	15	0
6	Parul Alkeshbhai Patel	15	0	--	--	--	--	15	0

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 (01/04/2017)		Date	Increase/ Decreases shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares
1	Ghanshyam Kalwani	180000	1.765	01-04-2018				
	-Closing Balance			31-03-2019		No Change	180000	1.765
2	Nareshkumar Saraf	174000	1.706	01-04-2018				
				22-02-2019	2000	Buy	176000	1.725
	-Closing Balance			31-03-2019			176000	1.725
3	Sunita Sarwankumar Saraf	168000	1.647	01-04-2018				

	-Closing Balance			31-03-2019		No Change	168000	1.647
4	Bma Wealth Creators Ltd.	39000	0.382	01-04-2018				
				06-04-2018	-18000	Sold	21000	0.206
				04-05-2018	30000	Buy	51000	0.500
				18-05-2018	9000	Buy	60000	0.588
				25-05-2018	-21000	Sold	39000	0.382
				08-06-2018	18000	Buy	57000	0.559
				15-06-2018	1955	Buy	58955	0.578
				22-06-2018	600	Buy	59555	0.584
				29-06-2018	650	Buy	60205	0.590
				06-07-2018	1345	Buy	61550	0.603
				13-07-2018	450	Buy	62000	0.608
				27-07-2018	6000	Buy	68000	0.667
				24-08-2018	525	Buy	68525	0.672
				31-08-2018	500	Buy	69025	0.677
				05-10-2018	11124	Buy	80149	0.786
				12-10-2018	20237	Buy	100386	0.984
				19-10-2018	3697	Buy	104083	1.020
				26-10-2018	909	Buy	104992	1.029
				02-11-2018	965	Buy	105957	1.039
				09-11-2018	137	Buy	106094	1.040
				16-11-2018	2084	Buy	108178	1.061
				23-11-2018	159	Buy	108337	1.062
				30-11-2018	7533	Buy	115870	1.136
				07-12-2018	6287	Buy	122157	1.198
				14-12-2018	-3862	Sold	118295	1.160
				21-12-2018	500	Buy	118795	1.165
				04-01-2019	700	Buy	119495	1.172
				11-01-2019	1099	Buy	120594	1.182
				18-01-2019	3909	Buy	124503	1.221
				15-02-2019	225	Buy	124728	1.223
	-Closing Balance			31-03-2019			124728	1.223
5	Savjibhai Manjibhai Menpara .	102000	1	01-04-2018				
				15-06-2018	1000	Buy	103000	1.010
				16-11-2018	-5761	Sold	97239	0.953
				23-11-2018	-12059	Sold	85180	0.835
				07-12-2018	-1576	Sold	83604	0.820
				14-12-2018	-250	Sold	83354	0.817
				11-01-2019	-7147	Sold	76207	0.747
				08-03-2019	-760	Sold	75447	0.740
				15-03-2019	-730	Sold	74717	0.733
				22-03-2019	-621	Sold	74096	0.726
	-Closing Balance			31-03-2019			74096	0.726



6	Pravinaben Savjibhai Menpara .	108000	1.059	01-04-2018				
				15-02-2019	-18120	Sold	89880	0.881
				22-02-2019	-7084	Sold	82796	0.812
				01-03-2019	-6	Sold	82790	0.812
				08-03-2019	-11046	Sold	71744	0.703
	-Closing Balance			31-03-2019			71744	0.703
7	Inderaben B Shah	66000	0.647	01-04-2018				
	-Closing Balance			31-03-2019		No Change	66000	0.647
8	Kamini Bhavesh Shah	84000	0.824	01-04-2018				
				13-04-2018	-27000	Sold	57000	0.559
	-Closing Balance			31-03-2019			57000	0.559
9	Sarwankumar Devidutt Saraf Huf	21000	0.206	01-04-2018				
				11-05-2018	27000	Buy	48000	0.471
	-Closing Balance			31-03-2019			48000	0.471
10	Patel Kunalbhai	42000	0.412	01-04-2018				
				03-08-2018	919	Buy	42919	0.421
				31-08-2018	3000	Buy	45919	0.450
	-Closing Balance			31-03-2019			45919	0.450
11	Varanasi Venkatasubramanya Ramakris	45000	0.441	01-04-2018				
				14-12-2018	10	Buy	45010	0.441
	-Closing Balance			31-03-2019			45010	0.441
12	Sunaina Nareshkumar Saraf	69000	0.676	01-04-2018				
				04-05-2018	-48000	Sold	21000	0.206
				08-06-2018	6000	Buy	27000	0.265
	-Closing Balance			31-03-2019			27000	0.265
13	Amit Bhogilal Shah	48000	0.471	01-04-2018				
				20-04-2018	-27000	Sold	21000	0.206
	-Closing Balance			31-03-2019			21000	0.206

v. Shareholding of Directors and Key Managerial Personnel: -

Sr. No.	Name	Shareholding at the beginning of the year (01/04/2018)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares
1	Alkesh Rameshchandra Patel	2099940	20.588	--	--	--	2099940	20.588
2	Jyotsanaben Rameshchandra Patel	3300000	32.353	--	--	--	3300000	32.353
3	Rameshchandra Nathalal Patel	2100000	20.588	--	--	--	2100000	20.588
4.	Amit Chandulal Patel	15	0.00	--	--	--	15	0.00

## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2018):</b>				
i) Principal Amount	23518503.00	0.00	0.00	23518503.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	65951.00	0.00	0.00	65951.00
<b>Total (i+ii+iii)</b>	<b>23584454.00</b>	<b>0.00</b>	<b>0.00</b>	<b>23584454.00</b>
<b>Change in Indebtedness during the financial year:</b>				
* Addition	60190505.00	0.00	0.00	60190505.00
* Reduction	6653968.00	0.00	0.00	6653968.00
<b>Net Change</b>	<b>53536537.00</b>			<b>53536537.00</b>
<b>Indebtedness at the end of the financial year (31.03.2019):</b>				
i) Principal Amount	77055040.00	0.00	0.00	77055040.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>77055040.00</b>	<b>0.00</b>	<b>0.00</b>	<b>77055040.00</b>

## 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 Nathalal Patel	Jyotsanaben Rameshchandra Patel	Alkesh Rameshchandra Patel	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3250000.00	0.00	3850000.00	7100000.00
	(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	--	--	--	--
5	Others, please specify	--	--	--	--
	<b>Total (A)</b>	3250000.00	0.00	3850000.00	7100000.00

### B. Remuneration to other directors:

SI. No.	Particulars of Remuneration	Name of Director			Total Amount
		Babubhai Patel	Girish Nathubhai Desai	Kalpesh Lalitchandra Joshi	
1	<b>Independent Directors:</b>				
	Fee for attending board /committee meetings	25,000	25,000	25,000	75,000
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>TOTAL (1)</b>	25,000	25,000	25,000	75,000
2	<b>Other Non-Executive Directors:</b>				
	Fee for attending board /committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>TOTAL (2)</b>	-	-	-	-
	<b>TOTAL B = (1+2)</b>	25,000	25,000	25,000	75,000
	<b>TOTAL MANAGERIAL REMUNERATION</b>	-	-	-	-
	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			

	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	727000.00	130000.00	857000.000
	(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	--	--	--
	<b>Total</b>	727000.00	130000.00	857000.000

**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	-	-	-	-	-
<b>OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**For and on behalf of the Board  
Loyal Equipments Limited**

Sd/-

**Alkesh Rameshchandra Patel  
Managing Director  
DIN – 02672297**

Sd/-

**Rameshchandra Nathalal Patel  
Chairman & Whole Time Director  
DIN –01307699**

**Date: July 09, 2019**

**Place: Dahegam, Gandhinagar.**

## 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 2018-19.
  - 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 <sup>st</sup> January, 2009.	Rent Agreement	18,00,000.00
Jyotsanaben R Patel	Director	Rent Agreement effective 1 <sup>st</sup> January, 2016	Rent Agreement	24,00,000.00

**For and on behalf of the Board  
Loyal Equipments Limited**

Sd/-

**Alkesh Rameshchandra Patel  
Managing Director  
DIN – 02672297**

Sd/-

**Rameshchandra Nathalal Patel  
Chairman & Whole Time Director  
DIN –01307699**

**Date: July 09, 2019**

**Place: Dahegam, Gandhinagar.**

## ANNEXURE - IV

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2019  
*[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, Gandhinagar – 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 there presentations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019 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, 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 (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;
  - 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)
  - ix. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015;
- (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.

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.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. 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.

All decision of Board and committee meeting were carried with requisite majority.

**We 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.

**We further report that during** the audit period no major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc

**Place:** Jaipur

**Date:** July 09, 2019

**Name of Company Secretary:** Vivek Sharma  
Company Secretary  
**ACS No. 38510 CP. No. 14773**

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

**ANNEXURE - A**

To,

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

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:** Jaipur

**Date:** July 09, 2019

**Name of Company Secretary:** Vivek Sharma  
Company Secretary  
**ACS No. 38510 CP. No. 14773**



# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of the Company is pleased to present its report on the Industry Scenario including on the Company's performance during the financial year 2018-19.

## 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

### Global Economic Outlook

One year ago economic activity was accelerating in almost all regions of the world and the global economy was projected to grow at 3.9 percent in 2018 and 2019. One year later, much has changed: the escalation of US–China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. With this weakness expected to persist into the first half of 2019, the World Economic Outlook (WEO) projects a decline in growth in 2019 for 70 percent of the global economy. Global growth, which peaked at close to 4 percent in 2017, softened to 3.6 percent in 2018, and is projected to decline further to 3.3 percent in 2019. Although a 3.3 percent global expansion is still reasonable, the outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as advanced economy growth rates converge toward their modest long-term potential.

While 2019 started out on a weak footing, a pickup is expected in the second half of the year. This pickup is supported by significant policy accommodation by major economies, made possible by the absence of inflationary pressures despite closing output gaps. The US Federal Reserve, in response to rising global risks, paused interest rate increases and signaled no increases for the rest of the year. The European Central Bank, the Bank of Japan, and the Bank of England have all shifted to a more accommodative stance. China has ramped up its fiscal and monetary stimulus to counter the negative effect of trade tariffs. Furthermore, the outlook for US–China trade tensions has improved as the prospects of a trade agreement take shape.

These policy responses have helped reverse the tightening of financial conditions to varying degrees across countries. Emerging markets have experienced a resumption in portfolio flows, a decline in sovereign borrowing costs, and a strengthening of their currencies relative to the dollar. While the improvement in financial markets has been rapid, those in the real economy have yet to materialize. Measures of industrial production and investment remain weak for most advanced and emerging economies, and global trade has yet to recover.

With improvements expected in the second half of 2019, global economic growth in 2020 is projected to return to 3.6 percent. This return is predicated on a rebound in Argentina and Turkey and some improvement in a set of other stressed emerging market and developing economies, and therefore subject to considerable uncertainty. Beyond 2020 growth will stabilize at around 3½ percent, bolstered mainly by growth in China and India and their increasing weights in world income. Growth in advanced economies will continue to slow gradually as the impact of US fiscal stimulus fades and growth tends toward the modest potential for the group, given ageing trends and low productivity growth. Growth in emerging market and developing economies will stabilize at around 5 percent, though with considerable variance between countries as subdued commodity prices and civil strife weaken prospects for some.

While the overall outlook remains benign, there are many downside risks. There is an uneasy truce on trade policy, as tensions could flare up again and play out in other areas (such as the auto industry) with large disruptions to global supply chains. Growth in China may surprise on the downside, and the risks surrounding Brexit remain heightened. In the face of significant financial vulnerabilities associated with large private and public sector debt in several countries, including sovereign-bank doom loop risks (for example, in Italy), there could be a rapid change in financial conditions owing to, for example, a risk-off episode or a no-deal Brexit.

## RECENT DEVELOPMENTS AND PROSPECTS

Following a broad-based upswing in cyclical growth that lasted nearly two years, the global economic expansion decelerated in the second half of 2018. Activity softened amid an increase in trade tensions and tariff hikes between the United States and China, a decline in business confidence, a tightening of financial conditions, and higher policy uncertainty across many economies. Against this global backdrop, a combination of country- and sector-specific factors further reduced momentum. After peaking at close to 4 percent in 2017, global growth remained strong, at 3.8 percent in the first half of 2018, but dropped to 3.2 percent in the second half of the year.

### Emerging Market and Developing Economies

In China, necessary domestic regulatory tightening to rein in debt, constrain shadow financial intermediation, and place growth on a sustainable footing contributed to slower domestic investment, particularly in infrastructure. Spending on durable consumption goods also softened, with automobile sales declining in 2018 following the expiration of incentive programs for car purchases. These developments contributed to slower momentum over the year, with further pressure from diminishing export orders as US tariff actions began to take hold in the second half of the year. As a result, China's growth declined from 6.8 percent in the first half of 2018 to 6.0 percent in the second half of the year. The resulting weakening in import demand appeared to have impacts on trading partner exports in Asia and Europe. Elsewhere across emerging market economies, activity moderated as worsening global financial market sentiment in the second half of 2018 compounded country-specific factors. Needed policy tightening to reduce financial and macroeconomic imbalances took effect in Argentina and Turkey; sentiment weakened and sovereign spreads rose in Mexico, following the incoming administration's cancellation of a planned airport for the capital and backtracking on energy and education reforms; and geopolitical tensions contributed to weaker activity in the Middle East.

## INDIAN ECONOMY GROWTH RATE & STATISTICS

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

### Market size

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

### Capital Goods & Engineering equipment Industry

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, is of strategic importance to India's economy.

India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as 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. The Indian semiconductor industry offers high growth potential areas as the industries which source semiconductors as inputs are themselves witnessing high demand.

India became a permanent member of the Washington Accord (WA) in June 2014. The country is now a part of an exclusive group of 17 countries who are permanent signatories of the WA, an elite international agreement on engineering studies and mobility of engineers.

## **SUMMARY OF OUR BUSINESS**

Loyal Equipments limited is SMERA 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 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.

## **SALIENT FEATURES OF OUR PRODUCTS:**

- Produced from the toughest materials like steel, nonferrous 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 across major states of India as well as outside India Our Major customers such as:-

- Engineers India Limited
- Dresser-Rand India Pvt. Ltd.
- Ingersoll Rand India Limited
- Kirloskar Pneumatic Co. Limited
- Larsen & Turbo Limited
- Reliance Industries Limited
- Alstom Projects India Limited
- Linde Engineering (India) Limited
- Bharat Pumps & Compressors Limited
- Texas Southpiller Limited-USA
- Voirth
- Dresser Rand, USA
- Oil & Natural Gas Corporation.
- Gujarat State Petroleum Corporation Limited.
- Hindustan Petroleum Company Limited.
- Bharat Petroleum Company Limited.
- Indian Oil Corporation Limited.
- Essar Oil
- Nirma Limited.

## 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 the specifications and requirements of the clients. This provides a complete satisfaction to our clients and enables us to expand our 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 the Company to provide our client the best possible quality product. We adopt quality check to ensure the adherence to desired specifications, quality and standards. Since, our Company is dedicated towards quality products, processes and inputs; we get 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.

## **2. OPPORTUNITIES AND THREATS**

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 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.

Increased Competition from Local & Big Players and Change in Government Policies are major threats to the Company.

## **3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

Loyal equipments limited is SMERA 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 having kind of latest machineries, tools, skilled man power, handling equipment and various in house facilities for smooth operation and quality product. We have developed a sound infrastructure base that is subject to regular upgradation based on technology and working systems. Our company having 28500 sq. meters of land, In which infrastructure is setup over 3526 sq. meters with well-furnished office spread over an area of 136 sq. meters.

## **4. OUTLOOK**

The engineering sector is a growing market. Spending on engineering services is projected to increase to US\$ 1.1 trillion by 2020. The government, in consultation with semiconductor industry, has increased focus on the ESDM sector in last few years. Some of the initiatives outlined in the National Electronics policy and the National Telecom policy are already in the process of implementation, such as Preferential Market Access (PMS), Electronics Manufacturing Clusters (EMC) and Modified Special Incentive Package Scheme (M-SIPS).

India's capital good sector is expected to triple in size to Rs 7.5 trillion (US\$ 116 billion) and add 21 million jobs by 2025.

## 5. THREATS, RISK AND CONCERNS

The Company is concerned about prevailing exposure norms, financial position, entry of new players in the market, rising competition from banks & multilateral agencies, uncertain business environment, fluctuation in rupee, likely increase in cost of capital due to volatile market conditions. Further, the state of business and policy environment in the country also has a cascading effect on the interest-rate regime, cost and availability of raw materials and gestation period & capital outlays required for raw material. General economic conditions may also affect the capacity and production of the manufacturing of the products.

## 6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company maintains an adequate system of Internal Controls including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies. Suitable delegation of powers and guidelines for accounting have been issued for uniform compliance. In order to ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive Internal Audit of Office/plant are conducted by the in-house Internal Audit Division and external professional audit firm. The Internal Audit covers all major areas of operations, including identified critical/risk areas, as per the Annual Internal Audit Programme. The Audit Committee of Directors periodically reviews the significant findings of different Audits, as prescribed in the Companies Act, 2013 and in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## 7. FINANCIAL AND OPERATIONAL PERFORMANCE

Revenue from the operations of your Company for the year 2018-19 was Rs. 41,44,25,210/-, 94.26% higher than Rs. 21,33,35,110/- in the previous year. Profit before Depreciation Interest & Tax for the current year was Rs. 7,81,94,730/- against Rs. 4,13,06,820/- in the previous year. Total Comprehensive Income after Tax for the current year at Rs. 4,51,46,230 was increase by 114.57% over Rs. 2,10,40,230/- in the previous year.

Further the company has received various order from India and Outside India for supply of Pressure Vessels and other Equipments. The years 2018-19 is one of great year of your Company with crossing the new target in terms of turnover and in term of order receive from various client which will boost our turnover and profit in coming years.

## 8. HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company gives utmost importance to the capacity-building and well-being of its employees. The Industrial Relations in the Company continued to be on a cordial note. There are regular interactions between the management and the representative-associations on issues pertaining to employee welfare. The Company has an atmosphere of trust and cooperation, which results in a motivated work force and consistent growth in the performance.

## 9. ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS

As per the recent amendments to the SEBI Listing Obligations & Disclosure Requirements (LODR), we give below additional information in respect of financial parameters that are applicable to our company:

Detail of Significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation therefore as under:

- a) **Debtor Turnover Ratio:** The Debtor Turnover ratio as on March 31, 2019 is 8.27 times as compared to previous year ended on March 31, 2018 is 6.86 times. The change in the ratio is 20.62% as compared to Previous Year

- b) **Inventory Turnover Ratio:** The Inventory Turnover Ratio as on March 31, 2019 is 1.74 times as compared to previous year ended on March 31, 2018 is 1.17 times. The change in the ratio is 48.88% as compared to Previous Year due to changes in Inventory level & Inventory holding Period.
- c) **Interest Coverage Ratio:** The Interest Coverage Ratio as on March 31, 2019 is 12.17 times as compared to previous year ended on March 31, 2018 is 10.66 times. The change in the ratio is 14.19% as compared to Previous Year.
- d) **Current Ratio:** The Current Ratio as on March 31, 2019 is 1.85 times as compared to previous year ended on March 31, 2018 is 1.73 times. The change in the ratio is 7.26% as compared to Previous Year.
- e) **Debt Equity Ratio:** The Debt Equity Ratio as on March 31, 2019 is 0.72 times as compared to previous year ended on March 31, 2018 is 0.84 times. The change in the ratio is 13.95% as compared to Previous Year.
- f) **Operating Profit Margin:** The Operating Profit Margin Ratio as on March 31, 2019 is 16.39% as compared to previous year ended on March 31, 2018 is 14.10%. The change in the ratio is 16.27% as compared to Previous Year.
- g) **Net Profit Margin:** The Net Profit Margin Ratio as on March 31, 2019 is 10.89% as compared to previous year ended on March 31, 2018 is 9.86%. The change in the ratio is 10.45% as compared to Previous Year.

### Cautionary Note

Certain statements in “Management Discussion and Analysis” section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook.

# REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a systematic continuous process by which companies are directed and controlled to enhance their wealth generating capacity and long term success. It is a key element to carry on business operations based on the underlying principles of integrity, ethics, transparency and accountability. Over the last few decades, corporate governance is getting ever increasing importance across the globe. Systems and policies are required to be upgraded regularly, to meet the challenges of rapid growth in a dynamic business environment.

## 1. 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"). 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 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.

## 2. BOARD OF DIRECTORS

The Board of Directors provides leadership and guidance, objective judgment and at the same time monitors the strategic direction of the Company. The Company is headed by an Executive Chairman.

### (A) Composition of the Board

The composition of the Board of the Company as on March 31, 2019 as mentioned below, was in compliance of Listing Regulations, Companies Act, 2013 read with Rules made thereunder:

S. No.	Name of Director	Director Identification Number (DIN)	Position
Promoter & Executive Directors:-			
1.	Rameshchandra Nathalal Patel	01307699	Chairman & Whole Time Director
2.	Alkesh Rameshchandra Patel	02672297	Managing Director
3.	Jyotsanaben Rameshchandra Patel	01307770	Whole Time Director
Independent & Non-Executive Directors:-			
1.	Girish Nathubhai Desai	02824731	Independent Director
2.	Kalpesh Lalitchandra Joshi	07210197	Independent Director
3.	Babubhai Patel	00116495	Independent Director



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.

### (B) Relationship Between Directors:

Sr. No.	Name of Director	Relationship with Directors
1.	Mr. Rameshchandra Nathalal Patel	Husband of Mrs. Jyotsanaben Rameshchandra Patel Father of Mr. Alkesh Rameshchandra Patel
2.	Mr. Alkesh Rameshchandra Patel	Son of Mr. Rameshchandra Nathalal Patel & Mrs. Jyotsanaben Rameshchandra Patel.
3.	Mrs. Jyotsanaben Rameshchandra Patel	Wife of Mr. Rameshchandra Nathalal Patel Mother of Mr. Alkesh Rameshchandra Patel

### (C) Other provisions as to Board and its Committees

#### (i) Details of Board Meetings held during the financial year 2018-19

The Company follows a methodized process of decision-making by the Board and its Committees. The meeting dates are usually finalized in consultation with all Directors, in order to ensure presence of all Board Members in its Meetings. All the Agenda and Explanatory Notes are normally sent to the Directors well in advance for the Meetings of the Board and Committees thereof. To address specific urgent business needs, sometimes meetings are also called at shorter notice, in compliance of the applicable statutory provisions and utmost efforts are made to adhere to the minimum notice period.

During the financial year 2018-19, Nine (09) Meetings of Board of Directors of the Company were held on (i) May 29, 2018, (ii) June 27, 2018, (iii) August 14, 2018, (iv) November 12, 2018, (v) December 05, 2018, (vi) December 12, 2018 (vii) January 29, 2019, (viii) February 13, 2019 and (ix) March 30, 2018.

The gap between any two Board Meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

#### (ii) Information placed before the Board of Directors

The Board has complete access to all the information available within the Company. During the year 2018-19, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration. The information regularly provided to the Board inter-alia includes:

- (a) Annual operating plans and budgets and any updates.
- (b) Quarterly, Half Yearly and Annual Financial Results and Board's Report, etc.
- (c) All Related Party transactions.
- (d) Minutes of Meetings of Audit Committee and other committees of the Board.
- (e) The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
- (f) Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
- (g) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- (h) Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- (i) Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.

- (j) Details of any joint venture or collaboration agreement.
- (k) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- (l) Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- (m) Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- (n) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- (o) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- (p) Quarterly Report on Reconciliation of Share Capital Audit and status of Investor Grievances.
- (q) Any other information required to be presented to the Board for information or approval.

**(iii) Details of Directors' attendance at Board Meetings and AGM held during the financial year 2018-19, number of other Directorships/Committee Memberships:**

The names and 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, 2019 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.

S. No	Name of the Director	Board Meetings			Whether attended last AGM held on July 27, 2018	As on March 31, 2019		
		Held during the year	Attended	% of Attendance		No. of other Directorships	No. of other Committee Memberships	
							As Chairman	As Member
1.	Mr. Alkesh Rameshchandra Patel	9	9	100	Yes	Nil	Nil	Nil
2.	Mrs. Jyotsanaben Rameshchandra Patel	9	9	100	Yes	Nil	Nil	Nil
3.	Mr. Rameshchandra Nathalal Patel	9	9	100	Yes	Nil	Nil	Nil
4.	Mr. Babubhai Patel	9	9	100	Yes	Nil	Nil	Nil
5.	Mr. Girish Nathubhai Desai	9	9	100	Yes	Nil	Nil	Nil
6.	Mr. Kalpesh Lalitchandra Joshi	9	9	100	Yes	1*	1	2

**Notes:**

- (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.
- (3) 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, 2019 have been made by the Directors.

\* Mr. Kalpesh Lalitchandra Joshi is Non-Executive Independent Director in Listed Company i.e. Zodiac Energy Ltd.

### 3. BOARD SKILLS/EXPERTISE/COMPETENCE MATRIX:

The Board of Directors have identified the following parameters with respect to the skill/expertise/competence that are available with the Board in the context of the business and sector for it function effectively:

Industry Knowledge/Experience	Technical Skill/Experience	Behavioural Competencies
Engineering Expertise	Accounting & Finance	Leadership & Mentoring Skills
Understanding of Corporate Law, international laws and other rules, regulations and other policies	Risk Management	Interpersonal Relations
International Experience	Strategic Management	
	Legal & Compliance	
	Governance	

### 4. COMMITTEES OF THE BOARD OF DIRECTORS

The Board functions either as full Board or through various Committees constituted to oversee specific operational areas. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals and focus on specific areas and make informed decisions within the authority delegated to them. As on March 31, 2019, the Board had the following committees:

1. Audit Committee;
2. Nomination and Remuneration Committee; and
3. Stakeholders Relationship Committee.

#### 4.1 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. During the financial year 2018-19, the composition and attendance of members of the Audit Committee was as under:

S. No.	Name of Committee Members	Position in the Committee	Number of Meetings			Attendance at last AGM held on July 27, 2018
			Held during the year	attended	percentage of attendance	
1.	Mr. Babubhai Patel	Chairman	4	4	100	Yes
2.	Mr. Kalpesh Lalitchandra Joshi	Member	4	4	100	Yes
3.	Mr. Rameshchandra Nathalal Patel	Member	4	4	100	Yes

The quorum for Audit Committee meeting shall either be two members or one third of the members of the Audit Committee, whichever is greater, with at least two Independent Directors. The Secretary of the Company acts as a Secretary to the Committee

## **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 & half yearly 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.

During the financial year 2018-19, four (4) meetings of the Audit Committee were held on (i) May 29, 2018, (ii) August 14, 2018, (iii) November 12, 2018, and (iv) February 13, 2019. The time gap between any two meetings was less than four months.

## 4.2 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.

As on March 31, 2018, the composition of the Nomination and Remuneration Committee was as under:

S.No.	Name of Committee Members	Position in the Committee	Number of Meetings			Attendance at last AGM held on July 27, 2019
			Held during the year	attended	percentage of attendance	
1.	Mr. Girish Nathubhai Desai	Chairman	4	4	100	Yes
2.	Mr. Babubhai Patel	Member	4	4	100	Yes
3.	Mr. Kalpesh Lalitchandra Joshi	Member	4	4	100	Yes

Quorum of the Nomination and Remuneration Committee Meeting is two members including Chairman of the Committee. During the financial year 2017-18, four (4) meeting of the Committee was held on (i) May 29, 2018, (ii) August 14, 2018, (iii) November 12, 2018, and (iv) February 13, 2019.

### *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 & Whole Time Director, Managing Director and Whole Time Directors of the Company for the financial year 2018-19 are as under:

Particulars	Amount in Rs.		
	Rameshchandra Nathalal Patel	Alkesh Rameshchandra Patel	Jyotsanaben Rameshchandra Patel
Salary	32,26,000	38,30,000	-
Contribution to PF & Other Funds	21,600	18,000	-
Professional Tax	2,400	2,000	-
<b>Total</b>	<b>32,50,000</b>	<b>38,50,000</b>	-

##### b. Non-Executive Independent Directors (NEIDs):

During the year, the NEIDs were neither paid any remuneration nor granted any loans or advances. A Non-Executive Director will be eligible for 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 eligible for reimbursement 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 31<sup>st</sup> March, 2019.

The details of sitting fees paid to the Non-Executive Directors during the financial year 2018-19 are given below:

Sr. No.	Name of Non-Executive Director	Sitting Fees (in Rs.)
1	Babubhai Patel	25,000
2	Girish Nathubhai Desai	25,000
3	Kalpesh Lalitchandra Joshi	25,000

**c. Familiarization Program:**

The Independent Directors are familiarized with their roles, rights, responsibilities etc. in relation to the nature of Engineering Manufacturing sector and the business model of the Company. Please refer to the website of the company at: <http://www.loyalequipments.com/images/policies/familiarization-programmes-for-independent-directors.pdf>.

**d. Details of shares of the Company held by the Directors as on March 31, 2019 are given below:**

Sr. No.	Name of the Director	No. of Equity Shares held
1	Rameshchandra Nathalal Patel	21,00,000
2	Alkesh Rameshchandra Patel	20,99,940
3	Jyotsnaben Rameshchandra Patel	33,00,000
4	Babubhai Patel	Nil
5	Girish Nathubhai Desai	Nil
6	Kalpesh Lalitchandra Joshi	Nil

**4.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Company has constituted a Stakeholders Relationship Committee in terms of the provisions of the Companies Act, 2013, Listing Regulations and other applicable laws. This Committee specifically looks into the redressal of complaints from various security holders such as shareholders such as non-receipt of dividend credit/ warrants, annual report, transfer of shares, issue of duplicate share, matters connected with transfer, transmission, rematerialization, dematerialization, splitting and consolidation of securities issued by the Company.

As on March 31, 2018, the composition of the Stakeholders Relationship Committee was as under:

S. No.	Name of Committee Members	Position in the Committee	Number of Meetings			Attendance at last AGM held on July 27, 2019
			Held during the year	attended	percentage of attendance	
1.	Mr. Babubhai Patel	Chairman	4	4	100	Yes
2.	Mr. Kalpesh Lalitchandra Joshi	Member	4	4	100	Yes
3.	Mr. Alkesh Rameshchandra Patel	Member	4	4	100	Yes

The quorum of meeting of the Stakeholders Relationship Committee is two members including the Chairman of the Committee. During the financial year 2017-18, four (4) meetings of the stakeholders' relationship committee were held during the year on (i) May 29, 2018, (ii) August 14, 2018, (iii) November 12, 2018, and (iv) February 13, 2019.

## Status of Shareholders/Investors Grievances

The Company has been attending to all investor grievances/complaints expeditiously and promptly to the satisfaction of stakeholder(s). The status of Shareholders/ Investors Grievances pursuant to Regulation 13(3) of Listing Regulations for the financial year 2018-19, is as follows:

Particulars	Number of Complaints
Pending at the beginning of the financial year	Nil
Received during the financial year	Nil
Disposed during the financial year	Nil
Remaining unresolved as on March 31, 2018	Nil

### Name, designation and address of Compliance Officer:

**Mrs. Akanksha Aswani, 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](mailto:cs@loyalequipments.com)  
 Website: [www.loyalequipments.com](http://www.loyalequipments.com)

## 5. GENERAL BODY MEETING:

### (a) 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:

Meeting No.	Financial Year	Date	Time	Venue	Whether any Special Resolutions passed
9 <sup>th</sup>	2015-16	Saturday, August 27, 2016	9.30 AM	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382330	NIL
10 <sup>th</sup>	2016-17	Tuesday, August 29, 2017	11.00 AM	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382330	Yes
11 <sup>th</sup>	2017-18	Friday, July 27, 2018	11.00 AM	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382330	NIL

### (b) Extra ordinary General Meetings (EGM):

Day, Date and Time of EGM	Venue	Special Resolutions passed
28 <sup>th</sup> 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 <sup>nd</sup> May, 2015 at 11.00 a.m.	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382330	1. Conversion of Company from Private Limited to Public Limited 2. Alteration of Articles of Association 3. Alteration of Memorandum of Association
19 <sup>th</sup> May, 2015 at 11.00 a.m.	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382330	1. Approval of Initial Public Offer
13 <sup>th</sup> June, 2015 at 11.00 a.m.	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382330	1. Change in Designation of Alkesh Rameshchandra Patel 2. Change in Designation of Rameshchandra Nathalal Patel 3. Change in Designation of Jyotsnaben Rameshchandra Patel 4. Regularisation of Appointment of Kalpesh Joshi

**(c) Resolutions Passed Though Postal Ballot:**

During the financial year ended March 31, 2019, No Special Resolution was passed through postal ballot and as on the date of this Report there is no special resolution proposed to be conducted through postal ballot.

**6. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS**

The Companies Act, 2013 permits companies to send documents like Notice of Annual General Meeting, Annual Report and other documents through electronic means to its members at their registered email addresses, besides sending the same in physical form.

As a responsible Corporate Citizen, your Company has actively supported the paper less initiative and digitalization move and effected electronic delivery of Notice and Annual Report and other documents to those shareholders whose email ids were registered with the respective Depository Participants (DPs). The intimation of Interim/ Final Dividend paid are also being sent electronically to those shareholders whose email ids were registered.

Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with their Depository Participant (DP) or with the Registrar and Share Transfer Agent (R&TA) of the Company, for receiving communications in electronic form.

Further, the Agenda and Explanatory Notes of all the Meetings of the Board and Committees thereof of Company are being sent to Directors through electronic means under a secured platform, to enable them to access the Agenda papers without any hassle.

**7. SECRETARIAL AUDIT**

Mr. Vivek Sharma, Proprietor of M/s Sharma Vivek & Associates, Practicing Company Secretaries, Jaipur has conducted Secretarial Audit for the financial year 2018-19 and have submitted their report to the Company. A copy of Secretarial Audit Report is set out elsewhere in this Annual Report for information of the shareholders.

**8. RELATED PARTY TRANSACTION:**

The Company has formulated a Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions as per provisions of Listing Regulations and the same is available on the website of the Company on the following link: [http://www.loyalequipments.com/data/policy/policy\\_related\\_party\\_transactions.pdf](http://www.loyalequipments.com/data/policy/policy_related_party_transactions.pdf).

In line with the said Policy, all the Related Party Transactions were approved by the Audit Committee and/ or by the Board of Directors, as the case may be. The transactions with related parties are included in the Notes to the Accounts as per Accounting Standard-18 and other applicable provisions of Companies Act, 2013. Further, a status report on Related Party transactions is put up for information of Audit Committee and Board of Directors on quarterly basis. The particulars of Related Party Transactions are given in form AOC-2 annexed to the Board's Report.

## 9. RECONCILIATION OF SHARE CAPITAL AUDIT:

A qualified practicing Company Secretary or Chartered Accountant 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.

## 10. DISCLOSURES

- i. The company did not enter into any materially significant related party transactions having a potential conflict with the interests of the company. Transactions with related party are disclosed in the audited financial statements.
- ii. The financial statements (both standalone & consolidated) have been prepared in accordance with the applicable accounting standards, the Indian Accounting Standards (Ind-AS).
- iii. There is no instance of non-compliance by the company on any matter related to the capital markets, resulting in disciplinary action against the company by the stock exchanges or Securities & Exchange Board of India (SEBI) or any other statutory authority during last three years.
- iv. The policy for determining Material subsidiaries and the Policy on Related party transactions are available at [www.loyalequipments.com](http://www.loyalequipments.com).
- v. Part E of Schedule II:
  - a. The company has an Executive chairman
  - b. The results of the company are uploaded on website, besides publication in Newspaper.
  - c. The company's financial statements of 2018-19 do not contain any audit qualifications.
- vi. To The company has complied with mandatory requirements of corporate governance as prescribed in Regulation 17 to 27, 46(2)(b) to (i), and Schedule V of Chapter IV of the Listing Regulations.
- vii. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. Number of complaints filed during the financial year : Nil
  - b. Number of Complaints disposed of during the financial year: Nil
  - c. Number of complaints pending as on end of the financial year: Nil
- viii. The Company has complied with all the requirements of Listing Regulations, the Companies Act, 2013, Secretarial Standards.
- ix. The Company has not entered into any material, financial or commercial transactions with the Director(s) or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/ or Partners.
- x. The Company affirms that a Whistle Blower Policy/ Vigil Mechanism is in place and no person has been denied access to the Competent Authority.
- xi. A separate meeting of Independent Directors was held on March 30, 2018, in compliance of Companies Act, 2013, Listing Regulations.

## 11. CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors of the Company had approved and adopted "Code of Business Conduct and Ethics for Board Members and Senior Management", in line with Companies Act, 2013 and Listing Regulations and adopted in supersession of the earlier Code of Conduct.

The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors, Key Managerial Personnel and Members of Senior management of the Company. It has been laid down in alignment with Company's mission and objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Business Conduct and Ethics is available on the website of the Company at [http://www.loyalequipments.com/data/code\\_of\\_conduct/code\\_of\\_buisness\\_conduct\\_and\\_ethics\\_for\\_director\\_and\\_senior\\_management\\_executives.pdf](http://www.loyalequipments.com/data/code_of_conduct/code_of_buisness_conduct_and_ethics_for_director_and_senior_management_executives.pdf).

## 12. CODE FOR PREVENTION OF INSIDER TRADING IN EQUITY SHARES/SECURITIES

In terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a comprehensive Code for Prevention of Insider Trading in Loyal Equity Shares/ Securities ("Code") to preserve the confidentiality and to prevent misuse of unpublished price sensitive information. The main objective of the Code is to restrain an insider of the Company to derive any benefit or assist others to derive any benefit, from the access and possession of unpublished price sensitive information about the Company, which is not in the public domain.

The Code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares/ securities of the Company and the consequences of non-compliance. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence of the said Code. A copy of the Code has been posted on the Company's website at [http://www.loyalequipments.com/data/code\\_of\\_conduct/code\\_of\\_conduct\\_for\\_prevention\\_of\\_insider\\_trading.pdf](http://www.loyalequipments.com/data/code_of_conduct/code_of_conduct_for_prevention_of_insider_trading.pdf).

In line with the requirement of the said Code, whenever some unpublished price sensitive information is submitted to the Board for consideration and approval, the trading window is being closed from time to time. Notice of the closure of trading window is issued to designated employees and concerned persons well in advance and proper announcements are also made on the website of the Company as well as to Stock Exchanges where the shares of the Company are listed, restraining them from dealing in securities of the Company when the window is closed.

## 13. MEANS OF COMMUNICATION:

The Company recognizes the rights of shareholders & communications as key elements of the overall Corporate Governance framework and therefore emphasizes on continuous, efficient and relevant communication with shareholders and other stakeholders.

A dedicated Investor Relations Cell has been set up in the Company for interaction with the analysts and providing timely information and to hold analyst meetings in order to keep the investors updated about the matters related to the Company and to develop an appropriate feedback system that directs the information flow and communication between the management and investors. The Company communicates with its shareholders through its Annual Reports, General Meetings and disclosures on its website and through Stock Exchanges.

The Company's website ([www.loyalequipments.com](http://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, Board's 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.

The quarterly/annual financial results are regularly submitted to the stock exchange in accordance with the Listing Regulations and published in the Financial Express an English & Gujarati Edition. The quarterly/annual results are also uploaded on the website of the company [www.loyalequipments.com](http://www.loyalequipments.com)

#### 14. CEO/CFO CERTIFICATION

In terms of Regulation 17 (8) of the Listing Regulations, a Certificate on financial reporting and internal controls to the Board, duly signed by Managing Director and CFO was placed before the Board of Directors in its Board Meeting held on May 28, 2019 while considering the Annual Audited Financial Statements of the Company for the financial year ended on March 31, 2019.

#### 15. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. Vivek Sharma of M/s Sharma Vivek & Associates, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on board of the company has been debarred or disqualified from being appointed or continuing as director of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as Annexure A

#### 16. 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 L29190GJ2007PLC50607.

##### ii. Annual General Meeting:

<b>Date &amp; Time</b>	Saturday, August 10, 2019 at 11.00 A.M
<b>Venue</b>	Loyal Equipments Limited, Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382330, Gujarat, India

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 August 10, 2019

##### iii. Financial Calendar:

<b>Year ending</b>	March 31, 2019
<b>AGM in</b>	August

<b>Dividend Payment</b>	NA
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**iv. Date of Book Closure**

The Register of Members and Share Transfer Books of the Company will remain closed from Sunday August, 04, 2019 to Saturday, August 10, 2019 (Both days inclusive).

**v. Listing on Stock Exchanges:** Loyal shares is listed on the following Stock Exchange:

<b>Name &amp; Address</b>	<b>Telephone / Fax / E-mail ID / Website</b>	<b>Scrip Code</b>
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	Telephone: (022) 22721233/4 Fax: (022) 22721919 E-mail ID: <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a> Website: <a href="http://www.bseindia.com">www.bseindia.com</a>	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 28<sup>th</sup> March, 2019 (last trading day of the year) was Rs. 35.50 on BSE. The monthly movement of equity share prices for the last year at BSE is summarized as herein below:

<b>Month</b>	<b>High Price</b>	<b>Low Price</b>	<b>No. of Equity Shares Traded</b>
April, 2018	77.00	55.30	558000
May, 2018	78.00	45.20	267000
June, 2018	60.50	46.00	209218
July, 2018	55.50	47.00	149727
August, 2018	52.95	44.00	152038
September, 2018	50.50	29.40	153252
October, 2018	44.90	28.95	134077
November, 2018	46.00	36.10	199021
December, 2018	47.80	37.30	38960
January, 2019	40.60	32.00	65183
February, 2019	43.45	35.95	78461
March, 2019	40.65	34.00	16334

**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, 2019:**

**Distribution of equity shareholding as on March 31, 2019:**

No. of equity shares held	No. of shareholders	% of shareholders	Total Amount	% of Amount
1-5000	126	35.59	174850	0.17
5001-10000	25	7.06	227140	0.22
10001-20000	10	2.86	151220	0.15
20001-30000	62	17.51	1859000	1.82
30001-40000	9	2.54	307050	0.30
40001-50000	8	2.26	372240	0.36
50001-100000	39	11.02	2789270	2.73
100001 and Above	75	21.19	96119230	94.26
<b>TOTAL</b>	<b>354</b>	<b>100.00</b>	<b>102000000</b>	<b>100.00</b>

**By category of shareholders:**

S. No.	Category	No. of Shareholders	No. of Shares held	% of Shareholding
1.	Promoters	6	7499985	73.53%
2.	Central Government/ State Government(s)/ President of India		-	-
3.	Non-Institutions			
	[a(i)] Individuals- (i) Individual shareholder shareholding nominal share capital up to Rs. 2 lakhs	282	989164	9.70%
	[a(ii)] Individuals- (ii) Individual shareholder shareholding nominal share capital in excess of Rs. 2 lakhs	23	1122170	11.00%
	(b) NBFCs registered with SEBI			
	(c) Employee Trusts			
	(d) Overseas Depository (holding DRs) (balancing figure)			
	(e) Any Other Specify	43	588681	5.77%
	-Bodies Corporate	11	75335	0.74%
	-Clearing Member	9	168972	1.66%
	-Non-Resident Indian (NRI)	3	181613	1.78%
	HUF	20	162761	1.60%
	<b>Total</b>	<b>354</b>	<b>10200000</b>	<b>100.00%</b>

**Top Ten Equity Shareholders of the Company as on March 31, 2019:**

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage of holding
1	Jyotsanaben Rameshchandra Patel	3300000	32.353
2	Rameshchandra Nathalal Patel	2100000	20.588
3	Alkesh Rameshchandra Patel	2099940	20.588

4	Ghanshyam Kalwani	180000	1.765
5	Naresh Kumar Saraf	176000	1.725
6	Sunita Sarwankumar Saraf	168000	1.647
7	BMA Wealth Creator Limited	124728	1.223
8	Savjibhai M Menpara	74096	0.726
9	Pravinaben S Menpara	71744	0.703
10	Inderaben B Shah	66000	0.647

- 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, 2019. 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. Annual Listing Fee to Stock Exchange**
- The Company has paid Annual Listing Fee for the Financial Year 2019-20 to BSE Limited in relation to its listed securities.
- xv. Annual Custodial Fee to Depositories**
- The Company has timely paid the annual custodian fee for financial year 2019-20 to National Securities Depository Limited and Central Depository Services (India) Limited.
- xvi. Plant Locations**
- As the Company is engaged in the manufacturing process and the plant of company is situated at Block No. 35/1-2-3-4, Village Zak, Dahegam, Gandhinagar – 382 330.
- xvii. Address for correspondence:**
- Loyal Equipments Limited**  
Block No. 35/1-2-3-4, Village Zak,  
Dahegam, Gandhinagar – 382 330, Gujarat, India.
- xviii. Credit Rating:**
- The Company has taken SMERA-MSE 2 from Acuite Rating & Research Limited.
- xix. Corporate Identification Number (CIN)**
- L29190GJ2007PLC050607

**xx. Compliance Officer and Public Spokesperson**

**Mrs. Akanksha Aswani**  
Company Secretary  
Loyal Equipments Limited  
Block No. 35/1-2-3-4, Village Zak,  
Dahegam, Gandhinagar – 382 330, Gujarat, India.  
E-mail: [cs@loyalequipments.com](mailto:cs@loyalequipments.com)

**For and on behalf of the Board  
Loyal Equipments Limited**

Sd/-

**Alkesh Rameshchandra Patel**  
Managing Director  
DIN – 02672297

Sd/-

**Rameshchandra Nathalal Patel**  
Chairman & Whole Time Director  
DIN –01307699

**Date: July 09, 2019**  
**Place: Dahegam, Gandhinagar.**



**ANNEXURE A**

**C E R T I F I C A T E**

*(Pursuant to Clause 10 of Part C of Schedule V of LODR)*

In Pursuance of sub clause (i) of clause 10 of Part C of schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) regulations, 2015; (LODR) in respect of **LOYAL EQUIPMENTS LIMITED (CIN: L29190GJ2007PLC050607)** I hereby certify that:

On the basis of the written representation/declaration received from the directors and taken on record by Board of directors, as on March 31, 2019, none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any statutory authority.

**FOR SHARMA VIVEK & ASSOCIATES  
COMPANY SECRETARIES**

**Sd/-**

**VIVEK SHARMA  
PROPRIETOR  
ACS No. 38510  
COP No. 14773**

**PLACE: JAIPUR  
DATE: JULY 09, 2019**

## CERTIFICATE ON CORPORATE GOVERNANCE

To,

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

We have examined the compliance of the conditions of Corporate Governance by LOYAL EQUIPMENTS LIMITED (“**the Company**”) for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

We further 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

**For SHARMA VIVEK & ASSOCIATES**  
**COMPANY SECRETARIES**

Sd/-

**Vivek Sharma**  
**Company Secretary**  
**Membership No. A38510**  
**CP. No. 14773**

**Date: July 09, 2019**  
**Place: Jaipur**

# STANDALONE FINANCIAL STATEMENT

## INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENT

### TO THE MEMBERS OF LOYAL EQUIPMENTS LIMITED

#### OPINION

We have audited the accompanying Standalone financial statements of **Loyal Equipments Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), for the year ended on March 31, 2019, the Statement of Changes in Equity for the year ended on March 31<sup>st</sup>, 2019, the Cash flow statement for the year ended & and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its Profit and total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provision of the Act, and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have not found any material or significant Key Audit Matters, which are required to be reported under this Para.

#### INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The company's board is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

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 Standalone financial statements to give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity & cash flows of the Company in accordance with the Ind AS & other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors are responsible for overseeing the company's financial reporting process.

## **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communications.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of change in Equity & Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS 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, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 “A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of Section 197 of the Act.
- h) With respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanation given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - (ii) The Company has made provision, as at March 31, 2019 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, 2019.
- 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 “B” a statement on the matters specified in paragraph 3 and 4 of the Order.

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> May, 2019**

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

**Sd/-**

**(J. M. Patel)**  
**Proprietor**

## **ANNEXURE “A” 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, 2019 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”) issued by ICAI and the standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, 2019, 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: 28<sup>th</sup> May, 2019**

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

**Sd/-**

**(J. M. Patel)**  
**Proprietor**



## **ANNEXURE “B” 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, 2019 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 not raised moneys by way of initial public offer or further public offer excluding debt instruments and term Loans during the year.
- 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: 28<sup>th</sup> May, 2019**

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

**Sd/-**

**(J. M. Patel)**  
**Proprietor**

**STANDALONE BALANCE SHEET AS AT 31ST MARCH 2019**

Particulars	Note	Amount (In '000)	Amount (In '000)	Amount (In '000)
	No.	31.03.2019	31.03.2018	01.04.2017
<b>ASSETS</b>				
<b>A. Non-Current Assets</b>				
<b>(i) Fixed Assets</b>				
(a) Plant, Property and Equipment	2	48447.18	53566.61	49287.41
(b) Capital Work-in-Progress	2	31930.39	8321.50	1120.17
(c) Investment Properties		0.00	0.00	0.00
(d) Goodwill		0.00	0.00	0.00
(e) Other Intangible Assets	2	332.33	1161.76	1982.79
(f) Intangible Assets under Development		0.00	0.00	0.00
(g) Biological Assets other than bearer Plants		0.00	0.00	0.00
<b>(ii) Financial Assets</b>				
(a) Investments	3	1326.94	963.06	1291.35
(b) Trade Receivables		0.00	0.00	0.00
(c) Loans & Advances	4	893.57	1921.58	687.52
<b>(iii) Deferred Tax Assets (Net)</b>		0.00	0.00	0.00
<b>(iv) Other Non-Current Assets</b>		0.00	0.00	0.00
<b>B. Current Assets</b>				
(i) Inventories	5	126699.43	125735.40	62650.69
<b>(ii) Financial Assets</b>				
(a) Current Investments	6	0.00	0.00	14406.50
(b) Trade Receivables	7	66163.25	34020.11	28185.74
(c) Cash & Cash Equivalents	8	21671.35	2940.64	19499.03
(d) Short Term Loans & Advances	9	2892.23	6889.22	415.31
(iv) Current Tax Assets (Net)	10	0.00	204.40	0.00
(v) Other Current Assets	11	8996.52	11562.84	16348.77
<b>TOTAL ASSETS</b>		<b>309353.20</b>	<b>247287.12</b>	<b>195875.28</b>
<b>EQUITY AND LIABILITIES</b>				
<b>A. Equity</b>				
(i) Equity Share Capital	12	102000.00	102000.00	68000.00
(ii) Other Equity	13	77455.04	32308.81	45489.99
<b>Total Equity</b>		<b>179455.04</b>	<b>134308.81</b>	<b>113489.99</b>
<b>B. Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>(i) Financial Liabilities</b>				
(a) Long Term Borrowings	14	5413.67	5624.15	8739.79
(b) Trade Payables		0.00	0.00	0.00
(c) Other Long Term Liabilities		0.00	0.00	0.00
<b>(ii) Long Term Provisions</b>	15	1234.80	958.49	2127.31
<b>(iii) Deferred Tax Liabilities</b>	16	1071.95	1426.04	1513.58
<b>(iv) Other Long Term Liabilities</b>		0.00	0.00	0.00
<b>Current Liabilities</b>				
<b>(i) Financial Liabilities</b>				
(a) Short Term Borrowings	17	69430.88	11242.30	31683.52
(b) Trade Payables	18	31065.67	49893.49	16094.53

(c) Other Current Liabilities	19	18141.85	43833.84	11734.88
<b>(ii) Short Term Provisions</b>		0.00	0.00	0.00
<b>(iii) Current Tax Liabilities (Net)</b>	20	3539.33	0.00	10491.68
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>309353.20</b>	<b>247287.12</b>	<b>195875.28</b>
<b>Significant Accounting Policies &amp; Notes on Financial Statements 1</b>				

**For and On behalf of the Board  
For Loyal Equipments Limited**

**As per Our Separate Report of  
Even Date  
For JM Patel & Bros  
CHARTERED ACCOUNTANTS**

Sd/-

Sd/-

Sd/-

**Rameshchandra Nathalal  
Patel  
Whole-time Director  
DIN - 01307699**

**Alkesh Rameshchandra  
Patel  
Managing Director  
DIN - 02672297**

**Amit Chandubhai  
Patel  
Chief Financial  
Officer**

Sd/-

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

Sd/-

**Komal Manoharlal  
Motiani  
M.No - 39696**

**Date – May 28, 2019  
Place - Ahmedabad**

**STANDALONE STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED ON 31 MARCH 2019**

Particulars	Note No.	Amount (In '000)	Amount (In '000)
		31.03.2019	31.03.2018
<b>A.INCOME</b>			
I) Revenue from Operations	21	414425.21	213335.11
II) Other Income	22	4369.77	2091.56
<b>III TOTAL INCOME (I+II)</b>		<b>418794.98</b>	<b>215426.67</b>
<b>IV. EXPENDITURE</b>			
a) Cost of Raw Material Consumed	23	174108.82	158393.28
b) Purchases of Stock in Trade		0.00	0.00
c) Changes in Inventory of Finished Goods, Work In Progress & Stock In Trade	24	45435.81	-48341.60
d) Employee Benefit Expenses	25	39457.05	33689.79
e) Finance Costs	26	5580.06	2820.80
f) Depreciation and Amortisation Expenses	27	10266.03	11234.26
g) Other Expenses	28	81598.57	30378.37
<b>TOTAL EXPENSES (IV)</b>		<b>356446.34</b>	<b>188174.90</b>
(V) Profit/(loss) before exceptional items and tax (III-IV)		62348.64	27251.76
(VI) Exceptional items		0.00	0.00
(VII) Profit/(loss) before tax from Continuing Operations (V-VI)		62348.64	27251.76
<b>(VIII) Tax Expenses</b>			
a) Current year Tax		17698.76	7922.66
b) Deferred Tax		(393.27)	(534.84)
<b>(IX) Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>45043.15</b>	<b>19863.94</b>
X Profit/(Loss) from discontinued operations		0.00	0.00
XI Tax Expenses of discontinued operations		0.00	0.00
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		0.00	0.00
<b>XIII Profit/(loss) for the period (IX+XII)</b>		<b>45043.15</b>	<b>19863.94</b>
<b>XIV Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to Profit or loss		0.00	0.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00
B (i) Items that will be reclassified to profit or loss		142.28	1623.59
(ii) Income tax relating to items that will be reclassified to profit or loss		-39.20	-447.30
<b>XV Total Comprehensive Income for the period (XIII+XIV)(Comprising profit (Loss) and other comprehensive income for the period)</b>		<b>45146.23</b>	<b>21040.23</b>
<b>XVI Earnings per equity share (for continuing operation) :</b>			
(1) Basic		4.43	2.48
(2) Diluted		4.43	2.48
<b>XVII Earnings per equity share (for discontinued operation) :</b>			
(1) Basic		0.00	0.00
(2) Diluted		0.00	0.00

<b>XVIII</b> Earnings per equity share (for discontinued & Continuing operation) :			
(1) Basic		4.43	2.48
(2) Diluted		4.43	2.48
<b>Significant Accounting Policies &amp; Notes on Financial Statements 1</b>			

**For and On behalf of the Board  
For Loyal Equipments Limited**

**As per Our Separate Report of  
Even Date  
For JM Patel & Bros  
CHARTERED ACCOUNTANTS**

Sd/-

Sd/-

Sd/-

**Rameshchandra Nathalal  
Patel  
Whole-time Director  
DIN - 01307699**

**Alkesh Rameshchandra  
Patel  
Managing Director  
DIN - 02672297**

**Amit Chandubhai  
Patel  
Chief Financial  
Officer**

Sd/-

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

Sd/-

**Komal Manoharlal  
Motiani  
M.No - 39696**

**Date – May 28, 2019**

**Place - Ahmedabad**

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

<b>Particulars</b>	<b>Amount (Rs. In '000)</b>	<b>Amount (Rs. In '000)</b>
	<b>31.03.2019</b>	<b>31.03.2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation & Extraordinary items	62348.64	27,251.76
<i>Adjustments for:</i>		
Depreciation	10,266.03	11,234.26
Adjustment on Account of Non-Cash Expenses	750.85	678.57
Investment income	(538.05)	(1,029.42)
Finance Cost	5,580.06	2,820.80
<i>Working capital changes:</i>		
(Increase) / Decrease in trade and other receivables	(32,143.14)	(5,834.37)
(Increase) / Decrease in other current assets	2,566.32	4,785.93
(Increase) / Decrease in Short Term Loans & Advances	3,996.99	(6,473.91)
(Increase) / Decrease in inventories	(964.03)	(63,084.71)
Increase / (Decrease) in trade payables	(18,827.82)	33,798.96
Increase / (Decrease) in other current liabilities	(25,691.99)	32,098.96
<b>Cash generated from operations</b>	<b>7,343.86</b>	<b>36,246.83</b>
Income taxes paid	(14,159.43)	(19,027.06)
<b>Net cash from operating activities</b>	<b>(6,815.57)</b>	<b>17,219.77</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(27,758.19)	(21,893.75)
Purchase/Sales of Investments	(659.63)	14,697.90
Long terms loans & Advances Granted/Received	1,028.01	(1,234.06)
Interest received	490.67	877.14
Dividend received	47.38	41.75
Income From Share Trading		110.53
<b>Net cash used in investing activities</b>	<b>(26,851.76)</b>	<b>(7,400.49)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of Long Term Borrowings	(210.48)	(3,115.64)
Proceeds from Short Term Borrowings	58,188.58	(20,441.22)
Payment of Finance Cost	(5,580.06)	(2,820.80)
<b>Net cash used in financing activities</b>	<b>52,398.04</b>	<b>(26,377.66)</b>
<b>Net increase in cash and cash equivalents</b>	<b>18,730.71</b>	<b>(16,558.39)</b>

Cash and cash equivalents at beginning of period	2,940.64	19,499.03
<b>Cash and cash equivalents at end of period</b>	<b>21,671.35</b>	<b>2,940.64</b>
<b>Cash and cash equivalents comprises of</b>		
Cash in Hand	2,004.04	1,617.67
Balance with Banks	19,667.32	1,322.97

**For and On behalf of the Board  
For Loyal Equipments Limited**

Sd/-

**Rameshchandra Nathalal  
Patel  
Whole-time Director  
DIN - 01307699**

Sd/-

**Alkesh Rameshchandra  
Patel  
Managing Director  
DIN - 02672297**

Sd/-

**Amit Chandubhai  
Patel  
Chief Financial  
Officer**

Sd/-

**Komal Manoharlal  
Motiani  
M.No - 39696**

**Date – May 28, 2019  
Place - Ahmedabad**

**As per Our Separate Report of  
Even Date  
For JM Patel & Bros  
CHARTERED ACCOUNTANTS**

Sd/-

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



**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2019**

**A) EQUITY SHARE CAPITAL**

Particulars	Amount (In '000)
<b>Equity Shares of Rs. 10 each issued, subscribed &amp; Paid</b>	
<b>As at 01 April, 2017</b>	<b>68000.00</b>
changes in Equity share Capital during the year	34000.00
<b>As at 31st March, 2018</b>	<b>102000.00</b>
changes in Equity share Capital during the year	0.00
<b>As at 31st March, 2019</b>	<b>102000.00</b>

**B) OTHER EQUITY**

(Amount In '000)

Particulars	Other Equity			Total Amount
	Reserves & Surplus			
	General Reserve	Securities Premium	Retained Earnings	
<b>Balance As at 01st April, 2017</b>	<b>0.00</b>	<b>14400.00</b>	<b>31089.99</b>	<b>45489.99</b>
Profit/(Loss) for the period	0.00	0.00	19863.94	19863.94
Other Comprehensive Income	0.00	0.00	1176.29	1176.29
<b>Total Comprehensive Income for the year</b>	<b>0.00</b>	<b>0.00</b>	<b>21040.23</b>	<b>21040.23</b>
Transfer to General Reserve	0.00	0.00	0.00	0.00
Utilization of Reserves for Issue of Bonus Shares	0.00	-14400.00	-19600.00	-34000.00
Utilization of Reserves for Earlier Period Taxes	0.00	0.00	-221.41	-221.41
<b>Total Utilization of Reserves</b>	<b>0.00</b>	<b>-14400.00</b>	<b>-19821.41</b>	<b>-34221.41</b>
<b>As at 31st March, 2018</b>	<b>0.00</b>	<b>0.00</b>	<b>32308.81</b>	<b>32308.81</b>
Profit/(Loss) for the period	0.00	0.00	45043.15	45043.15
Other Comprehensive Income	0.00	0.00	103.08	103.08
Total Comprehensive Income	0.00	0.00	45146.23	45146.23
Transfer to General Reserve	0.00	0.00	0.00	0.00
Utilization of Reserves	0.00	0.00	0.00	0.00
<b>As at 31st March, 2019</b>	<b>0.00</b>	<b>0.00</b>	<b>77455.04</b>	<b>77455.04</b>

**Significant Accounting Policies & Notes on Financial Statements 1**

**For and On behalf of the Board  
For Loyal Equipments Limited**

Sd/-

**Rameshchandra Nathalal  
Patel  
Whole-time Director  
DIN - 01307699**

Sd/-

**Alkesh Rameshchandra  
Patel  
Managing Director  
DIN - 02672297**

Sd/-

**Amit Chandubhai  
Patel  
Chief Financial  
Officer**

Sd/-

**Komal Manoharlal  
Motiani  
M.No - 39696**

**Date – May 28, 2019  
Place - Ahmedabad**

**As per Our Separate Report of  
Even Date  
For JM Patel & Bros  
CHARTERED ACCOUNTANTS**

Sd/-

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

## NOTE NO. 1

Notes Forming Part of Financial Statements for the year ended on March 31<sup>st</sup>, 2019

### 1) GENERAL INFORMATION

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

### 2) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the companies Act, 2013 ("the Act") read with the companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as applicable. The financial statements up to the year ended 31<sup>st</sup> March 2018 were prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provision of the Act ('Previous GAAP'). These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2017.

### 3) SIGNIFICANT ACCOUNTING POLICIES

#### a. BASIS OF PREPERATION:

These financial statements for the year ended March 31, 2019 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended March 31, 2018, the Company had prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 01, 2017 being the date of transition to Ind AS.

Refer Note 36 for details of first-time adoption exemptions availed by the company.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

#### Current & Non-Current Classifications

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.PROPERTY, PLANT & EQUIPMENTS:

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to use the carrying value of Property, Plant and Equipment as the deemed cost. Subsequently Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment are ready for use, as intended by management.

**c. CAPITAL WORK IN PROGRESS:**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

**d. INTANGIBLE ASSETS UNDER DEVELOPMENT:**

Intangible Asset under Development includes all cost incurred for the development of Intangible Assets including cost of employee benefits and other directly attributable expenses.

**e. INTANGIBLE ASSETS:**

Intangible assets acquired are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs capitalized include the costs of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Acquired Intangible Assets are amortised under straight-line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

**f. DEPRECIATION/AMORTIZATION ON PROPERTY PLANT AND EQUIPMENTS:**

Depreciable amount for Property, Plant and Equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant and Equipment is provided on Written Down Value method, as per the useful life prescribed in Schedule II to the Companies Act, 2013. The estimated useful lives of the assets are as follow:

<b>Assets</b>	<b>Useful Life (in Years)</b>
Building	30
Plant & Equipments (Electric Installations)	10
Plant & Equipments ( Machinery)	15
Furniture & Fixtures	10
Vehicles	6
Office Equipments	5
Computers	3

Depreciation on additions during the year is provided on pro-rata basis with reference to date of addition/installation. Depreciation on assets disposed /discarded is charged up to the date on which such asset is sold.

Land is not depreciated.

**g. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT/INTANGIBLE ASSETS.**

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).

The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

#### **h. DERECOGNITION OF PROPERTY, PLANT AND EQUIPMENT/INTANGIBLE ASSETS:**

The carrying amount of an item of Property, Plant and Equipment / Intangible Assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment / Intangible Assets is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is derecognised.

#### **i. CASH & CASH EQUIVALENTS:**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of working capital loan outstanding as they are considered an integral part of the Company's cash management.

#### **j. CASH FLOW STATEMENTS:**

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

#### **k. INVENTORIES:**

Inventories of raw materials and work in progress and finished goods, are valued at lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of Work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and conditions. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

#### **l. FINANCIAL INSTRUMENTS:**

Financial instruments are any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than

financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

- **Subsequent Measurement:**

Financial assets are classified into the following specified categories: Amortised cost, Financial Assets at Fair Value Through Profit and Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

**Debt Instruments: Amortised Cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

**Fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Fair value through Profit and Loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- **Derecognition of financial assets**

A financial asset is derecognised only when:

- a) The Company has transferred the rights to receive cash flows from the asset or the rights have expired or
- b) The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a

contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

- **Impairment of financial assets:**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**Financial liabilities and equity instruments:**

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the value of proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Financial liabilities:**

- **Subsequent Measurement**

Financial liabilities measured at amortised cost Financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

- **Financial liabilities measured at fair value through profit or loss (FVTPL)**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at fair value through profit or loss are carried in the financial statements at fair value with changes in fair value recognized in other income or finance costs in the statement of profit and loss.

- **Derecognition of financial liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or

modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

- **Determination of fair value:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

**m. FAIR VALUE MEASUREMENT:**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**n. BORROWINGS AND BORROWING COSTS:**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the Effective Interest Rate (EIR). Further the management has not found any material difference between EIR & Actual Rate of Interest, so that the Actual rate of interest is taken for amortisation purpose.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**o. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions are recognised when there is a present legal or constructive obligation as a result of past events and it is

probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized, but its existence is disclosed in the financial statements.

#### **p. REVENUE RECOGNITION:**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

- **Sale of services**

The Company recognizes revenue on accrual basis when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered. Revenue is recognized when no significant uncertainty exists as to its realization or collection.

- **Sale of goods:**

Revenue from the sale of goods is recognised when the goods are delivered, titles have passed and all the following conditions are satisfied:

- 1) the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- 2) the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 3) the amount of revenue can be measured reliably;
- 4) it is probable that the economic benefits associated with the transaction will flow to the company; and
- 5) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The amount recognised as revenue in its Statement of Profit and Loss is exclusive of Goods and Service Tax, Service Tax and Value Added Taxes (VAT).

- **Other Income:**

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.



**q. EMPLOYEE BENEFITS:**

- **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability after deducting any amount already paid.

- **Long Term Employment benefits:**

**Defined Contribution Plan**

The Company makes contributions to Provident Fund, etc. for eligible employees and these contributions are charged to The Statement of Profit and Loss on accrual basis.

**Defined Benefit Plan**

The Company have a defined benefit plan for its employees, which requires contribution to be made to a separately administrated Fund. Liability for defined benefit plans i.e. Gratuity is determined based on the actuarial valuation carried out by an independent actuary at the year end. As these liabilities are relatively long term in nature, the actuarial assumptions take in account the requirements of the relevant Ind AS coupled with a long term view of the underlying variables / trends, wherever required.

Service cost and net interest cost on the defined benefit liabilities/assets are recognized in the statement of profit and loss as employee benefit expense. Gains and losses on re measurement of defined benefits liabilities/plan assets arising from changes in actuarial assumptions and experience adjustments are recognised in the other comprehensive income and are included in retained earnings in the balance sheet.

**r. FOREIGN CURRENCY TRANSLATION:**

The functional Currency of the Company is Indian Rupee.

**Transactions and translations:**

All transactions in foreign currency are recorded at the rates of the exchange prevailing on the dates when the relevant transactions took place. Any gain/ loss on account of the fluctuations in the rate of exchange is recognized in the Statement of Profit and Loss.

Monetary items in the form of loans, current assets and current liabilities in foreign currencies at the close of the year are converted in the Indian currency at the appropriate rate of exchange prevailing on the dates of the Balance Sheet. Resultant gain or loss on account of fluctuation in the rate of exchange is recognized in the Statement of Profit and Loss.

**s. INCOME TAX:**

- **Current and deferred tax for the year**

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

- **Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is determined on the basis of taxable income in accordance with the applicable tax rates and the provisions of applicable tax laws.

- **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### **t. EARNINGS PER EQUITY SHARE**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

#### **u. INVESTMENT IN SUBSIDIARIES:**

A subsidiary is an entity controlled by the company. Control exists when the company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its powers over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investment in subsidiary are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost. The company review its carrying value of long term investments in equity shares of subsidiaries carried at cost at the end of each reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted too.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31/03/2019**

**NOTE NO. : 2**

As at 31st March 2019 & 31st March 2018

	Fixed Assets	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount	
		Balance as at 01/04/2018	Additions/(Disposals)	Acquired through business combinations	Disposals/Transfers	Balance as at 31/03/2019	Balance as at 01/04/2018	Depreciation charge for the year	Adjustment due to revaluations	Eliminated On disposals	Balance as at 31/03/2019	As at 31/03/2019	As at 31/03/2018
(a)	<b>Tangible Assets</b>												
	Land/Shed	1395.31	0.00	0.00	0.00	1395.31	0.00	0.00	0.00	0.00	0.00	1395.31	1395.31
	Buildings	18198.91	0.00	0.00	0.00	18198.91	6492.15	1109.63	0.00	0.00	7601.78	10597.13	11706.76
	Plant and Equipment	64314.58	1884.86	0.00	3.80	66203.24	29475.14	5796.48	0.00	3.69	35275.31	30927.93	34839.43
	Furniture and Fixtures	704.00	0.00	0.00	0.00	704.00	648.52	49.65	0.00	0.00	698.17	5.83	55.48
	Vehicles	10188.05	2217.06	0.00	940.68	13345.80	6661.67	1275.55	0.00	1012.95	8950.17	4395.63	3526.38
	Office equipment	6412.53	190.98	0.00	68.44	6671.94	4369.28	1108.88	0.00	68.44	5546.59	1125.35	2043.25
	<b>Total</b>	101213.37	4292.90	0.00	1012.92	106519.19	47646.76	9340.18	0.00	1085.07	58072.01	48447.18	53566.61
(b)	<b>Intangible Assets</b>												
	Software	8916.98	96.44	0.00	0.00	9013.42	7755.22	925.86	0.00	0.00	8681.08	332.33	1161.76
	<b>Total</b>	8916.98	96.44	0.00	0.00	9013.42	7755.22	925.86	0.00	0.00	8681.08	332.33	1161.76
C	<b>Capital Work in Progress</b>												
	Corporate Office New building	8321.50	23608.89	0.00	0.00	31930.39	0.00	0.00	0.00	0.00	0.00	31930.39	8321.50
	<b>Total</b>	8321.50	23608.89	0.00	0.00	31930.39	0.00	0.00	0.00	0.00	0.00	31930.39	8321.50
	<b>Grand Total</b>	118451.85	27998.23	0.00	1012.92	147463.00	55401.99	10266.03	0.00	1085.07	66753.09	80709.90	63049.86

As at 31st March 2018 & 01 April 2017

	Fixed Assets	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount	
		Balance as at 01/04/2017	Addition s/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31/03/2018	Balance as at 01/04/2017	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31/03/2018	Balance as at 31/03/2018	Balance as at 01/04/2017
(a)	<b>Tangible Assets</b>												
	Land/Shed	1395.31	0.00	0.00	0.00	1395.31	0.00	0.00	0.00	0.00	0.00	1395.31	1395.31
	Buildings	18129.72	69.19	0.00	0.00	18198.91	5241.47	1250.68	0.00	0.00	6492.15	11706.76	12888.25
	Plant and Equipment	53140.64	11173.94	0.00	0.00	64314.58	23901.39	5573.75	0.00	0.00	29475.14	34839.43	29239.24
	Furniture and Fixtures	662.10	41.9	0.00	0.00	704.00	613.90	34.62	0.00	0.00	648.52	55.48	48.20
	Vehicles	9118.35	1069.7	0.00	0.00	10188.05	4407.65	2254.02	0.00	0.00	6661.67	3526.38	4710.70
	Office equipment	4154.89	2257.64	0.00	0.00	6412.53	3149.18	1220.10	0.00	0.00	4369.28	2043.25	1005.71
	<b>Total</b>	<b>86601.00</b>	<b>14612.37</b>	<b>0.00</b>	<b>0.00</b>	<b>101213.37</b>	<b>37313.59</b>	<b>10333.17</b>	<b>0.00</b>	<b>0.00</b>	<b>47646.76</b>	<b>53566.61</b>	<b>49287.41</b>
(b)	<b>Intangible Assets</b>												
	Softwares	8836.93	80.05	0.00	0.00	8916.98	6854.14	901.08	0.00	0.00	7755.22	1161.76	1982.79
	<b>Total</b>	<b>8836.93</b>	<b>80.05</b>	<b>0.00</b>	<b>0.00</b>	<b>8916.98</b>	<b>6854.14</b>	<b>901.08</b>	<b>0.00</b>	<b>0.00</b>	<b>7755.22</b>	<b>1161.76</b>	<b>1982.79</b>
C	<b>Capital Work in Progress</b>												
	Corporate Office New building	1120.17	7201.33	0.00	0.00	8321.50	0.00	0.00	0.00	0.00	0.00	8321.50	1120.17
	<b>Total</b>	<b>1120.17</b>	<b>7201.33</b>	<b>0.00</b>	<b>0.00</b>	<b>8321.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8321.50</b>	<b>1120.17</b>
	<b>Grand Total</b>	<b>96558.10</b>	<b>21893.75</b>	<b>0.00</b>	<b>0.00</b>	<b>118451.85</b>	<b>44167.73</b>	<b>11234.25</b>	<b>0.00</b>	<b>0.00</b>	<b>55401.99</b>	<b>63049.86</b>	<b>52390.37</b>

Note 2.1 The company has adopted the option of using the carrying value as on transition date to be the deemed cost of the asset as per IndAS 101.

**NOTE NO 3 INVESTMENTS**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Investment in Wholly owned Subsidiary (Loyal Equipments Inc.)	525.00	0.00	0.00
Investment in Equity Shares of NNCB Limited	400.00	400.00	400.00
Investment in Equity Shares of Aurobindo Pharma Limited	0.00	0.00	279.08
Investment in Equity Shares of Divi's Labs	0.00	0.00	467.77
Investment in Equity Shares of Lupin Ltd.	152.72	147.23	144.50
Investment in Equity Shares of BEML Ltd.	97.38	104.23	0.00
Investment in Equity Shares of Bharat Forge Limited	95.50	139.79	0.00
Investment in Equity Shares of Reliance Capital Ltd.	54.77	171.81	0.00
Investment in Equity Shares of IOCL	1.56	0.00	0.00
	<b>1326.94</b>	<b>963.06</b>	<b>1291.35</b>

**NOTE NO. 4 LOANS & ADVANCES - LONG TERM**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Security Deposit with BSNL	0.70	0.70	0.70
Rent Deposit	600.00	600.00	600.00
Sales Tax New Registration Deposit	20.00	20.00	20.00
Security Deposit with UGVCI	271.37	1299.38	40.32
Deposit with Vijay Gas & Domestic Appliances	1.50	1.50	1.50
Petrotech Caution Money	0.00	0.00	25.00
<b>TOTAL</b>	<b>893.57</b>	<b>1921.58</b>	<b>687.52</b>

**NOTE NO.5: INVENTORIES**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Raw Material	88689.60	42289.76	27546.65
WIP	27873.88	70277.54	35104.04
Finished Goods	10135.95	13168.10	0.00
<b>TOTAL</b>	<b>126699.43</b>	<b>125735.40</b>	<b>62650.69</b>

**NOTE NO.6: CURRENT INVESTMENTS**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Fixed Deposits with Kotak Mahindra Bank Limited	0.00	0.00	14406.50
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>14406.50</b>

**NOTE NO.7: TRADE RECIEVABLES**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Less than Six Months	64806.52	33661.75	27861.64
More than Six Months	1356.73	358.36	324.10
<b>TOTAL</b>	<b>66163.25</b>	<b>34020.11</b>	<b>28185.74</b>

**NOTE NO.8: CASH & CASH EQUIVALENTS**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Balance with Banks	19667.32	1322.74	18835.20
Cash in Hand	2004.04	1617.67	175.36
Demat A/c with Kotak Securities	0.00	0.23	488.47
<b>TOTAL</b>	<b>21671.35</b>	<b>2940.64</b>	<b>19499.03</b>

**NOTE NO.9: SHORT TERM LOANS & ADVANES**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Advance Against Order	972.10	5883.53	348.88
Other Advances	1920.13	1005.69	66.43
<b>TOTAL</b>	<b>2892.23</b>	<b>6889.22</b>	<b>415.31</b>

**NOTE NO.10: CURRENT TAX ASSETS**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Advance Income Tax (Net)	0.00	204.40	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>204.40</b>	<b>0.00</b>

**NOTE NO.11: OTHER CURRENT ASSETS**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Bank Guarantees	6970.04	4634.97	2177.41
Bank Gurantee Amendment Charges Receivables	106.86	0.00	0.00
Cenvat Credit Balance	0.00	0.00	1526.40
GST Receivable	0.00	5321.31	0.00
Staff Advance	79.00	261.39	90.31
Prepaid Expenses	1119.75	930.71	652.94
Income Tax Refundable	679.12	372.71	1149.29

Kotak Mahindra Bank Dividend Account	41.75	41.75	41.81
Other Current Assets	0.00	0.00	10710.61
<b>TOTAL</b>	<b>8996.52</b>	<b>11562.84</b>	<b>16348.77</b>

#### NOTE NO.12: EQUITY SHARE CAPITAL

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
<b>Authorised Capital</b>	150000.00	150000.00	80000.00
(1,50,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)			
(Previous Year 150,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)			
<b>Issued, Subscribed and Paid Up Capital</b>	102000.00	102000.00	68000.00
(1,02,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)			
(Previous Year 102,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)			
<b>TOTAL</b>	<b>102000.00</b>	<b>102000.00</b>	<b>68000.00</b>

#### 12.1) The reconciliation of the number of shares outstanding is set out below :-

Particulars	No. of Shares	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	10200000	6800000	6800000
Add : Bonus Shares issued during the year	0.00	3400000	0.00
Equity Shares at the end of the year	10200000	<b>10200000</b>	<b>6800000</b>

#### 12.2) 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)	No. of Shares (% of holding)
Alkesh R Patel	2099940 (20.59%)	2099940 (20.59%)	1399960 (20.59%)
Jyotsanaben R Patel	3300000 (32.35%)	3300000 (32.35%)	2200000 (32.35%)
Rameshchandra N Patel	2100000 (20.59%)	2100000 (20.59%)	1400000 (20.59%)

#### 12.3) Terms/rights attached to equity Shares:

The company has only one class of equity shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share and dividend as and when declared by the company.

#### NOTE NO.13: OTHER EQUITY

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
<b>A) Securities Premium</b>			
As per Balance sheet of Previous Financial Year	0.00	14400.00	14400.00

Add : Addition in Current Year	0.00	0.00	0.00
Less : Utilized in Current Year	0.00	14400.00	0.00
<b>TOTAL (A)</b>	<b>0.00</b>	<b>0.00</b>	<b>14400.00</b>
<b>B) Retained Earnings</b>			
As per Balance sheet of Previous Financial Year	32308.81	31089.99	31089.99
Add : Transfer from Profit of the Current Year	45146.23	21040.23	0.00
Less : Utilized Against Earlier Period Taxes	0.00	221.41	0.00
Less : Utilization for issue of Bonus Shares	0	19600.00	0.00
<b>TOTAL (B)</b>	<b>77455.04</b>	<b>32308.81</b>	<b>31089.99</b>
<b>TOTAL (A+B)</b>	<b>77455.04</b>	<b>32308.81</b>	<b>45489.99</b>

#### NOTE NO.14: LONG TERM BORROWING

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
<b>A) Secured</b>			
ICICI Bank Car Loan	1781.25	2779.47	3689.79
HDFC Bank Limited Car Loan	802.24	1018.28	0.00
ICICI Bank Machinery Loan	1271.15	1826.40	0.00
Small Industrial Development Bank of India	0.00	0.00	5050.00
Kotak Mahindra Bank Prime Limited Car Loan	1559.03	0.00	0.00
<b>TOTAL (A)</b>	<b>5413.67</b>	<b>5624.15</b>	<b>8739.79</b>
<b>B) Unsecured</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL (B)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL (A+B)</b>	<b>5413.67</b>	<b>5624.15</b>	<b>8739.79</b>

#### Note 14.1) Terms of Loans:

- ICICI Bank Machinery Loan is secured by way of hypothecation of Plant & Machinery @ 9.24% payable in equal 48 EMI's of Rs. 58410.00
- Car Loans taken from Bank of financial institution are secured by way of hypothecation of the Vehicle purchased from the Amount of Loan.
- There are no defaults in repayment of loans and interest during the year.

#### NOTE NO.15: LONG TERM PROVISIONS

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Provision for Gratuity	1234.80	958.49	2127.31
<b>TOTAL</b>	<b>1234.80</b>	<b>958.49</b>	<b>2127.31</b>

#### NOTE NO.16: DEFERRED TAX LIABILITIES (NET)

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Deferred Tax Liabilities as of Previous Year	1426.04	1513.58	295.73
Add/Less : Adjustments in Current Year	(354.09)	(87.54)	1217.85
<b>TOTAL</b>	<b>1071.95</b>	<b>1426.04</b>	<b>1513.58</b>



**NOTE NO.17: SHORT TERM BORROWINGS**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
<b>A) Secured</b>			
ICICI Bank Car Loan	0.00	0.00	830.19
Small Industrial Development Bank of India	0.00	0.00	4200.00
Kotak Mahindra Bank O/D	69430.88	11242.30	26653.33
<b>TOTAL (A)</b>	<b>69430.88</b>	<b>11242.30</b>	<b>31683.52</b>
<b>B) Unsecured</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL (B)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL (A+B)</b>	<b>69430.88</b>	<b>11242.30</b>	<b>31683.52</b>

**17.1) Terms of Loan:**

a) Kotak Mahindra Overdraft facility has is secured by way of equitable mortgage/hypothecation of Factory Shed & land which is subject to renewal on March, 2020. Further there is no default in repayment of loan.

**NOTE NO.18: TRADE PAYABLES**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Sundry Creditors for Expenses	11170.20	7674.40	3954.67
Sundry Creditors for Goods	19895.48	42219.09	12139.86
<b>TOTAL</b>	<b>31065.67</b>	<b>49893.49</b>	<b>16094.53</b>

**NOTE NO.19: OTHER CURRENT LIABILITIES**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Current Maturities of Long Term Debt	2210.49	6652.05	0.00
GST Payable	10260.26	0.00	0.00
Unpaid Electricity bill	46.40	48.38	163.94
Unpaid Prof. Tax	482.47	323.94	178.39
Unpaid Prov. Fund	195.08	207.71	123.28
Unpaid Salary	3043.45	2176.66	1014.55
Travelling Exp. Payable	43.49	0.00	0.00
Unpaid Interest	0.00	65.95	99.00
Audit Fees Payable	45.00	25.00	25.00
T.D.S Payable	1036.17	1156.77	50.32
Unpaid Sales Tax	0.00	0.00	357.37
Demat Account with Kotak Securities	1.35	0.00	0.00
Advance Received from Debtors	0.00	31594.84	9331.68
Retention	319.35	1124.18	375.35
Unclaimed Dividend	16.00	16.00	16.00
Unclaimed Investor Fund	442.34	442.34	0.00

<b>TOTAL</b>	<b>18141.85</b>	<b>43833.84</b>	<b>11734.88</b>
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**NOTE NO.20: CURRENT TAX LIABILITIES**

Particulars	Amount (In '000)	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018	01.04.2017
Provision for Income Tax	3539.33	0.00	10491.68
<b>TOTAL</b>	<b>3539.33</b>	<b>0.00</b>	<b>10491.68</b>

**NOTE NO.21: REVENUE FROM OPERATIONS**

Particulars	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018
Sales	414425.21	213335.11
Less : Excise Duty	0.00	0.00
Net Sales	414425.21	213335.11
<b>TOTAL</b>	<b>414425.21</b>	<b>213335.11</b>

**NOTE NO.22: OTHER INCOME**

Particulars	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018
Interest Income	490.67	877.14
Dividend Income	47.38	41.75
Discount Received	289.34	287.73
Income from Various Subsidies	2115.39	774.41
Net Gain from Share Trading	0.00	110.53
Other Incomes	1426.99	0.00
<b>TOTAL</b>	<b>4369.77</b>	<b>2091.56</b>

**NOTE NO.23: COST OF RAW MATERIAL CONSUMED**

Particulars	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018
Opening stock of Raw Material	42289.76	27546.65
Add : Purchases During the Year	220508.66	173136.40
Less : Closing Stock of Raw Material	88689.60	42289.76
<b>TOTAL</b>	<b>174108.82</b>	<b>158393.28</b>

**NOTE NO.24: CHANGE IN INVENTORIES OF FINISHED GOODS, WIP & STOCK IN TRADE**

Particulars	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018
<b>Inventories at the begening of the Year</b>		
- Work In Progress	70277.54	35104.04

- Finished Goods	13168.10	0.00
- Stock in Trade	0.00	0.00
<b>Inventories at the end of the Year</b>		
- Work In Progress	27873.88	70277.54
- Finished Goods	10135.95	13168.10
- Stock in Trade	0.00	0.00
<b>Net Change in the Inventory of Finished Goods, Work in Progress &amp; Stock in Trade</b>	<b>45435.81</b>	<b>-48341.60</b>

#### NOTE NO.25: EMPLOYEE BENEFIT EXPENSES

Particulars	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018
Bonus	1393.28	1591.81
Staff Welfare Expenses	1904.50	1852.00
Salary to Staff	27420.64	21557.04
Directors Remuneration	7100.00	7200.00
Directors Sitting Fees	75.00	0.00
Provident Fund Exp.	1145.41	1033.82
Provision for Gratuity	418.22	455.12
<b>TOTAL</b>	<b>39457.05</b>	<b>33689.79</b>

#### NOTE NO.26: FINANCE COST

Particulars	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018
Interest expenses	3909.06	2270.93
Other borrowing costs	1671.00	549.87
<b>TOTAL</b>	<b>5580.06</b>	<b>2820.80</b>

#### NOTE NO.27: DEPRECIATION & AMORTISATION EXPENSES

Particulars	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018
Depreciation	10266.03	11234.26
<b>TOTAL</b>	<b>10266.03</b>	<b>11234.26</b>

#### NOTE NO.28: OTHER EXPENSES

Particulars	Amount (In '000)	Amount (In '000)
	31.03.2019	31.03.2018
<b>DIRECT EXPENSES</b>		
Power & fuel	1740.56	1605.06
Testing & Inspection	9888.27	4532.07
Job Work	39489.77	0.00
Labour charges	5.40	29.68
Transportation Exp.	5686.37	4193.22
Import Material Clearing Charges	3291.05	1621.92
Engineering Design & Consultancy Exps.	1175.25	1495.50

Factory Shed Repairing Exp.	0.00	282.73
Factory Rent	1440.00	1440.00
Repair of Plant & Machinery	752.21	360.61
Other Direct Exp.	2579.11	4448.88
<b>Total (A)</b>	<b>66047.99</b>	<b>20009.69</b>
<b>INDIRECT EXPENSES</b>		
Adjustment on Account of FVTPL	332.63	36.88
Audit Fees	50.00	25.00
Advertisement Exp.	112.84	851.72
AMC Charges	1348.29	211.44
Bank Charges	961.38	615.08
Commission Exp.	0.00	528.90
Demat Charges	0.91	5.23
Freight Exp.	259.16	0.00
Forex Gain/Loss	288.76	153.98
Petrol Exp.	0.00	258.28
Repairs & Maintenance	277.06	425.37
Insurance	203.94	231.02
Marketing & Sales Consulting Exp.	1270.15	0.00
Professional & Legal Fees	3561.86	1000.62
Rates & Taxes	934.00	625.00
Rent	1800.00	1800.00
Late Delivery Charges	792.58	0.00
Travelling & Conveyance Expenses	1590.38	1109.50
Foreign Travelling Exp.	0.00	556.25
Office Miscellaneous Expenses	574.37	661.28
Donation	11.00	25.00
Diwali Exp.	0.00	42.59
Packing And Forwarding Charges	31.50	2.10
Postage & Courier	108.58	84.45
Telephone Exps.	324.95	252.80
Stationery / Xerox Exps.	461.29	420.57
Website Exp.	24.17	20.00
Security Exp.	0.00	285.55
Other Exp.	167.29	135.14
ZAK Panchayat Tax	63.51	4.94
<b>Total (B)</b>	<b>15550.58</b>	<b>10368.69</b>
<b>TOTAL (A+B)</b>	<b>81598.57</b>	<b>30378.37</b>

**NOTE NO. 29. EARNINGS PER SHARE:**

(Amount In '000)

Particulars	2018-19	2017-18
Total Comprehensive Income after tax as per Statement of Profit & loss available to equity shareholders (In Thousands) (a)	45146.23	21040.23
Number of equity shareholder at the end of the year (In Nos)	10200000	10200000
Weighted average no of Equity shareholder at the end of the year (In Nos) (b)	10200000	8500000
Basic/Diluted Earnings Per Share (a/b)	4.43	2.48

**NOTE NO 30. EMPLOYEE BENEFITS:****a) Contribution to Employee Provident Fund:****(Amount In '000)**

Particulars	2018-19	2017-18
Contribution to employee provident Fund	1145.41	1033.82

**b) Gratuity:**

The following table summarizes the components of expense recognized in the Statement of Profit & Loss and the amount recognized in the Balance sheet according to Actuarial Report:

**(Amount In '000)**

Particulars	2018-19	2017-18
<b>1. Amount Recognized in statement of Profit &amp; loss</b>		
a. Current Service Cost	343.91	290.26
b. Interest on defined benefit obligations	74.31	164.86
c. Past Service Cost	0.00	0.00
<b>Total Amount Included in Employee Benefit Expenses</b>	<b>418.22</b>	<b>455.12</b>
<b>2. Amount Recognized in Other comprehensive Income</b>		
Net Actuarial Gain/Loss recognized during the year	142.28	1623.59
<b>3. Amount Recognized in the Balance Sheet</b>		
Present Value of Obligation as on the balance Sheet Date	1234.80	958.49
<b>4. Reconciliation of Present Value of defined Benefit Obligations :</b>		
Present value of obligations at the beginning of the period	958.85	2127.31
Interest cost	74.31	164.86
Current service cost	343.91	290.253
Actuarial (gain)/loss	(142.27)	(1623.58)
<b>Present value of the obligation at the end of the period</b>	<b>1234.80</b>	<b>958.85</b>
<b>5. Actuarial Assumption on the defined benefit obligations</b>		
Discount Rate Per Annum	<b>7.75%</b>	<b>7.75%</b>
Salary Growth Rate per Annum	<b>5.00%</b>	<b>5.00%</b>

**NOTE NO 31. CIF Value of Imports:****(Amount In '000)**

Particulars	2018-19	2017-18
Raw Material	20935.80	5076.72

**NOTE NO 32. Contingent Liabilities not provided for:**

In respect of Bank Guarantees 69.70 Lacs (Previous year: 46.34 Lacs).

**NOTE NO 33. Segment Reporting:**

The Company is primarily engaged in the Equipments Manufacturing, which in the context of Ind AS 108 on "Operating Segments" constitutes a single reporting segment. Further, there are no reportable geographical segments.

**NOTE NO 34. Disclosure of Related Party Transactions as on March 31<sup>st</sup>, 2019 :-**

Related Party Transactions are being reported as per Ind AS 24 'Related Party Disclosures' for the year ended March 31, 2019.

- **Key Managerial Personnel:**

S.No.	Name	Designation
1.	Mr. Rameshchandra Nathalal Patel	Whole time Director
2.	Mr. Alkesh Rameshchandra Patel	Managing Director
3.	Mrs. Jyotsanaben Rameshchandra Patel	Whole time Director
4.	Mr. Amitkumar Chandubhai Patel	Chief Financial Officer
5.	Ms. Komal Manoharlal Motiani	Company Secretary & Compliance officer
6.	Mr. Babubhai Bhulabhai Patel	Non-Executive Independent Director
7.	Mr. Girish Nathubhai Desai	Non-Executive Independent Director
8.	Mr. Kalpesh Lalitchandra Joshi	Non-Executive Independent Director
9.	Loyal Equipments Inc	Wholly owned Subsidiary

\* Non-Executive Independent Director are included only for the purpose of compliance with definition of key managerial personnel given under Ind AS 24.

- **Entities where key managerial Personnel and their relatives having control/Significance Influence:**

S.No.	Name	KMP	Nature of Influence
1	Loyal Engineers	Mrs. Jyotsanaben Rameshcnadra Patel	Proprietor

- **Particulars of Transactions with Related Parties:**

(In '000)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Remuneration to Key Managerial Personnel</b>		
Mr. Rameshchandra Nathalal Patel	3250.00	3000.00
Mr. Alkesh Rameshchandra Patel	3850.00	4200.00
Mr. Amitkumar Chandubhai Patel	727.00	606.50
Ms Komal Manoharlal Motiani	130.00	120.00
<b>Rent Paid</b>		
Loyal Engineers	1800.00	1800.00
Mrs. Jyotsanaben Rameshchandra Patel	2400.00	2400.00
<b>Machinery Purchase</b>		
Loyal Engineers	973.55	0.00
<b>Sitting Fees Paid</b>		
Mr. Babubhai Bhulabhai Patel	25.00	0.00
Mr. Girish Nathubhai Desai	25.00	0.00
Mr. Kalpesh Lalitchandra Joshi	25.00	0.00
<b>Investments in Subsidiary</b>		
Loyal Equipments Inc.	695.00	0.00

- **Outstanding Balance of Related Parties:**

S.NO.	Name	Balance as on March 31, 2019	Balance as on March 31, 2018
1.	Mr. Rameshchandra Nathalal Patel	892.00	238.64
2.	Mr. Alkesh Rameshchandra Patel	0.00	441.57
4	Mrs. Jyotsanaben Rameshchandra Patel	0.00	738.00
5.	M/s Loyal Engineers	1271.54	553.00
6.	Mr. AmitKumar Chandubhai Patel	54.100	47.00
7.	Ms Komal Manoharlal Motiani	9.13	9.13
8.	Loyal Equipments Inc.	695.00	0.00

## NOTE NO 35. FINANCIAL INSTRUMENTS

### a. **Financial Risk Management objects and policies**

In its ordinary operations, the company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has a risk management policy which covers the foreign exchanges risks and other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The following is the summary of the main risks.

- **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk), will affect the Company's income or value of its holding of financial

instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**i. Interest Rate Risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest-bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest-bearing investments will fluctuate because of fluctuations in the interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s long-term debt obligations.

**ii. Foreign Currency Risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD related to the imports of its raw material and capital assets. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company’s functional currency (INR).

• **Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The company’s revenue combination is of government and private parties, the company is having majority of receivables from Government undertakings and hence they are secured from credit losses in the future. In case of private customers, the Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company’s past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date.

Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognised in the Statement of Profit and Loss.

**The ageing analysis of the receivables has been considered from the date the invoice falls due –**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Trade Receivables</b>			
More than Six Months	1356.73	358.36	324.10
Less Than Six Months	64806.52	33661.75	27861.64

• **Liquidity Risk**

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve



borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Expected contractual maturity for Financial Liabilities:**

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>As at March 31, 2019</b>				
Borrowings	71641.37	5413.67	0.00	<b>77055.04</b>
Trade & Other Payables	31065.67	0.00	0.00	<b>31065.67</b>
Other financial Liabilities	15931.36	0.00	0.00	<b>15931.36</b>
<b>As at March 31, 2018</b>				
Borrowings	17894.35	5624.15	0.00	<b>23518.50</b>
Trade & Other Payables	49893.49	0.00	0.00	<b>49893.49</b>
Other financial Liabilities	37181.79	0.00	0.00	<b>37181.79</b>

**b) Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stakeholders.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

**Gearing Ratio:**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Total Borrowings	77055.04	23518.50	40423.31
Less: Cash & Cash Equivalents	21671.35	2940.64	19499.03
Net Debts	55383.69	20577.86	20924.28
Total Equity	179455.04	134308.81	113489.99
Gearing Ratio	0.31	0.15	0.19

**c) Category of Financial Instruments:**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying Value			Fair Value		
	As at March 31 <sup>st</sup> , 2019	As at March 31 <sup>st</sup> , 2018	As at March 31 <sup>st</sup> , 2017	As at March 31 <sup>st</sup> , 2019	As at March 31 <sup>st</sup> , 2018	As at March 31 <sup>st</sup> , 2017
<b>Financial Assets</b>						
FVTPL Financial Instruments – Investments	1659.57	999.94	1409.19	1326.94	963.06	1291.35
Trade Receivables	66163.25	34020.11	28185.74	66163.25	34020.11	28185.74
Cash & Cash Equivalents	21671.35	2940.64	19499.03	21671.35	2940.64	19499.03
Other financial Assets	3785.80	8810.80	1102.83	3785.80	8810.80	1102.83
<b>Total</b>	<b>93279.97</b>	<b>46771.49</b>	<b>50196.79</b>	<b>92947.34</b>	<b>46734.61</b>	<b>50078.98</b>
<b>Financial Liabilities</b>						
Borrowings	77055.04	23518.50	40423.31	77055.04	23518.50	40423.31
Trade Payables	31065.67	49893.49	16094.53	31065.67	49893.49	16094.53
Other Financial Liabilities	15931.36	37181.79	11734.88	15931.36	37181.79	11734.88
<b>Total</b>	<b>124052.07</b>	<b>110593.78</b>	<b>68252.72</b>	<b>124052.07</b>	<b>110593.78</b>	<b>68252.72</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, other bank balances, other current asset and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

#### NOTE NO 36. First time adoption of Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in "Note 1" have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 01, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("previous GAAP or IGAAP"). An explanation of how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

- **Exemptions and Exceptions availed on first time adoption of Ind AS 101:**

In preparing these Ind AS financial statements, the Company has availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101 from IGAAP to Ind AS, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its IGAAP financial statements, including the Balance Sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

- **Ind AS Optional Exemptions:**

- a) **Deemed Cost for Property, Plant and Equipment and Intangible Assets:**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value of all item of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'. Accordingly, the Company has elected to

measure all items of property, plant and equipment, capital work in progress and intangible assets at their IGAAP carrying value as at the transition date i.e. April 01, 2017.

- **Ind AS mandatory exemptions:**

- a) **Estimates:**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

- **Reconciliations between IGAAP and Ind AS:**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS. The presentation requirements under IGAAP differs from Ind AS and hence the IGAAP information has been reclassified for ease of reconciliation with Ind AS. The reclassified IGAAP information is derived based on the audited financial statements of the Company for the year ended March 31, 2017 and March 31, 2018.

<b>RECONCILIATION OF BALANCE SHEET AS AT 31ST MARCH 2018</b>				
<b>CIN No L29190GJ2007PLC050607, E-Mail ID-info@loyalequipments.com, Tel. 2716-269033</b>				
				(In '000)
Particulars	Footnotes	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>A. Non-Current Assets</b>				
<b>(i) Fixed Assets</b>				
(a) Plant, Property and Equipment		53566.61	0.00	53566.61
(b) Capital Work-in-Progress		8321.50	0.00	8321.50
(c) Investment Properties		0.00	0.00	0.00
(d) Goodwill		0.00	0.00	0.00
(e) Other Intangible Assets		1161.76	0.00	1161.76
(f) Intangible Assets under Development		0.00	0.00	0.00
(g) Biological Assets other than bearer Plants		0.00	0.00	0.00
<b>(ii) Financial Assets</b>				
(a) Investments	a	1117.79	-154.73	963.06
(b) Trade Recievables		0.00	0.00	0.00
(c) Loans & Advances		1921.58	0.00	1921.58
<b>(iii) Deferred Tax Assets (Net)</b>	b	18.05	-18.05	0.00
<b>(iv) Other Non Current Assets</b>	c	1882.68	-1882.68	0.00
<b>B. Current Assets</b>				
(i) Inventories		125735.40	0.00	125735.40
<b>(ii) Financial Assets</b>				
(a) Current Investments		0.00	0.00	0.00
(b) Trade Recievables		34020.11	0.00	34020.11
(c) Cash & Cash Equivalent		2940.64	0.00	2940.64
(d) Short Term Loans & Advances		6889.22	0.00	6889.22
(iv) Current Tax Assets (Net)	d	0.00	204.40	204.40
(v) Other Current Assets	d	19689.89	-8127.05	11562.84

<b>TOTAL ASSETS</b>		<b>257265.23</b>	<b>-9978.11</b>	<b>247287.12</b>
<b>EQUITY AND LIABILITIES</b>				
<b>A. Equity</b>				
(i) Equity Share Capital		102000.00	0.00	102000.00
(ii) Other Equity	a,b,c,f,g,h,i	35790.30	3481.49	32308.81
<b>Total Equity</b>		<b>137790.30</b>	<b>-3481.49</b>	<b>134308.81</b>
<b>B. Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>(i) Financial Liabilities</b>				
(a) Long Term Borrowings		5624.15	0.00	5624.15
(b) Trade Payables		0.00	0.00	0.00
(c) Other Long Term Liabilities		0.00	0.00	0.00
<b>(ii) Long Term Provisions</b>		958.49	0.00	958.49
<b>(iii) Deferred Tax Liabilities</b>	b	0.00	1426.04	1426.04
<b>(iv) Other Long Term Liabilities</b>		0.00	0.00	0.00
<b>Current Liabilities</b>				
<b>(i) Financial Liabilities</b>				
(a) Short Term Borrowings	e	17894.35	-6652.05	11242.30
(b) Trade Payables		49893.49	0.00	49893.49
(c) Other Current Liabilities	e	37181.79	6652.05	43833.84
<b>(ii) Short Term Provisions</b>	d	7922.66	-7922.66	0.00
<b>(iii) Current Tax Liabilities (Net)</b>		0.00	0.00	0.00
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>257265.23</b>	<b>-9978.11</b>	<b>247287.12</b>

<b>RECONCILIATION OF BALANCE SHEET AS AT 01ST APRIL, 2017</b>				
<b>CIN No L29190GJ2007PLC050607, E-Mail ID-info@loyalequipments.com, Tel. 2716-269033</b>				
				<b>(In '000)</b>
<b>Particulars</b>	<b>Footnotes</b>	<b>Previous GAAP</b>	<b>Adjustments</b>	<b>Ind AS</b>
<b>ASSETS</b>				
<b>A. Non-Current Assets</b>				
<b>(i) Fixed Assets</b>				
(a) Plant, Property and Equipment		49287.41	0.00	49287.41
(b) Capital Work-in-Progress		1120.17	0.00	1120.17
(c) Investment Properties		0.00	0.00	0.00
(d) Goodwill		0.00	0.00	0.00
(e) Other Intangible Assets		1982.79	0.00	1982.79
(f) Intangible Assets under Development		0.00	0.00	0.00
(g) Biological Assets other than bearer Plants		0.00	0.00	0.00
<b>(ii) Financial Assets</b>				
(a) Investments	a	1409.19	-117.84	1291.35
(b) Trade Recievables		0.00	0.00	0.00
(c) Loans & Advances		687.52	0.00	687.52
<b>(iii) Deferred Tax Assets (Net)</b>		0.00	0.00	0.00
<b>(iv) Other Non Current Assets</b>	c	2074.01	-2074.01	0.00

<b>B. Current Assets</b>				
(i) Inventories		62650.69	0.00	62650.69
<b>(ii) Financial Assets</b>				
(a) Current Investments		14406.50	0.00	14406.50
(b) Trade Recievables		28185.74	0.00	28185.74
(c) Cash & Cash Equivalents		19499.03	0.00	19499.03
(d) Short Term Loans & Advances		415.31	0.00	415.31
(iv) Current Tax Assets (Net)		0.00	0.00	0.00
(v) Other Current Assets		16348.77	0.00	16348.77
<b>TOTAL ASSETS</b>		<b>198067.13</b>	<b>-2191.85</b>	<b>195875.28</b>
<b>EQUITY AND LIABILITIES</b>				
<b>A. Equity</b>				
(i) Equity Share Capital		68000.00	0.00	68000.00
(ii) Other Equity	a,b,c	48899.69	-3409.70	45489.99
<b>Total Equity</b>		<b>116899.69</b>	<b>-3409.70</b>	<b>113489.99</b>
<b>B. Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>(i) Financial Liabilities</b>				
(a) Long Term Borrowings		8739.79	0.00	8739.79
(b) Trade Payables		0.00	0.00	0.00
(c) Other Long Term Liabilities		0.00	0.00	0.00
<b>(ii) Long Term Provisions</b>		2127.31	0.00	2127.31
<b>(iii) Deferred Tax Liabilities</b>	b	295.73	1217.85	1513.58
<b>(iv) Other Long Term Liabilities</b>		0.00	0.00	0.00
<b>Current Liabilities</b>				
<b>(i) Financial Liabilities</b>				
(a) Short Term Borrowings		31683.52	0.00	31683.52
(b) Trade Payables		16094.53	0.00	16094.53
(c) Other Current Liabilities		11734.88	0.00	11734.88
<b>(ii) Short Term Provisions</b>		10491.68	0.00	10491.68
<b>(iii) Current Tax Liabilities (Net)</b>		0.00	0.00	0.00
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>198067.13</b>	<b>-2191.85</b>	<b>195875.28</b>

<b>RECONCILIATION OF TOTAL COMPREHENSIVE INCOME</b>				
<b>FOR THE YEAR ENDED ON 31 MARCH 2018</b>				
				<b>(In'000)</b>
<b>Particulars</b>	<b>Footnotes</b>	<b>Previous GAAP</b>	<b>Adjustments</b>	<b>Ind AS</b>
<b><u>A.INCOME</u></b>				
I) Revenue from Operations		213335.11	0.00	213335.11
II) Other Income		2091.56	0.00	2091.56
<b>III TOTAL INCOME (I+II)</b>		<b>215426.67</b>	<b>0.00</b>	<b>215426.67</b>
<b><u>IV. EXPENDITURE</u></b>				
a) Cost of Raw Material Consumed		158393.28	0.00	158393.28
b) Purchases of Stock in Trade		0.00	0.00	0.00
c) Changes in Inventory of Finished Goods, Work		-48341.60	0.00	-48341.60

In Progress & Stock In Trade				
d) Employee Benefit Expenses	f	33047.81	641.99	33689.79
e) Finance Costs	g	3441.11	-620.31	2820.80
f) Depreciation and Amortization Expenses		11234.26	0.00	11234.26
g) Other Expenses	a,g	29912.52	465.85	30378.37
<b>TOTAL EXPENSES (IV)</b>		<b>187687.38</b>	<b>487.53</b>	<b>188174.90</b>
(V) Profit/(loss) before exceptional items and tax (III-IV)		27739.29	-487.53	27251.76
(VI) Exceptional items		0.00	0.00	0.00
(VII) Profit/(loss) before tax from Continuing Operations (V-VI)		27739.29	-487.53	27251.76
<b>(VIII) Tax Expenses</b>				
a) Current year Tax		7922.66	0.00	7922.66
b) Income Tax related to Previous year	i	221.40	-221.40	0.00
b) Deferred Tax	b	(313.78)	(221.06)	(534.84)
<b>(IX) Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>19909.01</b>	<b>-45.07</b>	<b>19863.94</b>
X Profit/(Loss) from discontinued operations		0.00	0.00	0.00
XI Tax Expenses of discontinued operations		0.00	0.00	0.00
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		0.00	0.00	0.00
<b>XIII Profit/(loss) for the period (IX+XII)</b>		<b>19909.01</b>	<b>-45.07</b>	<b>19863.94</b>
<b>XIV Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to Profit or loss		0.00	0.00	0.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00	0.00
B (i) Items that will be reclassified to profit or loss	h	0.00	1623.59	1623.59
(ii) Income tax relating to items that will be reclassified to profit or loss	h	0.00	-447.30	-447.30
<b>XV Total Comprehensive Income for the period (XIII+XIV)(Comprising profit (Loss) and other comprehensive income for the period)</b>		<b>19909.01</b>	<b>1131.22</b>	<b>21040.23</b>

**Footnotes:**

- a) Under Previous GAAP Investments are taken at their historical Value & in transition to Ind AS the investment are taken at their fair value & the Difference between Historical Value & Fair value is charged to Statement of Profit & loss Account.
- b) The deferred tax adjustment include the impact of transition adjustments together with adjustments in relation to Ind AS making it mandatory of using balance sheet approach against profit and loss approach as in the previous GAAP. On the date of transition, deferred tax impact on transition provision has been accounted in the Reserves, and consequential impact in the statement of profit and loss for the subsequent periods.

- c) Other non current assets were having Share Issue Expenses which were written off from opening reserve on the date of transition i.e. 01 April, 2017
- d) Provision for Tax & Advance Tax paid are shown as Net off for the year.
- e) Current Maturities of Long Term Debt are shown under Short term borrowing in Previous GAAP, while in Transition the same has been transferred to other current liabilities.
- f) Expenses towards Gratuity which were previously adjusted from Other Equity in Previous GAAP, is now Transferred to Employee benefit Exp. Under Ind AS transition.
- g) Bank Charges & Demat Account Charges is transferred to Other Expenses to re correct the Previous year grouping
- h) Actuarial Gain/loss on gratuity which is previously charged from Other equity is now transferred to Other Comprehensive Income.
- i) Income Tax related to Previous year which is charged in Profit & loss in Previous GAAP is now charged to Other Equity in Ind AS.

Reconciliation of Equity for the year ended March 31, 2018 & April 01st, 2017		
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Total Equity as per Previous GAAP (Indian GAAP)</b>	<b>137790.30</b>	<b>116899.69</b>
<b>Adjustment on Account of :</b>		
Gratuity Exp. Charged to Profit & Loss	-641.99	0
Change in Valuation of Investments	-154.72	-117.84
IPO Exp. Written off from opening Reserves	-2074.01	-2074.01
Share Issue Exp. Fully written off	-500.00	0.00
Change in calculation of Deferred Tax	-1287.06	-1217.85
Other Comprehensive Income	1623.59	0.00
Tax Adjustment on above OCI	-447.30	0.00
<b>Total Equity as per Ind AS</b>	<b>134308.81</b>	<b>113489.99</b>

Reconciliation of Total Comprehensive Income for the year ended March 31, 2018	
Particulars	For the Year ended March 31, 2018
<b>Net Profit as per Previous GAAP (Indian GAAP)</b>	<b>19909.01</b>
<b>Adjustment on Account :</b>	
Gratuity Exp. Charged to Profit & Loss	-641.99
Change in Valuation of Investments	-36.88
IPO Exp. Written off	691.34
Share Issue Exp. Fully written off	-500.00
Change in calculation of Deferred Tax	221.06
Earlier Year Tax Exp. Charged from Reserves	221.41
<b>Net Profit as per Ind AS</b>	<b>19863.94</b>
Other Comprehensive Income	1623.59
Tax Adjustment on above OCI	-447.30
<b>Total Comprehensive Income As per Ind AS</b>	<b>21040.23</b>

Impact of Ind AS on adoption on the statement of cash flows for the year ended on March 31<sup>st</sup>, 2018:

(Amount In '000)

<b>Particulars</b>	<b>Previous GAAP</b>	<b>Adjustments</b>	<b>Ind AS</b>
Cash Flow from Operating Activities	18161.93	(942.16)	17219.77
Cash Flow from Investing Activities	(14374.40)	6973.91	(7400.49)
Cash Flow from Financing Activities	(20345.92)	(6031.74)	(26377.66)
<b>Net Cash Flow/(Outflow) during the year</b>	<b>(16558.39)</b>	<b>0.00</b>	<b>(16558.39)</b>
Cash & Cash Equivalents at the beginning of the year	19499.03	0.00	19499.03
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>2940.64</b>	<b>0.00</b>	<b>2940.64</b>

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

**For and On behalf of the Board  
For Loyal Equipments Limited**

**As per Our Separate Report of  
Even Date  
For JM Patel & Bros  
CHARTERED ACCOUNTANTS**

Sd/-

Sd/-

Sd/-

**Rameshchandra Nathalal  
Patel  
Whole-time Director  
DIN - 01307699**

**Alkesh Rameshchandra  
Patel  
Managing Director  
DIN - 02672297**

**Amit Chandubhai  
Patel  
Chief Financial  
Officer**

Sd/-

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

Sd/-

**Komal Manoharlal  
Motiani  
M.No - 39696**

**Date – May 28, 2019  
Place - Ahmedabad**



# CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### TO THE MEMBERS OF LOYAL EQUIPMENTS LIMITED

#### OPINION

We have audited the accompanying Consolidated financial statements of **Loyal Equipments Limited** (“the Company”), & its subsidiary (Loyal Equipments Inc.) which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), for the year ended on March 31, 2019, the Statement of Changes in Equity for the year ended on March 31<sup>st</sup>, 2019, the Cash flow statement for the year ended & and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its Profit and total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit of the Consolidated financial statements in accordance with the standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated financial statements under the provision of the Act, and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated financial statements.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Further we have not found any material or significant Key Audit Matters, which are required to be reported under this Para.

#### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The company's board is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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 Consolidated financial statements to give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity & cash flows of the Company in accordance with the Ind AS & other accounting principles generally accepted in India. 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors are responsible for overseeing the company's financial reporting process.

## **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatements of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communications.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

2. As required by Section 143(3) of the Act, based on our audit we report that:

- 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;
- 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;
- The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of change in Equity & Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act;

- n) 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 “A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial controls over financial reporting.
- o) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of Section 197 of the Act.
- p) With respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanation given to us:
- (iv) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - (v) The Company has made provision, as at March 31, 2019 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - (vi) The Company is not liable to transfer any amounts, to the Investor Education and Protection Fund during the year ended March 31, 2019.

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> May, 2019**

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

**Sd/-**

**(J. M. Patel)**  
**Proprietor**

## **ANNEXURE “A” 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’) & its subsidiary (Loyal Equipments Inc.) as of 31st March, 2019 in conjunction with our audit of the Consolidated 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”) issued by ICAI and the standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, 2019, 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: 28<sup>th</sup> May, 2019**

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

**Sd/-**

**(J. M. Patel)  
Proprietor**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019**

Particulars	Note	Amount (In '000)
	No.	31.03.2019
<b>ASSETS</b>		
<b>A. Non-Current Assets</b>		
<b>(i) Fixed Assets</b>		
(a) Plant, Property and Equipment	2	48447.18
(b) Capital Work-in-Progress	2	31930.39
(c) Investment Properties		0.00
(d) Goodwill		0.00
(e) Other Intangible Assets	2	332.33
(f) Intangible Assets under Development		0.00
(g) Biological Assets other than bearer Plants		0.00
<b>(ii) Financial Assets</b>		
(a) Investments	3	801.94
(b) Trade Recievables		0.00
(c) Loans & Advances	4	893.57
<b>(iii) Deferred Tax Assets (Net)</b>		0.00
<b>(iv) Other Non Current Assets</b>		0.00
<b>B. Current Assets</b>		
(i) Inventories	5	126699.43
<b>(ii) Financial Assets</b>		
(a) Current Investments		0.00
(b) Trade Recievables	6	66163.25
(c) Cash & Cash Equivalents	7	22301.09
(d) Short Term Loans & Advances	8	2892.23
(iv) Current Tax Assets (Net)		0.00
(v) Other Current Assets	9	8996.52
<b>TOTAL ASSETS</b>		<b>309457.94</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A. Equity</b>		
(i) Equity Share Capital	10	102000.00
(ii) Other Equity	11	77455.04
<b>Total Equity</b>		<b>179455.05</b>
<b>B. Liabilities</b>		
<b>Non-Current Liabilities</b>		
<b>(i) Financial Liabilities</b>		
(a) Long Term Borrowings	12	5413.67
(b) Trade Payables		0.00
(c) Other Long Term Liabilities		0.00
<b>(ii) Long Term Provisions</b>	13	1234.80
<b>(iii) Deferred Tax Liabilities</b>	14	1071.97
<b>(iv) Other Long Term Liabilities</b>		0.00
<b>Current Liabilities</b>		
<b>(i) Financial Liabilities</b>		
(a) Short Term Borrowings	15	69518.24
(b) Trade Payables	16	31065.67
(c) Other Current Liabilities	17	18159.23
<b>(ii) Short Term Provisions</b>		0.00

<b>(iii) Current Tax Liabilities (Net)</b>	18	3539.33
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>309457.95</b>
<b>Significant Accounting Policies &amp; Notes on Financial Statements 1</b>		

**For and On behalf of the Board  
For Loyal Equipments Limited**

**As per Our Separate Report of  
Even Date  
For JM Patel & Bros  
CHARTERED ACCOUNTANTS**

**Sd/-**

**Sd/-**

**Sd/-**

**Sd/-**

**Rameshchandra Nathalal  
Patel  
Whole-time Director  
DIN - 01307699**

**Alkesh Rameshchandra  
Patel  
Managing Director  
DIN - 02672297**

**Amit Chandubhai  
Patel  
Chief Financial  
Officer**

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

**Sd/-**

**Komal Manoharlal  
Motiani  
M.No - 39696**

**Date – May 28, 2019**

**Place - Ahmedabad**



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED ON 31 MARCH 2019**

Particulars	Note	Amount (In '000)
	No.	31.03.2019
<b><u>A.INCOME</u></b>		
I) Revenue from Operations	19	414425.21
II) Other Income	20	4369.77
<b>III TOTAL INCOME (I+II)</b>		<b>418794.98</b>
<b><u>IV. EXPENDITURE</u></b>		
a) Cost of Raw Material Consumed	21	174108.81
b) Purchases of Stock in Trade		0.00
c) Changes in Inventory of Finished Goods, Work In Progress & Stock In Trade	22	45435.81
d) Employee Benefit Expenses	23	39457.05
e) Finance Costs	24	5580.06
f) Depreciation and Amortisation Expenses	25	10266.03
g) Other Expenses	26	81598.57
<b>TOTAL EXPENSES (IV)</b>		<b>356446.34</b>
(V) Profit/(loss) before exceptional items and tax (III-IV)		62348.65
(VI) Exceptional items		0.00
(VII) Profit/(loss) before tax from Continuing Operations (V-VI)		62348.65
<b>(VIII) Tax Expenses</b>		
a) Current year Tax		17698.76
b) Deferred Tax		(393.27)
<b>(IX) Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>45043.15</b>
X Profit/(Loss) from discontinued operations		0.00
XI Tax Expenses of discontinued operations		0.00
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		0.00
<b>XIII Profit/(loss) for the period (IX+XII)</b>		<b>45043.15</b>
XIV Other Comprehensive Income		
A (i) Items that will not be reclassified to Profit or loss		0.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.00
B (i) Items that will be reclassified to profit or loss		142.28
(ii) Income tax relating to items that will be reclassified to profit or loss		-39.20
<b>XV Total Comprehensive Income for the period (XIII+XIV)(Comprising profit (Loss) and other comprehensive income for the period)</b>		<b>45146.23</b>

XVI Earnings per equity share (for continuing operation) :		
(1) Basic		4.43
(2) Diluted		4.43
XVII Earnings per equity share (for discontinued operation) :		
(1) Basic		0.00
(2) Diluted		0.00
XVIII Earnings per equity share (for discontinued & Continuing operation) :		
(1) Basic		4.43
(2) Diluted		4.43
<b>Significant Accounting Policies &amp; Notes on Financial Statements 1</b>		

**For and On behalf of the Board  
For Loyal Equipments Limited**

**As per Our Separate Report of  
Even Date  
For JM Patel & Bros  
CHARTERED ACCOUNTANTS**

Sd/-

Sd/-

Sd/-

**Rameshchandra Nathalal  
Patel  
Whole-time Director  
DIN - 01307699**

**Alkesh Rameshchandra  
Patel  
Managing Director  
DIN - 02672297**

**Amit Chandubhai  
Patel  
Chief Financial  
Officer**

Sd/-

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

Sd/-

**Komal Manoharlal  
Motiani  
M.No - 39696**

**Date – May 28, 2019  
Place - Ahmedabad**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

<b>Particulars</b>	<b>Amount (Rs. In '000)</b>
	<b>31.03.2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Profit before taxation & Extraordinary items	62348.65
<i>Adjustments for:</i>	
Depreciation	10,266.03
Adjustment on Account of Non Cash Expenses	580.85
Investment income	(538.05)
Finance Cost	5,580.06
<i>Working capital changes:</i>	
(Increase) / Decrease in trade and other receivables	(32,143.14)
(Increase) / Decrease in other current assets	2,566.32
(Increase) / Decrease in Short Term Loans & Advances	3,996.99
(Increase) / Decrease in inventories	(964.03)
Increase / (Decrease) in trade payables	(18,827.82)
Increase / (Decrease) in other current liabilities	(25,674.61)
<b>Cash generated from operations</b>	<b>7,191.25</b>
Income taxes paid	(14,159.43)
<b>Net cash from operating activities</b>	<b>(6,968.18)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Fixed Assets	(27,758.19)
Purchase/Sales of Investments	35.37
Long terms loans & Advances Granted/Received	1,028.01
Interest received	490.67
Dividend received	47.38
Income From Share Trading	
<b>Net cash used in investing activities</b>	<b>(26,156.76)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Payment of Long Term Borrowings	(210.48)
Proceeds from Short Term Borrowings	58,275.94
Payment of Finance Cost	(5,580.06)
<b>Net cash used in financing activities</b>	<b>52,485.40</b>
<b>Net increase in cash and cash equivalents</b>	<b>19,360.46</b>
Cash and cash equivalents at beginning of period	2,940.64

<b>Cash and cash equivalents at end of period</b>	<b>22,301.10</b>
<b>Cash and cash equivalents comprises of</b>	
Cash in Hand	2,004.04
Balance with Banks	20,297.06

**For and On behalf of the Board  
For Loyal Equipments Limited**

**As per Our Separate Report of  
Even Date  
For JM Patel & Bros  
CHARTERED ACCOUNTANTS**

Sd/-

Sd/-

Sd/-

**Rameshchandra Nathalal  
Patel  
Whole-time Director  
DIN - 01307699**

**Alkesh Rameshchandra  
Patel  
Managing Director  
DIN - 02672297**

**Amit Chandubhai  
Patel  
Chief Financial  
Officer**

Sd/-

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

Sd/-

**Komal Manoharlal  
Motiani  
M.No - 39696**

**Date – May 28, 2019  
Place - Ahmedabad**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2019**

**A) EQUITY SHARE CAPITAL**

Particulars	Amount (In '000)
<b>Equity Shares of Rs. 10 each issued, subscribed &amp; Paid</b>	
<b>As at 31st March, 2018</b>	<b>102000.00</b>
changes in Equity share Capital during the year	0.00
<b>As at 31st March, 2019</b>	<b>102000.00</b>

**B) OTHER EQUITY**

(Amount In ' 000)

Particulars	Other Equity			Total Amount
	Reserves & Surplus			
	General Reserve	Securities Premium	Retained Earnings	
<b>As at 31st March, 2018</b>	0.00	0.00	<b>32308.81</b>	<b>32308.81</b>
Profit/(Loss) for the period	0.00	0.00	45043.15	45043.15
Other Comprehensive Income	0.00	0.00	103.08	103.08
Total Comprehensive Income	0.00	0.00	45146.23	45146.23
Transfer to General Reserve	0.00	0.00	0.00	0.00
Utilization of Reserves	0.00	0.00	0.00	0.00
<b>As at 31st March, 2019</b>	<b>0.00</b>	<b>0.00</b>	<b>77455.04</b>	<b>77455.04</b>

**Significant Accounting Policies & Notes on Financial Statements 1**

**For and On behalf of the Board  
For Loyal Equipments Limited**

Sd/-

**Rameshchandra Nathalal  
Patel  
Whole-time Director  
DIN - 01307699**

Sd/-

**Alkesh Rameshchandra  
Patel  
Managing Director  
DIN - 02672297**

Sd/-

**Amit Chandubhai  
Patel  
Chief Financial  
Officer**

Sd/-

**Komal Manoharlal  
Motiani  
M.No - 39696**

**Date – May 28, 2019  
Place - Ahmedabad**

**As per Our Separate Report of  
Even Date  
For JM Patel & Bros  
CHARTERED ACCOUNTANTS**

Sd/-

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

## **NOTE NO. 1**

Notes Forming Part of Financial Statements for the year ended on March 31<sup>st</sup>, 2019

### **A. GENERAL INFORMATION**

The consolidated financial Statement comprises financial statements of Loyal Equipments Limited ('the Holding Company') & its wholly owned subsidiary Loyal Equipments Inc. (Incorporated in Texas USA) for the year ended 31<sup>st</sup> March, 2019. The principal activity of both Holding & Subsidiary Company is manufacturing of Industrial & Engineering Equipments.

Since the Subsidiary company has incorporated in January, 2019 & these are the first consolidated financial statements of the company so that the previous year figures are not available for Consolidated Financial Statements.

Since the reporting currency of Loyal equipment Inc. (Subsidiary Company) is United States Dollar & of Loyal Equipments Limited (Holding company) is INR & standalone financial statements of subsidiary company i.e. Loyal Equipments Inc. is prepared in USD so that the translation into INR is done on the basis of closing exchange rate i.e. the exchange rate prevailing in the market as on March 31<sup>st</sup>, 2019 while doing consolidation.

### **B. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the companies Act, 2013 ("the Act") read with the companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as applicable.

### **C. SIGNIFICANT ACCOUNTING POLICIES**

#### **a. BASIS OF PREPERATION:**

These financial statements have been prepared on accrual basis under historic cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

These consolidated financial statements have been prepared to comply with the Indian Accounting Standards ('Ind AS') including the rules notified under the relevant provisions of the Companies Act, 2013.

#### **b. PRINCIPALS OF CONSOLIDATION**

1. The financial statements of the Holding Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equities, incomes and cashflows, after fully eliminating intragroup balances and intra – group transactions
2. Profits & losses resulting from intra group transaction that are recognized in assets, such as inventory and property, plant and equipments are eliminated in full.
3. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
4. The carrying amount of parent's investments in subsidiary is offset against the parent's portion of equity in subsidiary.
5. Sine it is wholly owned subsidiary so that there are minorities or non-controlling interest.

## Current & Non-Current Classifications

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.

### c. PROPERTY, PLANT & EQUIPMENTS:

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to use the carrying value of Property, Plant and Equipment as the deemed cost. Subsequently Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment are ready for use, as intended by management.

### d. CAPITAL WORK IN PROGRESS:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

### e. INTANGIBLE ASSETS UNDER DEVELOPMENT:

Intangible Asset under Development includes all cost incurred for the development of Intangible Assets including cost of employee benefits and other directly attributable expenses.

### f. INTANGIBLE ASSETS:

Intangible assets acquired are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs capitalized include the costs of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Acquired Intangible Assets are amortised under straight-line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

### g. DEPRECIATION/AMORTIZATION ON PROPERTY PLANT AND EQUIPMENTS:

Depreciable amount for Property, Plant and Equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant and Equipment is provided on Written Down Value method, as per the useful life prescribed in Schedule II to the Companies Act, 2013. The estimated useful lives of the assets are as follow:

Assets	Useful Life (in Years)
Building	30
Plant & Equipments (Electric Installations)	10
Plant & Equipments ( Machinery)	15
Furniture & Fixtures	10

Vehicles	6
Office Equipments	5
Computers	3

Depreciation on additions during the year is provided on pro-rata basis with reference to date of addition/installation. Depreciation on assets disposed /discarded is charged up to the date on which such asset is sold.

Land is not depreciated.

#### **h. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT/INTANGIBLE ASSETS.**

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).

The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

#### **i. DERECOGNITION OF PROPERTY, PLANT AND EQUIPMENT/INTANGIBLE ASSETS:**

The carrying amount of an item of Property, Plant and Equipment / Intangible Assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment / Intangible Assets is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is derecognised.

#### **j. CASH & CASH EQUIVALENTS:**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of working capital loan outstanding as they are considered an integral part of the Company's cash management.

#### **k. CASH FLOW STATEMENTS:**

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

#### **l. INVENTORIES:**

Inventories of raw materials and work in progress and finished goods, are valued at lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of Work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.



Cost of inventories also include all other costs incurred in bringing the inventories to their present location and conditions. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

#### **m. FINANCIAL INSTRUMENTS:**

Financial instruments are any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

- **Subsequent Measurement:**

Financial assets are classified into the following specified categories: Amortised cost, Financial Assets at Fair Value Through Profit and Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

#### **Debt Instruments:**

##### **Amortised Cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

##### **Fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### **Fair value through Profit and Loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company

may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- **Derecognition of financial assets**

A financial asset is derecognised only when:

- a) The Company has transferred the rights to receive cash flows from the asset or the rights have expired or
- b) The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

- **Impairment of financial assets:**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### **Financial liabilities and equity instruments:**

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the value of proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **Financial liabilities:**

- **Subsequent Measurement**

Financial liabilities measured at amortised cost Financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

- **Financial liabilities measured at fair value through profit or loss (FVTPL)**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at fair value through profit or loss are carried in the financial statements at fair value with changes in fair value recognized in other income or finance costs in the statement of profit and loss.

- **Derecognition of financial liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

- **Determination of fair value:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

**n. FAIR VALUE MEASUREMENT:**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**o. BORROWINGS AND BORROWING COSTS:**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement

of profit and loss over the period of the borrowings using the effective interest rate (EIR). Further the management has not found any material difference between EIR & Actual Rate of Interest, so that the Actual rate of interest is taken for amortisation purpose.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**p. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions are recognised when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized, but its existence is disclosed in the financial statements.

**q. REVENUE RECOGNITION:**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

- **Sale of services**

The Company recognizes revenue on accrual basis when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered. Revenue is recognized when no significant uncertainty exists as to its realization or collection.

- **Sale of goods:**

Revenue from the sale of goods is recognised when the goods are delivered, titles have passed and all the following conditions are satisfied:

- 1) the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- 2) the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 3) the amount of revenue can be measured reliably;
- 4) it is probable that the economic benefits associated with the transaction will flow to the company; and
- 5) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The amount recognised as revenue in its Statement of Profit and Loss is exclusive of Goods and Service Tax, Service Tax and Value Added Taxes (VAT).

- **Other Income:**

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

**r. EMPLOYEE BENEFITS:**

- **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability after deducting any amount already paid.

- **Long Term Employment benefits:**

**Defined Contribution Plan**

The Company makes contributions to Provident Fund, etc. for eligible employees and these contributions are charged to The Statement of Profit and Loss on accrual basis.

**Defined Benefit Plan**

The Company have a defined benefit plan for its employees, which requires contribution to be made to a separately Administrated Fund.

Liability for defined benefit plans i.e. Gratuity is determined based on the actuarial valuation carried out by an independent actuary at the year end. As these liabilities are relatively long term in nature, the actuarial assumptions take in account the requirements of the relevant Ind AS coupled with a long term view of the underlying variables / trends, wherever required.

Service cost and net interest cost on the defined benefit liabilities/assets are recognized in the statement of profit and loss as employee benefit expense. Gains and losses on re measurement of defined benefits liabilities/plan assets arising from changes in actuarial assumptions and experience adjustments are recognized in the other comprehensive income and are included in retained earnings in the balance sheet.

**s. FOREIGN CURRENCY TRANSLATION:**

The functional Currency of the Company is Indian Rupee.

**Transactions and translations:**

All transactions in foreign currency are recorded at the rates of the exchange prevailing on the dates when the relevant transactions took place. Any gain/ loss on account of the fluctuations in the rate of exchange is recognized in the Statement of Profit and Loss.

Monetary items in the form of loans, current assets and current liabilities in foreign currencies at the close of the year are converted in the Indian currency at the appropriate rate of exchange prevailing on the dates of the Balance Sheet. Resultant gain or loss on account of fluctuation in the rate of exchange is recognized in the Statement of Profit and Loss.

#### **t. INCOME TAX:**

- **Current and deferred tax for the year**

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

- **Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is determined on the basis of taxable income in accordance with the applicable tax rates and the provisions of applicable tax laws.

- **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### **u. Earnings per Equity Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019**

**NOTE 2 : FIXED ASSETS**

Fixed Assets	Gross Block					Accumulated Depreciation					Net Block		
	Balance as at 01/04/2018	Additions/(Disposals)	Acquired through business combinations	Disposals/Transfers	Balance as at 31/03/2019	Balance as at 01/04/2018	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31/03/2019	Balance as at 31/03/2019	Balance as at 31/03/2018	
<b>(a) Tangible Assets</b>													
Land/Shed	1395.31	0.00	0.00	0.00	1395.31	0.00	0.00	0.00	0.00	0.00	1395.31	1395.31	
Buildings	18198.91	0.00	0.00	0.00	18198.91	6492.15	1109.63	0.00	0.00	7601.78	10597.13	11706.76	
Plant and Equipment	64314.58	1884.86	0.00	3.80	66203.24	29475.14	5796.48	0.00	3.69	35275.31	30927.93	34839.43	
Furniture and Fixtures	704.00	0.00	0.00	0.00	704.00	648.52	49.65	0.00	0.00	698.17	5.83	55.48	
Vehicles	10188.05	2217.06	0.00	940.68	13345.80	6661.67	1275.55	0.00	1012.95	8950.17	4395.63	3526.38	
Office equipment	6412.53	190.98	0.00	68.44	6671.94	4369.28	1108.88	0.00	68.44	5546.59	1125.35	2043.25	
<b>Total</b>	101213.37	4292.90	0.00	1012.92	106519.19	47646.76	9340.18	0.00	1085.07	58072.01	48447.18	53566.61	
<b>(b) Intangible Assets</b>													
Software	8916.98	96.44	0.00	0.00	9013.42	7755.22	925.86	0.00	0.00	8681.08	332.33	1161.76	
<b>Total</b>	8916.98	96.44	0.00	0.00	9013.42	7755.22	925.86	0.00	0.00	8681.08	332.33	1161.76	
<b>(C) Capital Work in Progress</b>													
Corporate Office New building	8321.50	23608.89	0.00	0.00	31930.39	0.00	0.00	0.00	0.00	0.00	31930.39	8321.50	
<b>Total</b>	8321.50	23608.89	0.00	0.00	31930.39	0.00	0.00	0.00	0.00	0.00	31930.39	8321.50	
<b>Grand Total</b>	118451.85	27998.23	0.00	1012.92	147463.00	55401.99	10266.03	0.00	1085.07	66753.09	80709.90	63049.86	

**NOTE 3: INVESTMENTS**

Particulars	Amount (In '000)
	31.03.2019
Investment in Equity Shares of NNCB Limited	400.00
Investment in Equity Shares of Lupin Ltd.	152.72
Investment in Equity Shares of BEML Ltd.	97.38
Investment in Equity Shares of Bharat Forge Limited	95.50
Investment in Equity Shares of Reliance Capital Ltd.	54.77
Investment in Equity Shares of IOCL	1.56
<b>TOTAL</b>	<b>801.94</b>

**NOTE 4: LOANS & ADVANCES - LONG TERM**

Particulars	Amount (In '000)
	31.03.2019
Security Deposit with BSNL	0.70
Rent Deposit	600.00
Sales Tax New Registration Deposit	20.00
Security Deposit with UGVCI	271.37
Deposit with Vijay Gas & Domestic Appliances	1.50
<b>TOTAL</b>	<b>893.57</b>

**NOTE 5: INVENORIES**

Particulars	Amount (In '000)
	31.03.2019
Raw Material	88689.60
WIP	27873.88
Finished Goods	10135.95
<b>TOTAL</b>	<b>126699.43</b>

**NOTE 6: TRADE RECIEVABLES**

Particulars	Amount (In '000)
	31.03.2019
Less than Six Months	64806.52
More than Six Months	1356.73
<b>TOTAL</b>	<b>66163.25</b>

**NOTE 7: CASH & CASH EQUIVALENTS**

Particulars	Amount (In '000)
	31.03.2019
Balance with Banks	19667.32
Cash in Hand	2004.04
Demat A/c with Kotak Securities	0.00
Cash & Cash Equivalents of Subsidiary	629.74
<b>TOTAL</b>	<b>22301.09</b>



**NOTE 8: SHORT TERM LOANS & ADVANES**

Particulars	Amount (In '000)
	31.03.2019
Advance Against Order	972.10
Other Advances	1920.13
<b>TOTAL</b>	<b>2892.232</b>

**NOTE 9: OTHER CURRENT ASSETS**

Particulars	Amount (In '000)
	31.03.2019
Bank Guarantees	6970.04
Bank Guarantee Amendment Charges Receivables	106.86
GST Receivable	0.00
Staff Advance	79.00
Prepaid Expenses	1119.75
Income Tax Refundable	679.12
Kotak Mahindra Bank Dividend Account	41.75
<b>TOTAL</b>	<b>8996.52</b>

**NOTE 10: EQUITY SHARE CAPITAL**

Particulars	Amount (In '000)
	31.03.2019
<b>Authorized Capital</b>	150000.00
(1,50,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)	
(Previous Year 80,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)	
<b>Issued, Subscribed and Paid Up Capital</b>	102000.00
(1,02,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)	
(Previous Year 68,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)	
	<b>102000.00</b>

**10.1) The details of Shareholders holding more than 5% shares :-**

Name of the Shareholder (% of Holding)	No. of Shares (% of holding)
Alkesh R Patel	2099940 (20.59%)
Jyotsnaben R Patel	3300000 (32.35%)
Rameshchandra N Patel	2100000 (20.59%)

**10.2) The reconciliation of the number of shares outstanding is set out below :-**

Particulars	No. of Shares
Equity Shares at the beginning of the year	10200000

Add : Shares issued during the year	0.00
Equity Shares at the end of the year	10200000

### 10.3) Terms/rights attached to equity Shares:

The company has only one class of equity shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share and dividend as and when declared by the company.

### NOTE 11: OTHER EQUITY

Particulars	Amount (In '000)
	31.03.2019
<b>A) Securities Premium</b>	
As per Balance sheet of Previous Financial Year	0.00
Add : Addition in Current Year	0.00
Less : Utilized in Current Year	0.00
<b>TOTAL (A)</b>	<b>0.00</b>
<b>B) Retained Earnings</b>	
As per Balance sheet of Previous Financial Year	32308.81
Add : Transfer from Profit of the Current Year	45146.23
Less : Utilized Against Earlier Period Taxes	0.00
Less : Utilization for issue of Bonus Shares	0
<b>TOTAL (B)</b>	
<b>TOTAL (A+B)</b>	<b>77455.04</b>

### NOTE 12: LONG TERM BORROWING

Particulars	Amount (In '000)
	31.03.2019
<b>A) Secured</b>	
ICICI Bank Car Loan	1781.25
HDFC Bank Limited Car Loan	802.24
ICICI Bank Machinery Loan	1271.15
Kotak Mahindra Bank Prime Limited Car Loan	1559.03
<b>TOTAL (A)</b>	<b>5413.67</b>
<b>B) Unsecured</b>	<b>0.00</b>
<b>TOTAL (B)</b>	<b>0.00</b>
<b>TOTAL (A+B)</b>	<b>5413.67</b>

#### Note 12.1) Terms of Loans:

- ICICI Bank Machinery Loan is secured by way of hypothecation of Plant & Machinery @ 9.24% payable in equal 48 EMI's of Rs. 58410.00
- Car Loans taken from Bank of financial institution are secured by way of hypothecation of the Vehicle purchased from the Amount of Loan.
- There are no defaults in repayment of loans and interest during the year

### NOTE 13: LONG TERM PROVISION

Particulars	Amount (In '000)
	31.03.2019
Provision for Gratuity	1234.80
<b>TOTAL</b>	<b>1234.80</b>

**NOTE 14: DEFERRED TAX LIABILITIES (NET)**

Particulars	Amount (In '000)
	31.03.2019
Deferred Tax Liabilities as of Previous Year	1426.04
Add/Less : Adjustments in Current Year	(354.07)
<b>TOTAL</b>	<b>1071.97</b>

**NOTE 15: SHORT TERM BORROWINGS**

Particulars	Amount (In '000)
	31.03.2019
<b>A) Secured</b>	
Kotak Mahindra Bank O/D	69430.88
<b>TOTAL (A)</b>	<b>69430.88</b>
<b>B) Unsecured</b>	
Loan from Director in Subsidiary	87.36
<b>TOTAL (B)</b>	<b>87.36</b>
<b>TOTAL (A+B)</b>	<b>69518.24</b>

**15.1) Terms of Loan:**

a) Kotak Mahindra Overdraft facility has is secured by way of equitable mortgage/hypothecation of Factory Shed & land which is subject to renewal on March, 2020. Further there is no default in repayment of loan.

b) Unsecured Loan taken from directors are interest free & repayable on demand.

**NOTE 16: TRADE PAYABLES**

Particulars	Amount (In '000)
	31.03.2019
Sundry Creditors for Expenses	11170.20
Sundry Creditors for Goods	19895.48
<b>TOTAL</b>	<b>31065.67</b>

**NOTE 17: OTHER CURRENT LIABILITIES**

Particulars	Amount (In '000)
	31.03.2019
Current Maturities of Long Term Debt	2210.49
GST Payable	10260.26
Unpaid Electricity bill	46.40
Unpaid Prof. Tax	482.47
Unpaid Prov. Fund	195.08
Unpaid Salary	3043.45
Travelling Exp. Payable	43.49

Unpaid Interest	0.00
Audit Fees Payable	45.00
T.D.S Payable	1036.17
Demat Account with Kotak Securities	1.35
Advance Received from Debtors	0.00
Retention	319.35
Unclaimed Dividend	16.00
Unclaimed Investor Fund	442.34
Unpaid Expenses of Subsidiary	17.38
<b>TOTAL</b>	<b>18159.23</b>

#### NOTE 18: CURRENT TAX LIABILITIES

Particulars	Amount (In '000)
	31.03.2019
Provision for Income Tax (Net)	3539.33
<b>TOTAL</b>	<b>3539.33</b>

#### NOTE 19: REVENUE FROM OPERATIONS

Particulars	Amount (In '000)
	31.03.2019
Sales	414425.21
Less : Excise Duty	0.00
Net Sales	414425.21
<b>TOTAL</b>	<b>414425.21</b>

#### NOTE 20: OTHER INCOME

Particulars	Amount (In '000)
	31.03.2019
Interest Income	490.67
Dividend Income	47.38
Discount Received	289.34
Income from Various Subsidiaries	2115.39
Other Incomes	1426.99
<b>TOTAL</b>	<b>4369.77</b>

#### NOTE 21: COST OF RAW MATERIAL CONSUMED

Particulars	Amount (In '000)
	31.03.2019
Opening stock of Raw Material	42289.76
Add : Purchases During the Year	220508.66
Less : Closing Stock of Raw Material	88689.60
<b>TOTAL</b>	<b>174108.81</b>

**NOTE 22: CHANGE IN INVENTORY OF FINISHED GOODS, WIP & STOCK IN TRADE**

Particulars	Amount (In '000)
	31.03.2019
<b>Inventories at the begening of the Year</b>	
- Work In Progress	70277.54
- Finished Goods	13168.10
- Stock in Trade	0.00
<b>Inventories at the end of the Year</b>	
- Work In Progress	27873.88
- Finished Goods	10135.95
- Stock in Trade	
<b>Net Change in the Inventory of Finished Goods, WIP &amp; Stock in Trade</b>	<b>45435.81</b>

**NOTE 23: EMPLOYEE BENEFIT EXPENSES**

Particulars	Amount (In '000)
	31.03.2019
Bonus	1993.28
Staff Welfare Expenses	1904.50
Salary to Staff	27420.64
Directors Remuneration	6500.00
Directors Sitting Fees	75.00
Provident Fund Exp.	1145.41
Provision for Gratuity	418.22
<b>TOTAL</b>	<b>39457.05</b>

**NOTE 24: FINANCE COST**

Particulars	Amount (In '000)
	31.03.2019
Interest expenses	3909.06
Other borrowing costs	1671.00
<b>TOTAL</b>	<b>5580.06</b>

**NOTE 25: DEPRECIATION & AMORTISATION EXPENSES**

Particulars	Amount (In '000)
	31.03.2019
Depreciation	10266.03
<b>TOTAL</b>	<b>10266.03</b>

**NOTE 26: OTHER EXPENSES**

Particulars	Amount (In '000)
	31.03.2019
<b>DIRECT EXPENSES</b>	
Power & fuel	1740.56
Testing & Inspection	9888.27

Job Work	39489.77
Labour charges	5.40
Transportation Exp.	5686.37
Import Material Clearing Charges	3291.05
Engineering Design & Consultancy Exps.	1175.25
Factory Shed Repairing Exp.	0.00
Factory Rent	1440.00
Repair of Plant & Machinery	752.21
Other Direct Exp.	2579.11
<b>Total (A)</b>	<b>66047.99</b>
<b>INDIRECT EXPENSES</b>	
Adjustment on Account of FVTPL	162.63
Audit Fees	50.00
Advertisement Exp.	112.84
AMC Charges	1348.29
Bank Charges	961.38
Commission Exp.	0.00
Demat Charges	0.91
Freight Exp.	259.16
Forex Gain/Loss	288.76
Repairs & Maintenance	277.06
Insurance	203.94
Marketing & Sales Consulting Exp.	1270.15
Professional & Legal Fees	3561.86
Rates & Taxes	934.00
Rent	1800.00
Late Delivery Charges	792.58
Travelling & Conveyance Expenses	1590.38
Office Miscellaneous Expenses	574.37
Donation	11.00
Packing And Forwarding Charges	31.50
Postage & Courier	108.58
Telephone Exps.	324.95
Stationery / Xerox Exps.	461.29
Website Exp.	24.17
Other Exp.	167.29
ZAK Panchayat Tax	63.51
Operating Expenses of Subsidiary	170.00
<b>Total (B)</b>	<b>15550.58</b>
<b>TOTAL (A+B)</b>	<b>81598.57</b>

**NOTE 27. EARNINGS PER SHARE:**

(Amount In '000)

Particulars	2018-19
Total Comprehensive Income after tax as per Statement of Profit & loss available to equity shareholders (In Thousands) (a)	45146.23
Number of equity shareholder at the end of the year	10200000
Weighted average no of Equity shareholder at the end of the year (b)	10200000
Basic/Diluted Earnings Per Share (a/b)	4.43

**NOTE 28. EMPLOYEE BENEFITS:****a) Contribution to Employee Provident Fund:**

Particulars	2018-19
Contribution to employee provident Fund (in thousands)	1145.41

**b) Gratuity:**

The following table summarizes the components of expense recognized in the Consolidated Statement of Profit & Loss and the amount recognized in the Consolidated Balance sheet according to Actuarial Report:

Particulars	(In '000) 2018-19
<b>1. Amount Recognized in statement of Profit &amp; loss</b>	
a. Current Service Cost	343.91
b. Interest on defined benefit obligations	74.31
c. Past Service Cost	0.00
<b>Total Amount Included in Employee Benefit Expenses</b>	<b>418.22</b>
<b>2. Amount Recognized in Other comprehensive Income</b>	
Net Actuarial Gain/Loss recognized during the year	142.28
<b>3. Amount Recognized in the Balance Sheet</b>	
Present Value of Obligation as on the balance Sheet Date	1234.80
<b>4. Reconciliation of Present Value of defined Benefit Obligations :</b>	
Present value of obligations at the beginning of the period	958.85
Interest cost	74.31
Current service cost	343.91
Actuarial (gain)/loss	(142.27)
<b>Present value of the obligation at the end of the period</b>	<b>1234.80</b>
<b>5. Actuarial Assumption on the defined benefit obligations</b>	
Discount Rate Per Annum	<b>7.75%</b>
Salary Growth Rate per Annum	<b>5.00%</b>

**NOTE 29. CIF Value of Imports:**

Particulars	(Amount In '000) 2018-19
Raw Material	20935.80

**NOTE 30. Contingent Liabilities not provided for:**

In respect of Bank Guarantees 69.70 Lacs.

**NOTE 31. Segment Reporting:**

The Company is primarily engaged in the equipments Manufacturing, which in the context of Accounting Standard 108 on "Operating Segments" constitutes a single reporting segment. Further, there are no reportable geographical segments.

**NOTE 32. Disclosure of Related Party Transactions as on March 31<sup>st</sup>, 2019:-**

Related Party Transactions are being reported as per Ind AS 24 'Related Party Disclosures' for the year ended March 31, 2019.

- Key Managerial Personnel:

S.No.	Name	Designation
1.	Mr. Rameshchandra Nathalal Patel	Whole time Director
2.	Mr. Alkesh Rameshchandra Patel	Managing Director
3.	Mrs. Jyotsanaben Rameshchandra Patel	Whole time Director
4.	Mr. Amitkumar Chandubhai Patel	Chief Financial Officer
5.	Ms. Komal Manoharlal Motiani	Company Secretary & Compliance officer
6.	Mr. Babubhai Bhulabhai Patel	Non-Executive Independent Director
7.	Mr. Girish Nathubhai Desai	Non-Executive Independent Director
8.	Mr. Kalpesh Lalitchandra Joshi	Non-Executive Independent Director

\* Non-Executive Independent Director are included only for the purpose of compliance with definition of key managerial personnel given under Ind AS 24.

- Entities where key managerial Personnel and their relatives having control/Significance Influence:

S.No.	Name	KMP	Nature of Influence
1	Loyal Engineers	Mrs. Jyotsanaben Rameshcnadra Patel	Proprietor

- Particulars of Transactions with Related Parties:

(In '000)

Particulars	For the year ended March 31, 2019
Remuneration to Key Managerial Personnel	
Mr. Rameshchandra Nathalal Patel	3250.00
Mr. Alkesh Rameshchandra Patel	3850.00
Mr. Amitkumar Chandubhai Patel	727.00
Ms Komal Manoharlal Motiani	130.00
Rent Paid	
Loyal Engineers	1800.00
Mrs. Jyotsanaben Rameshchandra Patel	2400.00
Machinery Purchase	
Loyal Engineers	973.55
Sitting Fees Paid	
Mr. Babubhai Bhulabhai Patel	25.00
Mr. Girish Nathubhai Desai	25.00
Mr. Kalpesh Lalitchandra Joshi	25.00
Unsecured Loan from Director	
Alkesh Rameshchandra Patel	87.36

- Outstanding Balance of Related Parties:



(In '000)

S.No.	Name	Balance as on March 31, 2019
1.	Mr. Rameshchandra Nathalal Patel	892.00
2.	Mr. Alkesh Rameshchandra Patel	87.36
4	Mrs. Jyotsanaben Rameshchandra Patel	0.00
5.	M/s Loyal Engineers	1271.54
6.	Mr. AmitKumar Chandubhai Patel	54.100
7.	Ms Komal Manoharlal Motiani	9.13

### NOTE 33. FINANCIAL INSTRUMENTS

#### a. Financial Risk Management objects and policies

In its ordinary operations, the company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has a risk management policy which covers the foreign exchanges risks and other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The following is the summary of the main risks.

- **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk), will affect the Company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

- i. **Interest Rate Risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest-bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest-bearing investments will fluctuate because of fluctuations in the interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations.

- ii. **Foreign Currency Risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD related to the imports of its raw material and capital assets. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

- **Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The company's revenue combination is of government and private parties, the company is having majority of receivables from Government undertakings and hence they are secured from credit losses in the future. In case of private customers, the Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the

concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date.

Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognised in the Statement of Profit and Loss.

**The ageing analysis of the receivables has been considered from the date the invoice falls due –**

Particulars	As at March 31, 2019
<b>Trade Receivables</b>	
More than Six Months	1356.73
Less Than Six Months	64806.52

- **Liquidity Risk**

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Expected contractual maturity for Financial Liabilities:**

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>As at March 31, 2019</b>				
Borrowings	71728.73	5413.67	0.00	<b>77142.40</b>
Trade & Other Payables	31065.67	0.00	0.00	<b>31065.67</b>
Other financial Liabilities	15948.74	0.00	0.00	<b>15948.74</b>

**d) Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stakeholders.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019.

### Gearing Ratio:

Particulars	As at March 31, 2019
Total Borrowings	77142.40
Less: Cash & Cash Equivalents	22301.09
Net Debts	54841.31
Total Equity	179455.04
Gearing Ratio	0.31

### Category of Financial Instruments:

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying Value as on March 31 <sup>st</sup> , 2019	Fair Value as on March 31 <sup>st</sup> , 2019
<b>Financial Assets</b>		
FVTPL Financial Instruments – Investments	964.57	801.94
Trade Receivables	66163.25	66163.25
Cash & Cash Equivalents	22301.09	22301.09
Other financial Assets	3785.80	3785.80
<b>Total</b>	<b>93214.71</b>	<b>93052.08</b>
<b>Financial Liabilities</b>		
Borrowings	77142.40	77142.40
Trade Payables	31065.67	31065.67
Other Financial Liabilities	15948.74	15948.74
<b>Total</b>	<b>124156.81</b>	<b>124156.81</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, other bank balances, other current asset and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### NOTE 34. First time adoption of Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in "Note 1" have been applied in preparing the financial statements for the year ended March 31, 2019, since these are the first consolidated financial statements of the company so that the previous year figures are not available.

- **Exemptions and Exceptions availed on first time adoption of Ind AS 101:**

In preparing these Ind AS financial statements, the Company has availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101 from IGAAP to Ind AS, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its IGAAP financial statements.

- **Ind AS Optional Exemptions:**

**a) Deemed Cost for Property, Plant and Equipment and Intangible Assets:**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value of all item of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'. Accordingly, the Company has elected to measure all items of property, plant and equipment, capital work in progress and intangible assets at their IGAAP carrying value as at the transition date.

• **Ind AS mandatory exemptions:**

**a) Estimates:**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

• **Reconciliations between IGAAP and Ind AS:**

Since these are the first consolidated financial statements of the company so that reconciliation statements for previous period is not available.

**NOTE 35.** Since these are the first consolidated financial statements of Company so that all the Opening Figures are taken of Standalone Balance Sheet of Previous Year i.e. March 31<sup>st</sup>, 2018

**For and On behalf of the Board  
For Loyal Equipments Limited**

**As per Our Separate Report of  
Even Date  
For JM Patel & Bros  
CHARTERED ACCOUNTANTS**

Sd/-

Sd/-

Sd/-

**Rameshchandra Nathalal  
Patel  
Whole-time Director  
DIN - 01307699**

**Alkesh Rameshchandra  
Patel  
Managing Director  
DIN - 02672297**

**Amit Chandubhai  
Patel  
Chief Financial  
Officer**

Sd/-

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

Sd/-

**Komal Manoharlal  
Motiani  
M.No - 39696**

**Date – May 28, 2019  
Place - Ahmedabad**

## CEO AND CFO CERTIFICATION

To,

**The Board of Directors  
Loyal Equipments Limited**

We, Managing Director and Chief Financial Officer of Loyal Equipments Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow of the Company and all the notes on accounts and the Board's report for the year ended March 31, 2019.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statement was made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and with the existing accounting standards and/or applicable laws and regulations.
4. There are no transactions entered into by the company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's audit committee of Board of Director's.
5. We are responsible for establishing and maintaining disclosure controls over financial reporting for the Company, and we have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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 (GAAP) in India.
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have displayed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions):
  - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b. Any significant changes in internal controls during the year covered by this report.

- c. All significant changes in internal controls during the year covered by this report.
  - d. Any Instances of significant fraud of which we are aware, that involve the management or other employees who have a significant role in the Company's internal control system
7. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle-blowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

**Sd/-**

**Alkesh Rameshchandra Patel**  
**Managing Director**  
**DIN - 02672297**

**Sd/-**

**Amitkumar Chandubhai Patel**  
**Chief Financial Officer**

**Place : Dahegam, Gandhinagar**

**Date : July 09, 2019**



# LOYAL equipments limited

(CIN: L29190GJ2007PLC050607)

Regd. Office: Block No.35/1-2-3-4, Village – Zak, Dahegam, Gandhinagar-382330, Gujarat, India

Tel No.: +91-2718-247236, Fax No.: +91-2718-269033

E-mail : [cs@loyalequipments.com](mailto:cs@loyalequipments.com), Website: [www.loyalequipments.com](http://www.loyalequipments.com)

## PROXY FORM (Form No. MGT-11)

[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) :	Folio No/ DP ID-Client ID:
Registered Address :	
No. of Shares held:	E-mail Id:

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company hereby appoint:

1.	Name:	Signature	
	Address:		
	E-mail ID:		
or failing him/her			
2.	Name:	Signature	
	Address:		
	E-mail ID:		
or failing him/her			
3.	Name:	Signature	
	Address:		
	E-mail ID:		

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12<sup>th</sup> Annual General Meeting of the company, to be held on the Saturday, August 10, 2019, at 11.00 AM at Block No. 35/1-2-3-4 Village – Zak, Dahegam, Gandhinagar - 382330 Gujarat, India and/or at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Particulars	Vote	
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and		
2	To appoint a Director in place of Mrs. Jyotsanaben Rameshchandra Patel (DIN-01307770) who retires by rotation and, being eligible, offers himself for re-appointment		
3	To appoint the auditors of the company and to fix their remuneration		
4.	To consider and revise the remuneration of Mr. Rameshchandra Nathalal Patel		
5.	To consider and revise the remuneration of Mr. Alkesh Rameshchandra Patel		

6.	To consider and revise the remuneration of Mr. Jyotsanaben Rameshchandra Patel		
----	--	--	--

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix Revenue Stamp here
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Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

----- Cut Here -----

EVEN (E-Voting Sequence Number)	USER ID	PASSWORD / PIN

**Notes:**

1. A Proxy need not be a member of the Company.
2. This form of Proxy must be deposited at the Registered Office of the Company at Block No. 35/1-2-3-4 Village – Zak, Dahegam, Gandhinagar - 382330 Gujarat, India, not less than 48 hours before the commencement of the Meeting.
3. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.





# LOYAL equipments limited

(CIN: L29190GJ2007PLC050607)

Regd. Office: Block No.35/1-2-3-4, Village – Zak, Dahegam, Gandhinagar-382330, Gujarat, India

Tel No.: +91-2718-247236, Fax No.: +91-2718-269033

E-mail : [cs@loyalequipments.com](mailto:cs@loyalequipments.com), Website: [www.loyalequipments.com](http://www.loyalequipments.com)

## ATTENDANCE SLIP

**12TH ANNUAL GENERAL MEETING TO BE HELD ON SATURDAY, AUGUST 10, 2019 AT 11:00 A.M. AT BLOCK NO.35/1-2-3-4, VILLAGE – ZAK, DAHEGAM, GANDHINAGAR-382330, GUJARAT, INDIA.**

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
*Folio No.	
DP ID No.	
Client ID No.	
No. of Shares held	
NAME OF PROXY (IN BLOCK LETTERS) to be filled in, if the proxy attends instead of the member	

I/We, hereby record my/our presence at the 12th Annual General Meeting of the Company held on Saturday, August 10, 2019 at 11:00 A.M. at **Block No.35/1-2-3-4, Village – Zak, Dahegam, Gandhinagar-382330, Gujarat, India.**

\*Applicable in case of shares held in Physical form.

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Signature of Member / Proxy

### Note:

1. Only Members/Proxy holders can attend the Meeting
2. Members are requested to bring their copies of the Annual report for reference at the meeting
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.

# 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, Gujarat, India

