



LOYAL equipments limited.

Regd. Office & Works : Block No.: 33/34/35/1-2-3-4-5, Village : Zak,
Ta.: Dahegam, Dist : Gandhinagar - 382 330, GUJARAT, INDIA
Contact No.: +91 90990 39955
E-mail : Info@loyalequipments.com, www.loyalequipments.com
CIN NO. L29190GJ2007PLC050607

ISO 9001 : 2015 Certified
ASME - U, U2, R & NB Certified

Date: September 07, 2021

To,

**The Compliance Department,
B.S.E. Limited,
P. J. Towers, Dalal Street,
Fort, Mumbai – 400 001
Maharashtra, India.**

Dear Sir/Madam,

(Ref – Script Code: 539227, Loyal Equipments Limited)

**Sub: Submission of Annual Report as Regulation 34 of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Kindly find attached the Annual Report of Loyal Equipments Limited for the year 2020-21 for your record.

Kindly take the above information on record and acknowledge the receipt.

Thanking you,

Yours Faithfully

FOR LOYAL equipments limited

J-R. Patil

**Jyotsanaben Rameshchandra Patel
Whole-time Director
DIN - 01307770**



Place – Dahegam

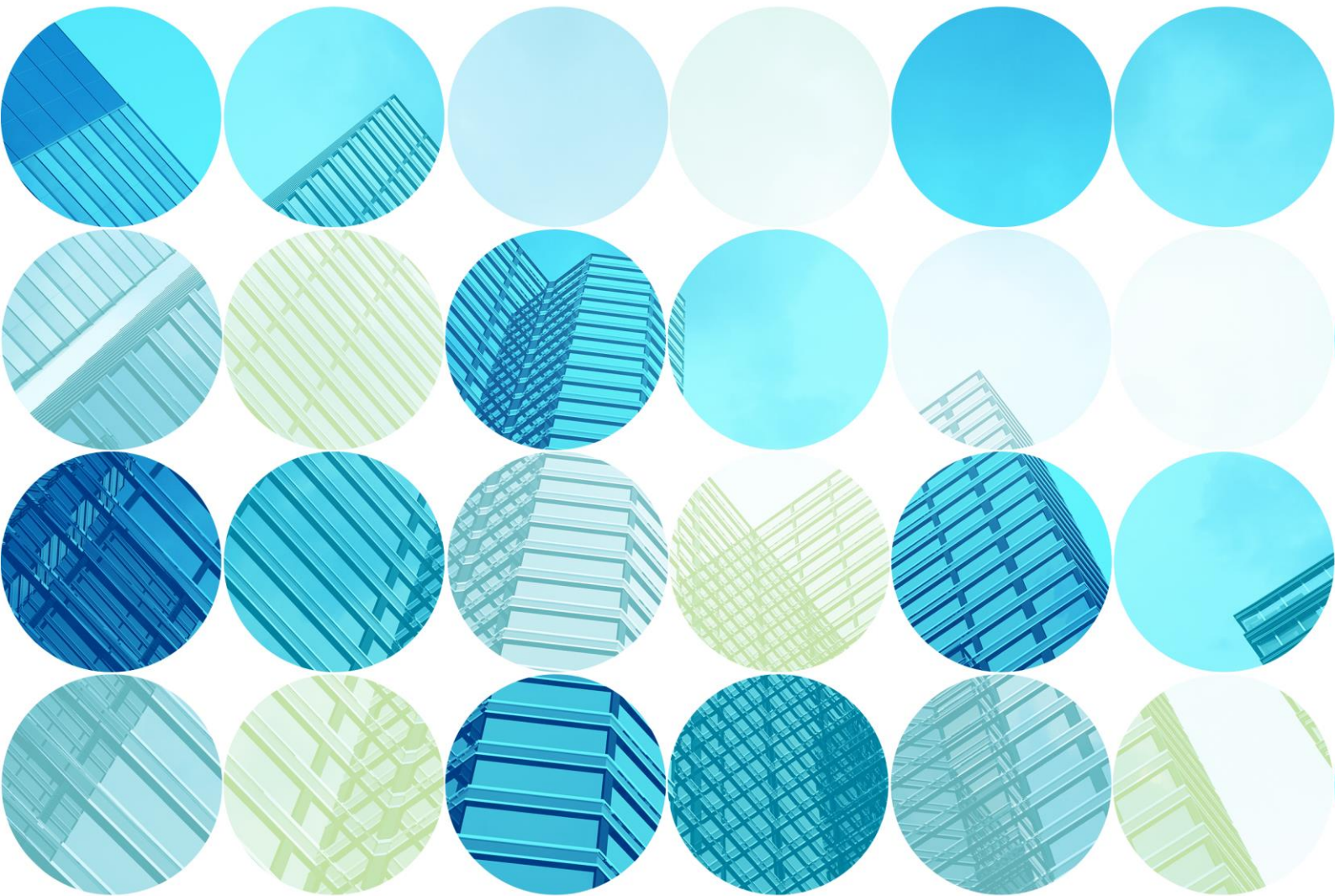
Enclosure – As above



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CORPORATE INFORMATION

Board of Directors

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

Chairman and 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
Website: www.loyalequipments.com

Registrar and Share Transfer Agent

Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai
- 400083.

Website: www.linkintime.co.in
Email: rnt.helpdesk@linkintime.co.in
Contact No. – 022-49186060
SEBI Regn. No. INR000004058

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 ;
Website: www.loyalequipments.com
CIN: L29190GJ2007PLC050607

Depositories

National Securities Depository Limited
Central Depository Services (India) Limited

Statutory Auditor

M/S. A Y & Company,
Chartered Accountants
404, Fourth Floor, ARG Corporate Park,
Gopalbari, Ajmer Road,
Jaipur – 302006, Rajasthan, India
Tel No.: +91-9649687300
E-mail: info@aycompany.co.in
Contact Person: CA Arpit Gupta

Shares Listed at

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

Bankers

HDFC Bank Limited

LETTER TO THE SHAREHOLDERS



Alkesh Rameshchandra Patel, Managing Director

Dear Member(s),

With great pleasure, I welcome you to the 14th Annual General Meeting of Your Company held through virtual mode.

We take this opportunity to thank each and every member of Loyal family for showing courage and patience in these turbulent times. We have come along one more year of moving ahead in emerging opportunities in global and domestic markets.

Today in the situations where whole of the world is suffering from pandemic crisis, the impact can be seen in every industry including our industry also. The world is going through an unprecedented crisis of Covid-19 pandemic and we are evaluating our company's performance and future at the middle of this biggest crisis. Further the financial impact of the crisis can be seen in the year 2020-21, as your company has reached the turnover of Rs. 25.63 Crores on standalone basis and Rs. 27.16 Crores on consolidated basis which is decrease from previous year.

In the longer term, for Loyal Equipments Limited, we expect to achieve improving profitability in our journey. We shall be further strengthening our growth by taking advantage of our integration capabilities. Our priorities for building our business for the future are clear. We have the orders from our customer, we have a focused strategy, and we have the leadership team in place to deliver on our plans. Exceptional market conditions and lessons learned from the pandemic have reaffirmed the opportunities in the market and we strongly believe that there are multiple levers for growth within our control.

We take this opportunity to again thank our dedicated and hardworking staff, our customer base, and all those who provided their unflinching support to us during this enriching journey. We end our address by also thanking our shareholders, suppliers, distributors, and all other stakeholders for standing with the Company in the challenging times of the year gone by.

Please do take care of yourself and your family and stay safe.

Wish best wishes
Sincerely

Alkesh Rameshchandra Patel
Chairman & Managing Director
September 07, 2021

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NOTICE

Notice is hereby given that the Fourteen Annual General Meeting of the members of Loyal Equipments Limited will be held on Thursday, September 30, 2021 at 11.00 IST through Video Conferencing ('VC') / other Audio-Visual Means ('OAVM') 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, 2021, 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, 2021, together with the Reports of the Auditors thereon; and

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

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

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 & other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and provisions of the Articles of Association of the Company, Ms. Helena Alkeshkumar Patel, who was appointed as an Additional Director who holds office upto the date of this Annual General Meeting in terms of Section of the Company by the Board of Directors with effect from August 28, 2021 and who is eligible for appointment and has consented to act as Non-Executive Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Non-Executive Director, be and is hereby appointed as a Non-Executive Director of the Company.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary for obtaining necessary approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to any Director, Company Secretary or any other officer(s) of the Company”.

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

**Akanksha Aswani
Company Secretary**

**Place – Gandhinagar, Gujarat
Date – September 07, 2021**

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NOTES:

1. Explanatory Statement pursuant to Section 102 of the Act relating to Items nos. 3 of the Notice of the 14th AGM, is annexed hereto. Also, relevant details in respect of Directors seeking re-appointment at the AGM, in terms of Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard – 2 on General Meetings are also annexed to this notice.
2. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/ 2020 dated 5th May, 2020, read with General Circular No. 14/ 2020 dated 8th April, 2020, General Circular No. 17/ 2020 dated 13th April, 2020, General Circular No. 20/2020 dated 05th May 2020 and General Circular No. 02/ 2021 dated January 13, 2021 issued by Ministry of Corporate Affairs (“MCA”) (collectively referred to as “said Circulars”) and SEBI Circular No. SEBI/HO/CFD/CMD 2/CIR/P/2021/11 dated January 15, 2021 issued by Securities and Exchange Board of India (“SEBI Circular”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Shareholders at a common venue. Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 (“Act”) read with the said Circulars, SEBI Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Company has decided to convene its ensuing 14th AGM through VC/ OAVM and the Shareholders can attend and participate in the ensuing AGM through VC/ OAVM.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held through VC/ OAVM, whereby physical attendance of Shareholders has been dispensed with and in line with the said Circulars read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (“said SEBI Circular”) and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (“SEBI”), THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in terms of the provisions of Section 112 and 113 of the Act read with the said Circulars, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately, herein below).
4. The Shareholders can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein below in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 Shareholders on ‘first come first serve’ basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of ‘first come first serve’ basis.
5. The attendance of the Shareholders attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the said Circulars issued by the MCA and said SEBI Circulars, the Annual Report including Notice of the 14th AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by Email, to all the Shareholders whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes to the Shareholders and to all other persons so entitled. Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and said SEBI Circular, the Annual Report including Notice of the 14th AGM of the Company will also be available on

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the website of the Company at www.loyalequipments.com. The same can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com respectively and on the website of CDSL i.e. www.evotingindia.com.

7. 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.
8. Members joining the meeting through VC who have not already cast their vote by means of remote e-voting shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 24, 2021 to Thursday, September 30, 2021 (both days will be inclusive).
10. 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, Link Intime India Private Limited ("the RTA") to provide efficient and better services.

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.

11. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
12. 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.

13. DOCUMENTS OPEN FOR INSPECTION

- (i) All the documents referred to in the accompanying notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 shall be available for inspection through electronic mode without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members are requested to write to the Company for inspection of said documents; and
- (ii) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM, upon login to <https://instameet.linkintime.co.in>

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14. The Company's Registrar and Transfer Agent for its Share Registry Work (Physical and Electronic) is Link Intime India Private Limited having their office at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083.
15. There is no record date for the purpose of Dividend as the same is not recommended by the Board of Directors for the financial year 2020-21.
16. **Electronic dispatch of Annual Report and process for registration of email id for obtaining copy of Annual Report:** In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Registrar and Share Transfer Agent/Depository Participant. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.loyalpequipments.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of Link Intime India Private Limited <https://www.linkintime.co.in>. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only

VOTING THROUGH ELECTRONIC MEANS:

17. In terms of the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 (as amended from time to time) and Regulation 44 of the SEBI Listing Regulations and the said Circulars, the Company is pleased to provide the facility of "e-voting" to its Shareholders, to enable them to cast their votes on the resolutions proposed to be passed at the AGM, by electronic means. The instructions for e-voting are given herein below. The Company has engaged the services of Central Depository Securities Limited ("CDSL"), who will provide the e-voting facility of casting votes to a Shareholder using remote e-voting system (e-voting from a place other than venue of the AGM) ("remote e-voting") as well as e-voting during the proceeding of the AGM ("e-voting at the AGM").

Further, in accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed Thursday, September 23, 2021 as the "cut-off date" to determine the eligibility to vote by remote e-voting or e-voting at the AGM.

18. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. Thursday, September 23, 2021, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. Only those Shareholders, who will be present at the AGM through VC/OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
19. **The instructions for shareholders voting electronically are as under:**
 - A. The voting period begins on Monday, September 27, 2021 from 9.00 A.M and ends on Wednesday, September 29, 2021 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 Thursday, September 23, 2021, 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.
 - B. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - C. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders'

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resolutions. However, it has been observed that the participation by the public non-institutional shareholder's/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- D. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>If you are already registered for NSDL IDeAS facility,</p> <ol style="list-style-type: none"> 1) Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. 2) Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. 3) A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4) Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. 5) Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <p>If the user is not registered for IDeAS e-Services,</p> <ol style="list-style-type: none"> 1) option to register is available at https://eservices.nsd.com. 2) Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Please follow steps given in points 1-5.
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. 2. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022- 23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

E. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.

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- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- F. After entering these details appropriately, click on “SUBMIT” tab.
- G. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- H. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- I. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- J. 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.
- K. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- L. 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.
- M. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

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- N. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- O. 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.
- P. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; _____ (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

20. Procedure for attending the AGM through VC/OAVM:

The Company is pleased to provide its members, the facility to attend the 14th Annual General Meeting THROUGH VC / OAVM. For this purpose, the Company has availed the INSTAMEET services of M/s Link Intime India Private Limited for facilitating its members to participate at the AGM.

Facility for joining the Annual General Meeting through VC/OAVM shall open 30 (Thirty) minutes before the time scheduled for the Annual General Meeting. The login window for joining AGM shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

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Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Members with 2% or more shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to join the meeting without restrictions of first come- first serve basis.

Members will be able to attend the AGM through VC / OAVM by following the procedure given below:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the “**Company**” and ‘**Event Date**’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/Members to Speak during the AGM through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

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Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience. Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/> or
- a) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application . Click on Run a temporary application , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

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

Sd/-

**Akanksha Aswani
Company Secretary**

**Place – Dahegam, Gandhinagar
Date – September 07, 2021**

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BRIEF RESUME OF THE DIRECTOR(S) SEEKING RE-APPOINTMENT AT THE 14TH ANNUAL GENERAL MEETING TO BE HELD AT SEPTEMBER 30, 2021.

Particulars	Mrs. Jyotsanaben Rameshchandra Patel
Date of Birth	18/10/1948
Date of Appointment	13/06/2015
Qualifications	9 th 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.
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 2020-21.
DIN	01307770

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

Item No. 3

Ms. Helena Alkeshkumar Patel was appointed as an Additional Director of the Company with effect from August 28, 2021, in accordance with the provisions of Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office only up to the date of the ensuing Annual General Meeting of the Company.

Ms. Helena Alkeshkumar Patel is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director. The Board is of the view that the appointment of Ms. Helena Alkeshkumar Patel as Non-Executive Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution No. 3 for approval by the members of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Ms. Helena Alkeshkumar Patel himself, Mr. Alkesh Rameshchandra Patel and Mrs. Jyotsanaben Rameshchandra Patel, is in any way concerned or interested, in the said resolution.

The Board recommends the said resolution to be passed as an ordinary resolution.

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

Sd/-

**Akanksha Aswani
Company Secretary**

**Place – Dahegam, Gandhinagar
Date – September 07, 2021**

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BOARD'S REPORT

To

**The Shareholders,
LOYAL EQUIPMENTS LIMITED**

Your Directors have pleasure in presenting the 14th (Fourteen) Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2021.

1. FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2021 is summarized as below:

Based on Consolidated Financial Statement: -

(Amount in '000)

Particulars	Current Year (2020-21)	Previous Year (2019-20)
Revenue from operations	271647.06	340006.98
Other income (net)	11742.20	1652.72
Total Income	283389.26	341659.70
Less:		
Operating & Administrative expenses	243381.71	282080.21
Profit Before Depreciation Interest & Tax	40007.55	59579.49
Less:		
Depreciation and amortization expense	14821.00	11460.70
Finance costs	11295.24	9926.08
Profit before exceptional item and tax	13891.32	38192.71
Exceptional item	--	--
Profit before tax (PBT)	13891.32	38192.71
Tax expense	4939.88	9401.35
Profit after tax for the year (PAT)	8951.44	28791.36
Other Comprehensive Income (Net of Tax)	(620.66)	(146.60)
Total Comprehensive Income	8330.78	28644.77

Based on Standalone Financial Statement: -

(Amount in '000)

Particulars	Current Year (2020-21)	Previous Year (2019-20)
Revenue from operations	256267.61	334512.16
Other income (net)	18519.01	1984.82
Total Income	274786.62	336496.98
Less:		
Operating & Administrative expenses	235652.26	276917.50
Profit Before Depreciation Interest & Tax	39134.36	59579.48
Less:		
Depreciation and amortization expense	14081.53	11460.70
Finance costs	11226.20	9926.08
Profit before exceptional item and tax	13826.63	38192.70

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Exceptional item	--	--
Profit before tax (PBT)	13826.63	38192.70
Tax expense	4888.27	9401.34
Profit after tax for the year (PAT)	8938.36	28791.36
Other Comprehensive Income (Net of Tax)	(620.65)	(146.60)
Total Comprehensive Income	8317.71	28644.76

2. OPERATION & REVIEW:

Consolidated Revenue from the operations of your Company for the year 2020-21 was Rs 2833.89 which is 17.06% lower than Rs. 3416.60 Lakhs in the previous year. Profit before Depreciation Interest & Tax for the current year was Rs 400.08 Lakhs against Rs.595.79 Lakhs in the previous year. Total Comprehensive Income after tax for the current year at Rs. 83.31 Lakhs was decrease by 70.90% over Rs. 286.45 Lakhs 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.

Standalone Revenue from the operations of your Company for the year 2020-21 was Rs 2747.87 Lakhs which is 18.34% lower than Rs. 3364.97 Lakhs in the previous year. Profit before Depreciation Interest & Tax for the current year was Rs 391.34 Lakhs against Rs. 595.79 Lakhs in the previous year. Total Comprehensive Income after tax for the current year at Rs. 83.18 Lakhs was decrease by 70.96% over Rs. 286.45 Lakhs 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. COVID-19 IMPACT

During the year 2020-21, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees.

During the year, the government of India declared lockdown in various states which impact the normal business operation of the Company. The company has continued its operations in factory, in line with guideline issued by Government of India. The Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligation.

4. 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.

5. 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 2020-21

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6. SHARE CAPITAL

As on March 31, 2021, 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.

7. TRANSFER TO RESERVES

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

8. 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.

9. 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.

10. CHANGE IN NATURE OF THE BUSINESS

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

11. 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.

12. 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.

13. INFORMATION ABOUT HOLDING / SUBSIDIARIES / ASSOCIATE COMPANY

The Company doesn't have any Holding and Associate Company as on March 31, 2021.

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.

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During the year under review, the Board of Directors (the “Board”) also reviewed the affairs of the subsidiaries. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the “Act”) the Company has prepared the Consolidated Financial Statements of the Company which forms part of this Annual Report. Further, a Statement containing salient features of the performance and financial positions of the Subsidiary in the prescribed format AOC-1, pursuant to Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, is annexed as “Annexure – II” to this Report.

In accordance with Section 136(1) of the Companies Act, 2013, the Annual Report of your Company containing inter alia, Financial Statements including consolidated financial statements, has been placed on the website of the Company at www.loyalequipments.com. Further, the financial statements of the subsidiaries have also been placed on the website of the Company at www.loyalequipments.com.

14. 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 relate and the date of the report.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The members of the Company’s Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation. The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business.

The Board exhibits strong operational oversight with regular presentations in every quarterly meeting. The Board/Committee meetings are convened by giving appropriate notice well in advance to help them plan their schedule and ensure meaningful participation in the meetings.

The Directors / Members are provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item and make informed decisions and provide appropriate directions to the Management in this regard. The Board of Directors of the Company comprises of six Directors, consisting of three Independent Directors and two Executive Directors including one Whole Time Director (Women Director) & one Managing Director as on March 31, 2021 who brings in a wide range of skills and experience to the Board.

There was no change in any Key Managerial Personnel of the Company during the year except cessation of Mr. Rameshchandra Nathalal Patel w.e.f. December 14, 2020 due to death.

16. NUMBER OF MEETINGS OF THE BOARD

Eight (10) meetings of the board and one (01) meeting of Independent Director 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.

17. 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.

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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.

18. 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.

19. 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. Alkesh Rameshchandra Patel (Member) and Mr. Kalpesh Lalitchandra Joshi (Member). The meeting of Audit committee are detailed in Corporate Governance Report annexed with this Report.

20. STAKEHOLDER'S RELATIONSHIP COMMITTEE

Stakeholder's Relationship Committee has been constituted by the Board in accordance with Section 178 of the Companies Act, 2013. The details regarding composition, terms of references, powers, functions, scope, meetings, attendance of members and the status of complaints received during the year are included in Corporate Governance Report which forms part of the Annual Report. The meeting of Audit committee are detailed in Corporate Governance Report annexed with this Report.

21. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted by the Board in accordance with section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the committee are Independent Directors. The details regarding composition, terms of references, powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report. The meeting of Audit committee is detailed in Corporate Governance Report annexed with this Report.

22. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (the "CSR Committee") has been constituted by the Board in accordance with section 135 of Companies Act, 2013. The details regarding composition, terms of references, powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

23. STATUTORY AUDITORS

M/s A Y and Company, Chartered Accountants, Jaipur (Registration no. 020829C are Statutory Auditor of the Company for a period of five years i.e. from the conclusion of the 12th Annual General Meeting till the conclusion of 17th Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee.

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24. 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".

25. INTERNAL AUDITORS

Your Company has appointed J.M Patel & Bros, Chartered Accountant as Internal Auditor. During the year the company continued to implement their suggestion and recommendations to improve the control environment. Their scope of work includes review of process for safeguarding of assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditor's findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

26. DISCLOSURE WITH RESPECT TO MAINTENANCE OF COST RECORDS

Your Company doesn't fall within the scope of Section 148(1) of the Companies Act, 2013 and hence does not require to maintain cost records as specified by the Central Government.

27. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2021, are set out in the Financial Statements of the Company

28. 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. The Policy is available on the Company's website at <https://www.loyalequipments.com>

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

Your Company has zero tolerance towards any action on the part of any of its officials, which may fall under the ambit of "Sexual Harassment" at workplace. Pursuant to the provisions of Section 21 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition, Redressal) Act, 2013, the Company formulated an Policy on Prevention of Sexual Harassment at Workplace. All employees (permanent, contractual, temporary, trainees, etc) are covered under this policy. An Internal Complaints Committee (ICC) was constituted which is responsible for redressal of complaints related to sexual harassment at the workplace.

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Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, the Internal Complaints Committee of the Company has not received any complaint of Sexual Harassment during the year under review and no complaint was pending as of 31st March, 2020.

The following is a summary of Sexual Harassment complaints received and disposed off during the financial year 2020-21:

No. of Complaints received: NIL

No. of Complaints disposed off: NIL

30. 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.

31. ANNUAL RETURN

In accordance with the provisions of Section 134(3) read with Section 92(3) of the Companies Act, 2013, the Annual Return as on March 31, 2021 is available on website of the Company and can be viewed at <http://www.loyalequipments.com>. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report

32. CORPORATE GOVERNANCE

Our corporate governance practices are a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Our board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in Corporate Governance. Also endeavour to enhance long term shareholder value and respect minority rights in all our business decisions. The Report on Corporate Governance as per the requirement of SEBI LODR 2015 forms part of this Annual Report.

A Certificate from the MD and CFO of the Company in terms of SEBI LODR 2015, inter alia, confirming the correctness of the Financial Statements and Cash Flow Statements, adequacy of the internal control for financial reporting, and reporting of matters to the Audit Committee, is also forming part of this Annual Report.

33. 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.

34. DEPOSITS FROM PUBLIC

During the financial year ended March 31, 2021, the Company has not accepted deposits from the public falling within the ambit of Section 73 and 74 of the Companies Act, 2013 and the Rules framed there under and hence no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

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35. 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, 2021 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.

36. 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".

37. REPORTING OF FRAUDS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in boards report.

38. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company' future operations

39. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATED AND THE DATE OF REPORT

There are no Material changes and commitments in the business operations of the Company from the financial year ended March 31, 2021 to the date of signing of the Boards Report.

40. AFFIRMATION ON COMPLIANCE OF SECRETARIAL STANDARDS

The Company hereby affirms that during the year under review the Company has complied with all the applicable mandatory secretarial standards (including any modifications or amendments thereto) issued by the Institute of

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Company Secretaries of India. The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings

41. PREVENTION OF INSIDER TRADING

The Board has Insider Trading Policy for regulating, monitoring and reporting of Trading of Shares by Insiders. The Code lays down guidelines, procedures to be followed and disclosures to be made while dealing with shares of the Company. The copy of the same is available on the website of the Company at the www.loyalequipments.com

42. '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.

43. CAUTIONARY NOTE

Statements in this Board's Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, Tax regimes, economic developments in the Country and other ancillary factors.

44. DISCLOSURE IN REFERENCE OF SUB RULE 1 CLAUSE (C) SUB CLAUSE (VIII) OF RULE 2 OF COMPANIES (ACCEPTANCE OF DEPOSITS) RULES 2014

During the period Company has not accepted loan/borrowing from its Director.

45. OTHER DISCLOSURES

The Board state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a.) As per rule 4(4) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

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- b.) As per rule 8(13) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme;
- c.) As per rule 12(9) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock option;
- d.) No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and
- e.) During the year, the Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

46. 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
Chairman & Managing Director
DIN – 02672297

Sd/-

Jyotsanaben Rameshchandra Patel
Whole Time Director
DIN –01307770

Date: September 07, 2021

Place: Dahegam, Gandhinagar.

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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. 56.13 Lakhs
The Foreign Exchange outgo during the year in terms of actual outflows:	Rs. 122.12 Lakhs

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
Chairman & Managing Director
DIN – 02672297

Sd/-

Rameshchandra Nathalal Patel
Whole Time Director
DIN –01307770

Date: September 07, 2021

Place: Dahegam, Gandhinagar.

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ANNEXURE – II

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in USD:

S.No.	Particulars	SUBSIDIARY
1	Sl. No.	1
2	Name of the subsidiary	Loyal Equipment Inc.
3	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	01/04/2020-31/03/2021
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD 73.20
5	Share capital	10,000 USD
6	Reserves & surplus	96,200 USD
7	Total assets	2,19,185 USD
8	Total liabilities	2,19,185 USD
9	Investments	-
10	Turnover	2,78,984 USD
11	Profit before Taxation	93,933 USD
12	Provision for Taxation	-
13	Profit after Taxation	93,131 USD
14	Proposed Dividend	-
15	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

Names of subsidiaries which are yet to commence operations - NA

Names of subsidiaries which have been liquidated or sold during the year - NA

For and on behalf of the Board
Loyal Equipments Limited

Sd/-

Alkesh Rameshchandra Patel
Chairman & Managing Director
DIN – 02672297

Sd/-

Rameshchandra Nathalal Patel
Whole Time Director
DIN –01307770

Date: September 07, 2021

Place: Dahegam, Gandhinagar.

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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 2020-21.
2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Name of Related Party	Nature of Relationship	Nature of Contract/ Arrangement/ Transactions	Duration of Contract/ Arrangement/ Transactions	Salient Terms of the Contract or Arrangement or Transactions including the value, if any	Amount received/ paid as advance, if any (Rs)
Loyal Engineers	Proprietorship of Director /Promoter	Rent Agreement	Rent Agreement effective from 1 st January, 2009.	Rent Agreement	18,00,000.00
Jyotsanaben R Patel	Director	Rent Agreement	Rent Agreement effective 1 st January, 2016	Rent Agreement	24,00,000.00

Note: The above mentioned transactions were entered into by the Company in its ordinary course of business. The above disclosures on material transactions are based on threshold of 10 percent of annual consolidated turnover of the Company and as prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014.

For and on behalf of the Board
Loyal Equipments Limited

Sd/-

Alkesh Rameshchandra Patel
Chairman & Managing Director
DIN – 02672297

Sd/-

Rameshchandra Nathalal Patel
Whole Time Director
DIN –01307770

Date: September 07, 2021
Place: Dahegam, Gandhinagar.

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ANNEXURE - IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

*[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, We hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company as per Annexure A for the Financial Year ended on 31st March, 2021 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 Audit period)
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the Audit period)
 - vi. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015;
 - vii. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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- viii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit Period)
 - ix. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period)
 - x. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review);
- (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 with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) 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: September 01, 2021

For Sharma Vivek & Associates
Company Secretaries
ICSI Unique Code: I2015RJ1295000

Name of Company Secretary: Vivek Sharma
Proprietor

FCS No. 10663 CP. No. 14773
UDIN: F010663C000871050

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.

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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: September 01, 2021

For Sharma Vivek & Associates
Company Secretaries
ICSI Unique Code: I2015RJ1295000

Name of Company Secretary: Vivek Sharma
Proprietor
FCS No. 10663 CP. No. 14773
UDIN: F010663C000871050

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ANNEXURE V

NOMINATION AND REMUNERATION POLICY

Objectives of the Committee:

The Committee shall:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of the Independent Director and to carry out evaluation of every Director's performance and to provide necessary report to the Board for further evaluation.
3. Devising a policy on Board diversity.
4. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
5. To provide to Key Managerial Personal and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
6. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
7. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
8. 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.
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.
10. To develop a succession plan for the Board and to regularly review the plan.

Definitions:

- "Act":- Act means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- "Board":-Board means Board of Directors of the Company.
- "Director":-Directors means Directors of the Company.
- "Committee":-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- "Company": - Company means Loyal Equipments Limited.
- "Independent Director":- As provided under the Companies Act, 2013, 'Independent director' shall mean a non-executive director, other than a nominee director of the Company:
 - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - c. apart from receiving director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two percent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - e. who, neither himself nor any of his relatives —
 - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

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- ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed; of-
- (A). a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate Company; or
- (B). any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
- iii. holds together with his relatives two per cent or more of the total voting power of the Company; or
- iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or f. who possesses such other qualification as may be prescribed under the applicable statutory provisions/ regulations
- g. is a material supplier, service provider or customer or a lessor or lessee of the Company; h. who is not less than 21 years of age.
- “Key Managerial Personnel”:- Key Managerial Personnel (KMP) means- (i) the Chief Executive Officer or the managing director or the manager; (ii) the Whole-Time Director; (iii) the Company Secretary; 3 (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the applicable statutory provisions/ regulations.
 - “Senior Management”:- The expression “senior management” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
 - “Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
 - “Policy or This Policy” means, “Nomination and Remuneration Policy”.
 - “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein. Guiding Principles

The Policy ensures that

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. 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.

Applicability:

The Policy is applicable to:

- i. Directors (Executive and Non-Executive)
- ii. Key Managerial Personnel
- iii. Senior Management Personnel
- iv. Employees

Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company’s policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee comprises of following Directors:

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1. Mr. Girish Nathubhai Desai, Chairman Non-Executive Independent Director;
2. Mr. Kalpesh Lalitchandra Joshi, Member Non-Executive Independent Director;
3. Mr. Babubhai Bhulabhai Patel, Member Non-Executive Independent Director.

Membership:

- a. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c. Membership of the Committee shall be disclosed in the Annual Report.
- d. Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairman:

- a. Chairman of the Committee shall be an Independent Director.
- b. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings:

The Committee shall meet at such regular intervals as may be required.

Committee Members' Interests:

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Secretary:

- a. The Company Secretary of the Company shall act as Secretary of the Committee.

Voting:

- a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

General Appointment Criteria:

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.

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- iv. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made there under as amended from time to time.

1. Managing Director/Whole-time Director/Manager (Managerial Person):- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.
2. Independent Director: - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves as an Independent Director.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Criteria for Evaluation of the Board:

Following are the Criteria for evaluation of performance of the Board:

1. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets/Criteria given to executive Directors by the Board from time to time

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2. Non-Executive Director:

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence
- (f) inform the Board immediately when they lose their independence,
- (g) assist the Company in implementing the best corporate governance practices.
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the Company;
- (k) keep themselves well informed about the Company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- (n) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading etc.

Policy on Board diversity:

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate. The Board shall have at least one Board member who has accounting or related financial management expertise and financially literate.

Remuneration:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole Time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

General:

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.

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4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Managerial Person, KMP and Senior Management:

1. Fixed pay: Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
2. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
3. Provisions for excess remuneration: If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non-Executive / Independent Director:

1. Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
2. Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
3. Limit of Remuneration /Commission: Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

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 2020-21.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Global Economic Outlook

Economic prospects have diverged further across countries since the April 2021 World Economic Outlook (WEO) forecast. Vaccine access has emerged as the principal fault line along which the global recovery splits into two blocs: those that can look forward to further normalization of activity later this year (almost all advanced economies) and those that will still face resurgent infections and rising COVID death tolls. The recovery, however, is not assured even in countries where infections are currently very low so long as the virus circulates elsewhere.

The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

Recent price pressures for the most part reflect unusual pandemic-related developments and transitory supply-demand mismatches. Inflation is expected to return to its pre-pandemic ranges in most countries in 2022 once these disturbances work their way through prices, though uncertainty remains high. Elevated inflation is also expected in some emerging market and developing economies, related in part to high food prices. Central banks should generally look through transitory inflation pressures and avoid tightening until there is more clarity on underlying price dynamics. Clear communication from central banks on the outlook for monetary policy will be key to shaping inflation expectations and safeguarding against premature tightening of financial conditions. There is, however, a risk that transitory pressures could become more persistent and central banks may need to take preemptive action.

Risks around the global baseline are to the downside. Slower-than-anticipated vaccine rollout would allow the virus to mutate further. Financial conditions could tighten rapidly, for instance from a reassessment of the monetary policy outlook in advanced economies if inflation expectations increase more rapidly than anticipated. A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook's baseline.

Multilateral action has a vital role to play in diminishing divergences and strengthening global prospects. The immediate priority is to deploy vaccines equitably worldwide. A \$50 billion IMF staff proposal, jointly endorsed by the World Health Organization, World Trade Organization, and World Bank, provides clear targets and pragmatic actions at a feasible cost to end the pandemic. Financially constrained economies also need unimpeded access to international liquidity. The proposed \$650 billion General Allocation of Special Drawing Rights at the IMF is set to boost reserve assets of all economies and help ease liquidity constraints. Countries also need to redouble collective efforts to reduce greenhouse gas emissions. These multilateral actions can be reinforced by national-level policies tailored to the stage of the crisis that help catalyze a sustainable, inclusive recovery. Concerted, well-directed policies can make the difference between a future of durable recoveries for all economies or one with widening fault lines—as many struggle with the health crisis while a handful see conditions normalize, albeit with the constant threat of renewed flare-ups.

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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 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.

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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.

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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 the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sectors and represents 63% of the overall foreign collaborations. India’s engineering sector has witnessed a remarkable growth over the last few years driven by increased investment 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 stride towards developing its engineering sector. The Government has appointed Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products, and services from India. India export 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 a high growth potential area as 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.

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

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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

Consolidated Revenue from the operations of your Company for the year 2020-21 was Rs 2833.89 which is 17.06% lower than Rs. 3416.60 Lakhs in the previous year. Profit before Depreciation Interest & Tax for the current year was Rs 400.08 Lakhs against Rs.595.79 Lakhs in the previous year. Total Comprehensive Income after tax for the current year at Rs. 83.31 Lakhs was decrease by 70.90% over Rs. 286.45 Lakhs in the previous year.

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% of 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, 2021 is 4.73 times as compared to previous year ended on March 31, 2020 is 5.25 times. The change in the ratio is 9.81% as compared to Previous Year
- b) **Inventory Turnover Ratio:** The Inventory Turnover Ratio as on March 31, 2021 is 0.67 times as compared to previous year ended on March 31, 2020 is 0.90 times. The change in the ratio is 26.09.% 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, 2021 is 3.54 times as compared to previous year ended on March 31, 2020 is 6 times. The change in the ratio is 40.99% as compared to Previous Year.
- d) **Current Ratio:** The Current Ratio as on March 31, 2021 is 1.44 times as compared to previous year ended on March 31, 2020 is 1.75 times. The change in the ratio is 17.63% as compared to Previous Year.
- e) **Debt Equity Ratio:** The Debt Equity Ratio as on March 31, 2021 is 1.37 times as compared to previous year ended on March 31, 2020 is 0.81 times. The change in the ratio is 69.18 % as compared to Previous Year.
- f) **Operating Profit Margin:** The Operating Profit Margin Ratio as on March 31, 2021 is 0.09 % as compared to previous year ended on March 31, 2020 is 0.14 %. The change in the ratio is 36.89% as compared to Previous Year.
- g) **Net Profit Margin:** The Net Profit Margin Ratio as on March 31, 2021 is 0.03% as compared to previous year ended on March 31, 2020 is 0.08%. The change in the ratio is 64.94% 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.

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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, 2020 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.	Alkesh Rameshchandra Patel	02672297	Chairman & Managing Director
2.	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

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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. Alkesh Rameshchandra Patel	Son of Mrs. Jyotsanaben Rameshchandra Patel.
2.	Mrs. Jyotsanaben Rameshchandra 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 2020-21

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 2020-21, Ten (10) Meetings of Board of Directors of the Company were held on (i) 10.06.2020 (ii) 31.07.2020 (iii) 14.08.2020 (iv) 22.08.2020 (v) 22.09.2020 (vi) 11.11.2020 (vii) 01.12.2020 (viii) 29.12.2020 (ix) 29.01.2021 (x) 13.02.2021

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 2020-21, 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.

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- (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 2020-21, 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, 2021 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 December 26, 2020	As on March 31, 2021		
		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	10	10	100	Yes	Nil	Nil	Nil
2.	Mrs. Jyotsanaben Rameshchandra Patel	10	10	100	Yes	Nil	Nil	Nil
3.	Mr. Rameshchandra Nathalal Patel*	10	07	70	No	Nil	Nil	Nil
4.	Mr. Babubhai Patel	10	10	100	Yes	Nil	Nil	Nil
5.	Mr. Girish Nathubhai Desai	10	10	100	Yes	Nil	Nil	Nil
6.	Mr. Kalpesh Lalitchandra Joshi	10	10	100	Yes	1*	1	2

* Mr. Rameshchandra Nathalal Patel has ceased to be Director from Board of Director on December 14, 2020 due to death.

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

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in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors.

⁽⁴⁾ *None of Non-executive Director are holding any shares and debentures in our Company.*

⁽⁵⁾ *The familiarisation programmes imparted to independent directors is disclosed in website of our company i.e. www.loyalequipments.com*

* *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, 2021, 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 statues. During the financial year 2020-21, 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 December 26, 2020
			Held during the year	attended	percentage of attendance	
1.	Mr. Babubhai Patel	Chairman	5	5	100	Yes
2.	Mr. Kalpesh Lalitchandra Joshi	Member	5	5	100	Yes
3.	Mr. Rameshchandra Nathalal Patel*	Member	5	4	80	No

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4.	Mr. Alkesh Rameshchandra Patel	Member	5	1	20	Yes
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** Mr. Rameshchandra Nathalal Patel has ceased to be Director from Board of Director on December 14, 2020 due to death and Mr. Alkesh Rameshchandra appointed as member of committee.*

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;

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- (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 2020-21, five (5) meetings of the Audit Committee were held on (i) 10.06.2020 (ii) 31.07.2020 (iii) 14.08.2020 (iv) 11.11.2020 (v) 13.02.2021. 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, 2021, 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 December 26, 2020
			Held during the year	attended	percentage of attendance	
1.	Mr. Girish Nathubhai Desai	Chairman	5	5	100	Yes
2.	Mr. Babubhai Patel	Member	5	5	100	Yes
3.	Mr. Kalpesh Lalitchandra Joshi	Member	5	5	100	Yes

Quorum of the Nomination and Remuneration Committee Meeting is two members including Chairman of the Committee. During the financial year 2020-21, five (5) meetings of the Nomination and Remuneration Committee were held on (i) 10.06.2020 (ii) 31.07.2020 (iii) 14.08.2020 (iv) 11.11.2020 (v) 13.02.2021. The time gap between any two meetings was less than four months.

The roles and responsibilities of the Committee include the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.

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- 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 2020-21 are as under:

Particulars	Amount in Rs.		
	Rameshchandra Nathalal Patel	Alkesh Rameshchandra Patel	Jyotsanaben Rameshchandra Patel
Salary	3172774.00	626000	--
Contribution to PF & Other Funds	21600	21600	--

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Professional Tax	2400	2400	--
Total	3196774.00	650000.00	--

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 31st March, 2020.

The details of sitting fees paid to the Non-Executive Directors during the financial year 2020-21 are given below:

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

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, 2021 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

* Our Director Mr. Rameshchandra Nathalal Patel was died on December 14, 2020, but the transmission of our shares was under process till March 31, 2021.

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, 2021, the composition of the Stakeholders Relationship Committee was as under:

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S. No.	Name of Committee Members	Position in the Committee	Number of Meetings			Attendance at last AGM held on December 26, 2020
			Held during the year	attended	percentage of attendance	
1.	Mr. Babubhai Patel	Chairman	5	5	100	Yes
2.	Mr. Kalpesh Lalitchandra Joshi	Member	5	5	100	Yes
3.	Mr. Alkesh Rameshchandra Patel	Member	5	5	100	Yes

The quorum of meeting of the Stakeholders Relationship Committee is two members including the Chairman of the Committee. During the financial year 2020-21, five (5) meetings of the Stakeholders Relationship Committee were held on (i) 10.06.2020 (ii) 31.07.2020 (iii) 14.08.2020 (iv) 11.11.2020 (v) 13.02.2021. The time gap between any two meetings was less than four months.

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 2020-21, 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, 2020	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
 Website: www.loyalequipments.com

4.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Company constituted under the provisions of Section 135 of the Act, comprises of Mr. Kalpesh Lalitchandra Joshi as a Chairperson, Mr. Alkesh Rameshchandra Patel and Mrs. Jyotsanaben Rameshchandra Patel as Members of the Committee.

During the year under review, one meeting of Committee was held on February 13, 2021.

The attendance of the Members at the above meetings is as under:

S.No.	Name of Committee Members	Position in the Committee	Number of Meetings			Attendance at
			Held during	attended	percentage	

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			the year		of attendance	last AGM held on December 26, 2020
1.	Mr. Kalpesh Lalitchandra Joshi	Chairman	1	1	100	Yes
2.	Mr. Alkesh Rameshchandra Patel	Member	1	1	100	Yes
3.	Mrs. Jyotsanaben Rameshchandra Patel	Member	1	1	100	Yes

The Committee functions in accordance with the terms of reference as specified under the Act and as may be specified by the Board from time to time, which inter-alia includes:

- a. formulate and recommend to the Board, a Corporate Social Responsibility Policy (“CSR Policy”) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- b. recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c. monitor the Corporate Social Responsibility Policy of the Company from time to time.

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
11 th	2017-18	Friday, July 27, 2018	11.00 AM	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382330	NIL
12 th	2018-19	Saturday, August 10, 2019	11.00 AM	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382330	Yes
13 th	2019-20	Saturday, December 26, 2020	11.00 AM	Through Video Conference	Yes

(b) Extra ordinary General Meetings (EGM):

No Extra-Ordinary Meeting was conducted in current year i.e. 2020-21

(c) Resolutions Passed Though Postal Ballot:

During the financial year ended March 31, 2021, 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.

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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 2020-21 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.

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).

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- 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.
- 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 2020-21 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 February 13, 2021, 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.

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

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Company's website at 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) 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

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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 September 07, 2021 while considering the Annual Audited Financial Statements of the Company for the financial year ended on March 31, 2021

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:

Date & Time	Thursday, September 30, 2021
Venue	Through VC/OEVC

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 September 30, 2021

iii. Financial Calendar:

Year ending	March 31, 2021
AGM in	September
Dividend Payment	NA

iv. Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 24, 2021 to Thursday, September 30, 2021 (Both days inclusive).

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

Name & Address	Telephone / Fax / E-mail ID / Website	Scrip Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	Telephone: (022) 22721233/4 Fax: (022) 22721919 E-mail ID: corp.relations@bseindia.com Website: www.bseindia.com	539227

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- vi. Dividend Policy:** Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions.
- vii. Market Price Data:** The closing market price of equity shares on 31st March, 2021 (last trading day of the year) was Rs. 27.95 on BSE. The monthly movement of equity share prices for the last year at BSE is summarized as herein below:

Month	High Price	Low Price	No. of Equity Shares Traded
April, 2020	36.95	33.00	630
May, 2020	36.40	30.00	24,264
June, 2020	40.50	32.05	27,647
July, 2020	36.35	30.00	27,262
August, 2020	36.35	29.50	52,601
September, 2020	34.95	28.95	10,156
October, 2020	34.00	27.80	9,009
November, 2020	33.90	28.50	35,190
December, 2020	36.40	30.40	74,715
January, 2021	33.05	28.50	53,834
February, 2021	31.70	27.20	61,606
March, 2021	31.30	27.25	83,867

- viii. Registrars and Transfer Agents:** Name and Address are as under:

Link Intime India Private Limited

C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083.

- 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, 2021:**

Distribution of equity shareholding as on March 31, 2021:

No. of equity shares held	No. of shareholders	% of shareholders	Total Amount	% of Amount
Upto 5000	400	58.910	478820	0.469
5001-10000	59	8.689	483550	0.474
10001-20000	28	4.124	427900	0.420
20001-30000	54	7.953	1559500	1.529
30001-40000	15	2.209	514410	0.504
40001-50000	9	1.325	419250	0.411
50001-100000	45	6.627	3141790	3.080
100001 and Above	69	10.162	94974780	93.113
TOTAL	679	100.00	102000000	100.00

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By category of shareholders:

S. No.	Category	No. of Shareholders	No. of Shares held	% of Shareholding
1.	Promoters	6	74,99,985	73.53%
2.	Central Government/ State Government(s)/ President of India	-	-	-
3.	Public - Non-Institutions			
	[a(i)] Individuals- (i) Individual shareholder shareholding nominal share capital up to Rs. 2 lakhs	586	10,68,586	10.48%
	[a(ii)] Individuals- (ii) Individual shareholder shareholding nominal share capital in excess of Rs. 2 lakhs	23	11,66,056	11.43%
	(b) NBFCs registered with SEBI	-	-	-
	(c) Employee Trusts	-	-	-
	(d) Overseas Depository (holding DRs) (balancing figure)	-	-	-
	(e) Any Other Specify			
	-Bodies Corporate	10	29,659	0.29%
	-Clearing Member	8	38,460	0.38%
	-Non-Resident Indian (NRI)	7	1,85,957	1.82%
	-HUF	39	2,11,297	2.07%
	Total	679	1,02,00,000	100.00%

Top Ten Equity Shareholders of the Company as on March 31, 2021:

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	Nareshkumar Saraf	176000	1.725
6	Sunita Sarwankumar Saraf	168000	1.647
7	Nisha Jignesh Mehta	108952	1.068
8	Bhavesh Bhogilal Shah	72544	0.711
9	Girishbhai Amratlal Patel	58233	0.571
10	Kamini Bhavesh Shah	57000	0.559

- 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, 2021. 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

LOYAL EQUIPMENTS LIMITED

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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 2021-22 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 2020-21 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-SME 2 from SMERA-D&B SME Rating.

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

AFFIRMATIONS AND DISCLOSURES

a) Compliances with Governance Framework

The Company follows all mandatory requirements under the SEBI (LODR) Regulations, 2015, and compliance of non-mandatory requirements of the SEBI (LODR) Regulations, 2015, is being reviewed by the Board from time-to-time.

b) Disclosure of Transactions with Related Parties

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All transactions entered with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015, during the financial year were in the ordinary course of business and on arm's length basis. During the Financial Year 2020-21, there were no materially significant transactions or arrangements entered between the Company and its Promoters, Directors or their Relatives or the Management etc. that may have potential conflict with the interests of the Company at large. As required under Regulation 23(1) of the SEBI (LODR) Regulations, 2015, the Company has formulated a policy on dealing with Related Party Transactions.

c) No Penalty or Strictures

No penalties have been levied or strictures have been passed by the Securities and Exchange Board of India or Stock Exchange(s) or any other statutory authority during last 3 years.

d) Whistle Blower Policy / Vigil Mechanism

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has formulated Vigil Mechanism Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud, or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

e) Commodity Price Risk and commodity hedging activities

The Company is not dealing in commodities and commodity hedging activities.

f) Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form except one share which is in physical form. Equity shares of the Company representing 100% of the Company's share capital are dematerialized as on 31st March 2021. The Company's shares are traded on the 'BSE Limited (Main Board). Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is- INE876S01017

h) Outstanding ADRs/ GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

As on 31st March 2021, the Company has no American Depository Receipts / Global Depository Receipts /Warrants or any such convertible instruments outstanding and there is no likely impact on the Company's Equity Shares in the financial year 2020-21.

i) Plant Locations

The Plant of our Company is situated at Dahegam, Gujarat,

j) Certificate on Director's disqualification

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. A compliance certificate from M/s. Sharma Vivek & Associates, Company Secretaries pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is attached. Both this certificates are attached to this report.

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k) During the financial year 2020-21, the Board has accepted all the recommendations of its Committees.

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

Sd/-

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

Sd/-

**Rameshchandra Nathalal Patel
Whole Time Director
DIN –01307770**

**Date: September 07, 2021
Place: Dahegam, Gandhinagar.**

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ANNEXURE A

CERTIFICATE

(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** 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, 2021, 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
ICSI Unique Code – I2015RJ1295000**

**VIVEK SHARMA
PROPRIETOR
FCS No. 10663
COP No. 14773
UDIN – F010663C000875813**

**PLACE: JAIPUR
DATE: 01st September, 2021**

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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, 2021, 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, 2021.

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
ICSI Unique Code – I2015RJ1295000**

**VIVEK SHARMA
PROPRIETOR
FCS No. 10663
COP No. 14773
UDIN – F010663C000875824**

**PLACE: JAIPUR
DATE: SEPTEMBER 01, 2021**

STANDALONE FINANCIAL STATEMENT

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS

**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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), for the year ended on March 31, 2021, the Statement of Changes in Equity for the year ended on March 31st, 2021, 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, 2021, 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 determined the matters described below to be the key audit matters to be communicated in our report.

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Assessing the impact of Pandemic COVID 19 on the financial statements:

The pandemic has created huge uncertainties on the operations of many established businesses and exposed them to several new risks. Due to this, organizations have had to make significant changes to their normal processes to adapt to this sudden and unexpected turn of situation. These changes could impact the measurement of assets and liabilities on varying degree.

Due to COVID-19, the Company is also exposed to various risks such as assessment of counter parties' risks for receivables, operational controls, compliance and several other risks.

Auditors' Response to the Key Audit Matter:

Principal Audit Procedure:

Our audit procedures relating to the impairment of assets & other operational controls, compliances & several other risk are as follows:

- Looked at the company's exhaustive risk identification and mitigation analysis using its well established enterprise risk management framework to understand the implications, assessment process and the company's current mitigation plans.
- assessment of risks of counter party defaults by examining external credit rating movements, if any and the process of identification of risky receivables and making suitable provisions in the financial statements.
- Assessment of the temporary changes made to the internal control framework over financial reporting and carrying suitable tests for the effectiveness of key controls on the balance sheet date.
- Evaluating the overall presentation of the financial statements and ensuring the appropriateness and adequacy of the disclosures.

Checking the compliance against the various regulatory prescriptions applicable to the company to the extent those are relevant in the preparation of financial statement.

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.

If, 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.

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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

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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, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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.

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- 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, 2021 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, 2021.

With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

- In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us
- 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.

For A Y & Company
Chartered Accountants
FRN: 020829C

CA Yashika Gianchandani
Partner
M.No. 420219
UDIN: 21420219AAAABR3354

Place: Dahegam
Date: 30.06.2021

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ANNEXURE “A” TO THE AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on other Legal and Regulatory Requirements section of our report to the Members of Loyal Equipments Limited of even date)

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, 2021 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

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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.

For A Y & Company
Chartered Accountants
FRN: 020829C

CA Yashika Gianchandani
Partner
M.No. 420219
UDIN: 21420219AAAABR3354

Place: Dahegam
Date: 30.06.2021

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ANNEXURE “B” TO THE AUDITOR’S REPORT

Referred To In Paragraph ‘With Respect To The Matter To Be Included In The Auditors’ Report Under Section 197(16) Of The Act 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, 2020 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

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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.

For A Y & Company
Chartered Accountants
FRN: 020829C

CA Yashika Gianchandani
Partner
M. No. 420219
UDIN: 21420219AAAABR3354

Place: Dahegam
Date: 30.06.2021

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STANDALONE BALANCE SHEET AS AT 31ST MARCH 2021

Particulars	Note	Amount (In '000)	Amount (In '000)
	No.	31.03.2021	31.03.2020
ASSETS			
A. Non-Current Assets			
(i) Fixed Assets			
(a) Plant, Property and Equipment	2	84476.64	90825.48
(b) Right of Use Assets	2	17490.17	0.00
(c) Capital Work-in-Progress	2	59761.36	203.84
(d) Investment Properties		0.00	0.00
(e) Goodwill		0.00	0.00
(f) Other Intangible Assets	2	1118.32	265.24
(g) Intangible Assets under Development		0.00	0.00
(h) Biological Assets other than bearer Plants		0.00	0.00
(ii) Financial Assets			
(a) Investments	3	8641.22	1703.05
(b) Trade Receivables		0.00	0.00
(c) Loans & Advances	4	991.78	2073.95
(iii) Deferred Tax Assets (Net)		0.00	0.00
(iv) Other Non-Current Assets		0.00	0.00
B. Current Assets			
(i) Inventories	5	206615.49	178580.65
(ii) Financial Assets			
(a) Current Investments		0.00	0.00
(b) Trade Receivables	6	51324.21	64830.51
(c) Cash & Cash Equivalents	7	28217.43	12972.72
(d) Short Term Loans & Advances	8	12278.27	7922.50
(iv) Current Tax Assets (Net)	9	192.73	813.21
(v) Other Current Assets	10	34165.05	9259.08
TOTAL ASSETS		505272.66	369450.22
EQUITY AND LIABILITIES			
A. Equity			
(i) Equity Share Capital	11	102000.00	102000.00
(ii) Other Equity	12	114417.51	106099.80
Total Equity		216417.51	208099.80

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B. Liabilities			
Non-Current Liabilities			
(i) Financial Liabilities			
(a) Long Term Borrowings	13	29288.20	3121.56
(b) Trade Payables		0.00	0.00
(c) Other Long Term Liabilities	14	16873.53	0.00
(ii) Long Term Provisions	15	2783.09	1836.68
(iii) Deferred Tax Liabilities	16	2238.53	1226.35
(iv) Other Long Term Liabilities		0.00	0.00
Current Liabilities			
(i) Financial Liabilities			
(a) Short Term Borrowings	17	122967.07	87667.85
(b) Trade Payables	18		
Due to Micro, Small & Medium Enterprises		0.00	9445.11
Due to Creditors Other than Micro, Small & Medium Enterprises		83873.14	41023.47
(c) Other Current Liabilities	19	30831.60	17029.41
(ii) Short Term Provisions		0.00	0.00
(iii) Current Tax Liabilities (Net)		0.00	0.00
TOTAL EQUITY AND LIABILITIES		505272.66	369450.22

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STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 MARCH 2021

Particulars	Note	Amount (In '000)	Amount (In '000)
	No.	31.03.2021	31.03.2020
<u>A.INCOME</u>			
I) Revenue from Operations	20	256267.61	334512.16
II) Other Income	21	18519.01	1984.82
III TOTAL INCOME (I+II)		274786.62	336496.98
<u>IV. EXPENDITURE</u>			
a) Cost of Raw Material Consumed	22	152356.24	191226.54
b) Purchases of Stock in Trade		0.00	0.00
c) Changes in Inventory of Finished Goods, Work In Progress & Stock In Trade	23	-24265.19	-53881.17
d) Employee Benefit Expenses	24	41370.35	39878.22
e) Finance Costs	25	11226.20	9926.08
f) Depreciation and Amortisation Expenses	26	14081.53	11460.70
g) Other Expenses	27	66190.87	99693.91
TOTAL EXPENSES (IV)		260959.99	298304.29
(V) Profit/(loss) before exceptional items and tax (III-IV)		13826.63	38192.69
(VI) Exceptional items		0.00	0.00
(VII) Profit/(loss) before tax from Continuing Operations (V-VI)		13826.63	38192.69
(VIII) Tax Expenses			
a) Current year Tax		3876.08	9246.95
b) Deferred Tax		1012.19	154.40
(IX) Profit/(Loss) for the period from continuing operations (VII-VIII)		8938.36	28791.34
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
XIII Profit/(loss) for the period (IX+XII)		8938.36	28791.34
XIV Other Comprehensive Income			
A (i) Items that will be reclassified to Profit or loss		0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
B (i) Items that will not be reclassified to profit or loss		495.85	117.12
(ii) Income tax relating to items that will not be reclassified to profit or loss		124.81	29.48

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XV Total Comprehensive Income for the period (XIII+XIV)(Comprising profit (Loss) and other comprehensive income for the period)		8317.71	28644.74
XVI Earnings per equity share (for continuing operation) :			
(1) Basic		0.82	2.81
(2) Diluted		0.82	2.81
XVII Earnings per equity share (for discontinued operation) :			
(1) Basic		0.00	0.00
(2) Diluted		0.00	0.00
XVIII Earnings per equity share (for discontinued & Continuing operation) :			
(1) Basic		0.82	2.81
(2) Diluted		0.82	2.81

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STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Amount (Rs. In '000)	Amount (Rs. In '000)
	31.03.2021	31.03.2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation & Extraordinary items	13826.63	38,192.69
<i>Adjustments for:</i>		
Depreciation	14,081.53	11,460.70
Adjustment on Account of Non Cash Items	(6,203.92)	190.24
Investment income	(716.68)	(467.88)
Finance Cost	11,226.20	9,926.08
<i>Working capital changes:</i>		
(Increase) / Decrease in trade and other receivables	13,506.31	1,332.74
(Increase) / Decrease in other current assets	(24,905.97)	(262.55)
(Increase) / Decrease in Short Term Loans & Advances	(4,355.77)	(5,030.27)
(Increase) / Decrease in inventories	(28,034.84)	(51,881.22)
Increase / (Decrease) in trade payables	33,404.56	19,402.91
Increase / (Decrease) in other current liabilities	11,558.50	(1,194.03)
Cash generated from operations	33,386.54	21,669.41
Income taxes paid	(4,186.92)	(13,628.98)
Net cash from operating activities	29,199.62	8,040.43
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(65,993.41)	(22,045.35)
Long terms loans & Advances Granted/Received	1,082.17	(1,180.39)
Interest received	715.06	424.58
Dividend received	1.62	43.30
Net cash used in investing activities	(64,194.56)	(22,757.86)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Long Term Borrowings	26,166.64	(2,292.11)
Proceeds from Short Term Borrowings	35,299.22	18,236.96
Payment of Finance Cost	(11,226.20)	(9,926.08)
Net cash used in financing activities	50,239.66	6,018.77
Net increase in cash and cash equivalents	15,244.72	(8,698.66)
Cash and cash equivalents at beginning of period	12,972.70	21,671.36
Cash and cash equivalents at end of period	28,217.42	12,972.70
Cash and cash equivalents comprises of		
Cash in Hand	2,068.54	1,972.09
Balance with Scheduled Banks	26,148.89	11,000.64

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STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2021

A) EQUITY SHARE CAPITAL

Particulars	Amount (In '000)
Equity Shares of Rs. 10 each issued, subscribed & Paid	
As at 01 April, 2019	102000.00
changes in Equity share Capital during the year	0.00
As at 31st March, 2020	102000.00
changes in Equity share Capital during the year	0.00
As at 31st March, 2021	102000.00

B) OTHER EQUITY

Particulars	Other Equity			
	Reserves & Surplus			Amount
	General Reserve	Securities Premium	Retained Earnings	
As at 31st March, 2019	0.00	0.00	77455.04	77455.04
Profit/(Loss) for the period	0.00	0.00	28791.36	28791.36
Other Comprehensive Income	0.00	0.00	146.60	146.60
Total Comprehensive Income	0.00	0.00	28644.76	28644.76
Transfer to General Reserve	0.00	0.00	0.00	0.00
Utilization of Reserves	0.00	0.00	0.00	0.00
Balance As at 31st March, 2020	0.00	0.00	106099.80	106099.80
Profit/(Loss) for the period	0.00	0.00	8938.36	8938.36
Other Comprehensive Income	0.00	0.00	620.65	620.65
Total Comprehensive Income	0.00	0.00	8317.71	8317.71
Transfer to General Reserve	0.00	0.00	0.00	0.00
Utilization of Reserves	0.00	0.00	0.00	0.00
As at 31st March, 2021	0.00	0.00	114417.51	114417.51

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NOTE NO. 1

Notes Forming Part of Financial Statements for the year ended on March 31st, 2021

A. 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.

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. ROUNDING OF AMOUNTS:

The financial statements including notes thereon are presented in Indian ₹ which is the Company's functional currency. All amounts disclosed in the financial statements including notes thereon have been rounded off to the nearest thousand, unless stated otherwise.

D. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPERATION:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015, read with section 133 of the Companies Act, 2013.

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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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.

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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) RIGHT OF USE ASSETS

Under Ind AS, Right of Use Assets and Lease Liabilities of ₹ 195.15 lakhs have been created on 1st April 2020. Accordingly other expenses (rent) have reduced by ₹ 23.60 lakhs, finance cost increased by ₹ 16.88 lakhs and depreciation increased by ₹ 20.25 lakhs during 2020-21.

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.

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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.

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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.

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- **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.

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- **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) **LEASE:**

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company’s incremental borrowing rate at the date of initial application.

The Company as lessee:

The Company’s lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the

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recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

o) 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.

p) 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.

q) 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.

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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.

r) **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:

- a) the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the company; and
- e) 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.

s) **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:**

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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.

t) 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.

u) 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.

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- **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.

v) 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.

w) CRITICAL ACCOUNTING JUDGMENT AND ESTIMATES:

The preparation of financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the applicability of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statement and reported amounts of revenue and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in the estimates are made as the Management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material. Their effects are disclosed in the notes to the financial statement.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the

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carrying amounts of receivables, unbilled revenues and others. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these condensed financial statements.

x) 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 Fair Value. Since subsidiary company is unlisted so that the book value of Subsidiary company are taken as fair value. The difference between fair value at the end of reporting period and previous reporting period are recognized in the profit & loss account as income or expenses as the case may be.

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NON CURRENT ASSETS

NOTE NO: 2

(In '000)

	Fixed Assets	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount	
		Balance as at 01/04/2020	Additions / (Disposals)	Acquired through business combinations	Disposals/Transfers	Balance as at 31/03/2021	Balance as at 01/04/2020	Depreciation charge for the year	Adjustment	Eliminated On disposals	Balance as at 31/03/2021	As at 31/03/2021	As at 31/03/2020
A	Tangible Assets												
	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	64674.48	1713.18	0.00	0.00	66387.66	10896.01	5123.34	0.00	0.00	16019.35	50368.31	53778.47
	Plant and Equipment	71965.43	3808.98	0.00	0.00	75774.41	40968.19	5227.01	0.00	0.00	46195.21	29579.20	30997.24
	Furniture and Fixtures	1804.00	0.00	0.00	0.00	1804.00	854.73	259.78	0.00	0.00	1114.51	689.49	949.27
	Vehicles	11464.43	0.00	0.00	0.00	11464.43	8733.02	1016.97	0.00	0.00	9749.99	1714.44	2731.41
	Office equipment	6961.61	144.30	0.00	275.00	6830.92	5987.82	347.79	0.00	234.58	6101.03	729.89	973.79
	Total	158265.25	5666.47	0.00	275.00	163656.72	67439.77	11974.89	0.00	234.58	79180.08	84476.64	90825.48
B	Intangible Assets												

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	Software	9013.42	934.42	0.00	0.00	9947.84	8748.18	81.34	0.00	0.00	8829.52	1118.32	265.23
	Total	9013.42	934.42	0.00	0.00	9947.84	8748.18	81.34	0.00	0.00	8829.52	1118.32	265.23
C	Capital Work in Progress												
	Corporate Office New building	203.84	60087.71	0.00	530.19	59761.36	0.00	0.00	0.00	0.00	0.00	59761.36	203.84
	Total	203.84	60087.71	0.00	530.19	59761.36	0.00	0.00	0.00	0.00	0.00	59761.36	203.84
D	Right to Use Assets												
	Leasehold Land	0.00	19515.47	0.00	0.00	19515.47	0.00	2025.30	0.00	0.00	2025.30	17490.17	0.00
	Total	0.00	19515.47	0.00	0.00	19515.47	0.00	2025.30	0.00	0.00	2025.30	17490.17	0.00
	Grand Total	167482.51	66688.60	0.00	805.19	233365.92	76187.95	12056.23	0.00	234.58	88009.60	145356.32	91294.56

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FINANCIAL ASSETS - NON CURRENT

NOTE NO. 3 - INVESTMENTS

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Investment in Wholly owned Subsidiary (Loyal Equipments Inc.)	7787.15	984.42
Investment in Equity Shares of NNCB Limited	400.00	400.00
Investment in Equity Shares of Lupin Ltd.	204.09	183.66
Investment in Equity Shares of BEML Ltd.	125.58	60.21
Investment in Equity Shares of Bharat Forge Limited	119.19	70.67
Investment in Equity Shares of Reliance Capital Ltd.	4.30	3.20
Investment in Equity Shares of IOCL	0.92	0.88
	8641.22	1703.05

NOTE NO. 4 - LOANS & ADVANCES - LONG TERM

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Loan to Wholly Owned Subsidiary	0.00	1129.88
Security Deposits	991.78	944.07
TOTAL	991.78	2073.95

FINANCIAL ASSETS - CURRENT

NOTE NO. 5 - INVENORIES

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Raw Material	90459.30	86689.65
WIP	61398.19	32407.24
Finished Goods	54758.00	59483.76
TOTAL	206615.49	178580.65

NOTE NO. 6 - TRADE RECEIVABLES

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Less than Six Months	46110.77	59612.30
More than Six Months	5213.44	5218.22
TOTAL	51324.21	64830.51

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NOTE NO. 7 - CASH & CASH EQUIVALENTS

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Balance with Scheduled Banks	26148.89	11000.64
Cash in Hand	2068.54	1972.09
TOTAL	28217.43	12972.72

NOTE NO. 8 - SHORT TERM LOANS & ADVANCES

(Unsecured and Considered Good)

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Advance Against Order	12247.31	7457.12
Other Advances	30.97	465.38
TOTAL	12278.27	7922.50

NOTE NO. 9 - CURRENT TAX ASSETS

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Advance Income Tax (Net)	192.73	813.21
TOTAL	192.73	813.21

NOTE NO. 10 - OTHER CURRENT ASSETS

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Bank Guarantees	19892.17	5437.79
Bank Guarantee Amendment Charges Receivables	0.00	149.54
GST Receivable	11599.77	1835.20
Staff Advance	707.47	485.40
Prepaid Expenses	1461.19	832.41
Income Tax Refundable	462.70	476.99
Kotak Mahindra Bank Dividend Account	41.75	41.75
TOTAL	34165.05	9259.08

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NOTE NO. 11 - EQUITY SHARE CAPITAL

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Authorised Capital		
(1,50,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)	150000.00	150000.00
(Previous Year 150,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		
Issued, Subscribed and Paid Up Capital		
(1,02,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)	102000.00	102000.00
(Previous Year 102,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		
TOTAL	102000.00	102000.00

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

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

11.2) The details of Shareholders holding more than 5% shares :-

Name of the Shareholder (% of Holding)	No. of Shares	No. of Shares
	(% of holding)	(% of holding)
Alkesh R Patel	2099940	2099940
	(20.59%)	(20.59%)
Jyotsnaben R Patel	3300000	3300000
	(32.35%)	(32.35%)
Rameshchandra N Patel	2100000	2100000
	(20.59%)	(20.59%)

11.3) 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.

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NOTE NO. 12 - OTHER EQUITY

Amount (In '000)

Particulars	31.03.2021	31.03.2020
A) Securities Premium		
As per Balance sheet of Previous Financial Year	0.00	0.00
Add : Addition in Current Year	0.00	0.00
Less : Utilized in Current Year	0.00	0.00
	0.00	0.00
B) Retained Earnings		
As per Balance sheet of Previous Financial Year	106099.80	77455.04
Add : Transfer from Profit of the Current Year	8317.71	28644.76
TOTAL (A+B)	114417.51	106099.80

NON-CURRENT LIABILITIES

FINANCIAL LIABILITIES

NOTE NO. 13 - LONG TERM BORROWINGS

Amount (In '000)

Particulars	31.03.2021	31.03.2020
A) Secured		
ICICI Bank Car Loan	0.00	686.66
HDFC Bank Limited Car Loan	307.46	606.81
ICICI Bank Machinery Loan	133.67	662.35
HDFC Capex Loan	28063.81	0.00
Kotak Mahindra Bank Prime Limited Car Loan	783.27	1165.74
	29288.20	3121.56
B) Unsecured	0.00	0.00
	0.00	0.00
TOTAL (A+B)	29288.20	3121.56

Note 13.1) Terms of Loans:

- a) 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
- b) Car Loans taken from Bank of financial institution are secured by way of hypothecation of the Vehicle purchased from the Amount of Loan.

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- c) HDFC Capex Loan has been secured Primiraly by way of hypothecation of Stock & Book Debts on entire Exposure & Equitable Mortgage of Industrial land Block No. 35/1, 35/2, 35/3, 35/4 & Block No. 34 @ 8.65% Per Annum.
- d) There are no defaults in repayment of loans and interest during the year.

NOTE NO. 14 - OTHER NON-CURRENT LIABILITIES

Particulars	Amount (In '000)	
	31.03.2021	31.03.2020
Lease Liability	16873.53	0.00
TOTAL	16873.53	0.00

NOTE NO. 15 - LONG TERM PROVISIONS

Particulars	Amount (In '000)	
	31.03.2021	31.03.2020
Provision for Gratuity	2783.09	1836.68
TOTAL	2783.09	1836.68

NOTE NO. 16 - DEFERRED TAX LIABILITIES (NET)

Particulars	Amount (In '000)	
	31.03.2021	31.03.2020
Deferred Tax Liabilities as of Previous Year	1226.35	1071.95
Add/Less : Adjustments in Current Year	1012.19	154.40
TOTAL	2238.53	1226.35

CURRENT LIABILITIES

FINANCIAL LIABILITIES

NOTE NO. 17 - SHORT TERM BORROWINGS

Particulars	Amount (In '000)	
	31.03.2021	31.03.2020
A) Secured		
Kotak Mahindra Bank O/D	0.00	87667.85
GECL Loan	13900.00	0.00
HDFC WCDL Loan	11283.60	0.00
HDFC Bank Limited CC	97783.47	0.00
	122967.07	87667.85
B) Unsecured	0.00	0.00
	0.00	0.00

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TOTAL (A+B)	122967.07	87667.85

17.1) Terms of Loan:

- a) HDFC Bank Overdraft facility, GECL Loan & WCDL Loan has been secured Primiraly by way of hypothecation of Stock & Book Debts on entire Exposure & Equitable Mortgage of Industrial land Block No. 35/1, 35/2, 35/3, 35/4 & Block No. 34 @ 8.65% Per Annum.
- b) There is no default in repayment of loan & Interest

NOTE NO. 18 - TRADE PAYABLES

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Trade Payable Due to Micro, Small & Medium Enterprises	0.00	9445.11
Trade Payable Due to Other than Micro, Small & Medium Enterprises	83873.14	41023.47
TOTAL	83873.14	50468.58

NOTE NO. 19 - OTHER CURRENT LIABILITIES

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Current Maturities of Long Term Debt	1982.92	2292.11
Unpaid Electricity bill	194.85	0.00
Unpaid Prof. Tax	14.09	17.36
Provident Fund Payable	217.70	249.84
Unpaid Salary	3645.38	7574.21
Advance Received from Customers	19747.42	4133.79
Audit Fees Payable	225.00	225.00
T.D.S Payable	810.41	1244.36
TCS Payable	8.25	0.00
Kotak Securities Demat Account	0.75	0.75
Lease Liability	1970.03	0.00
Provision for Gratuity	273.66	81.58
Retention	1282.80	752.06
Unclaimed Dividend	16.00	16.00
Unclaimed Investor Fund	442.33	442.33
TOTAL	30831.60	17029.41

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NOTE NO. 20 - REVENUE FROM OPERATIONS

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Sales		
- Domestic	250653.91	280315.81
- Export	5613.70	54196.35
TOTAL	256267.61	334512.16

NOTE NO. 21 - OTHER INCOMES

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Income From Investments throu FVTPL	6938.18	332.10
Profit on Sale of Fixed Assets	124.58	0.00
Interest Income	715.06	424.58
Dividend Income	1.62	43.30
Discount Received	1.24	0.24
Income from Various Subsidies	600.50	758.74
Scrap Sales	9573.77	0.00
Other Incomes	564.07	425.86
TOTAL	18519.01	1984.82

NOTE NO. 22 - COST OF RAW MATERIAL CONSUMED

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Opening stock of Raw Material	86689.65	88689.60
Add : Purchases During the Year	156125.89	189226.59
Less : Closing Stock of Raw Material	90459.30	86689.65
TOTAL	152356.24	191226.54

NOTE NO. 23 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Inventories at the beginning of the Year		
- Work In Progress	32407.24	27873.88

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- Finished Goods	59483.76	10135.95
- Stock in Trade	0.00	0.00
Inventories at the end of the Year		
- Work In Progress	61398.19	32407.24
- Finished Goods	54758.00	59483.76
- Stock in Trade	0.00	0.00
Net Change in the Inventory of Finished Goods, Work in Progress & Stock in Trade	-24265.19	-53881.17

NOTE NO. 24 - EMPLOYEE BENEFIT EXPENSES

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Bonus	1825.44	1826.84
Staff Welfare Expenses	785.85	1231.91
Salary to Staff	32961.19	27637.37
Directors Remuneration	3546.77	7200.00
Provident Fund Exp.	1415.39	1288.19
Provision for Gratuity (Current Service Cost & Interest Cost)	749.37	566.35
Staff Medical Expenses	86.34	127.56
TOTAL	41370.35	39878.22

NOTE NO. 25 - FINANCE COST

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Interest expenses	11226.20	7466.08
Other borrowing costs	0.00	2460.00
TOTAL	11226.20	9926.08

NOTE NO. 26 - DEPRECIATION & AMORTISATION EXPENSES

Amount (In '000)

Particulars	31.03.2021	31.03.2020
Depreciation	14081.53	11460.70
TOTAL	14081.53	11460.70

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NOTE NO. 27 - OTHER EXPENSES

Amount (In '000)

Particulars	31.03.2021	31.03.2020
DIRECT EXPENSES		
Power & fuel	2031.53	2151.89
Testing & Inspection	9185.34	9741.92
Job Work	28093.06	47239.27
Transportation Exp.	6292.67	4211.51
Import Material Clearing Charges	270.32	4723.79
Engineering Design & Consultancy Exps.	2981.78	490.89
Factory Rent	400.00	1950.00
Repair of Plant & Machinery	1209.83	838.28
Other Direct Exp.	3108.05	10602.25
Total (A)	53572.58	81949.80
INDIRECT EXPENSES		
Audit Fees	450.00	450.00
Advertisement Exp.	193.56	159.90
AMC Charges	134.36	1144.19
Annual Listing Fees	355.00	357.50
Annual Event Expenses	0.00	3355.50
Bank Charges	1836.54	833.08
Demat Charges	1.55	1.39
Forex Gain/Loss	472.39	1206.20
Petrol Exp.	0.00	422.72
Repairs & Maintenance	77.42	108.09
Export Material Clearing Charges	1206.19	0.00
GST Interest Expenses	359.73	0.00
Insurance	697.50	608.26
Marketing & Sales Consulting Exp.	0.00	2335.42
Professional & Legal Fees	359.74	465.24
Rates & Taxes	234.37	130.04
Rent	0.00	1800.00
Late Delivery Charges	1826.48	373.50
Travelling & Conveyance Expenses	406.80	871.18
Foreign Travelling Exp.	0.00	203.51
Office Miscellaneous Expenses	713.70	956.11
Donation	100.00	0.00
Software Expenses	1401.49	458.92
Income Tax Expense	781.38	0.00

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Postage & Courier	56.42	58.50
Telephone Exps.	274.67	405.30
Printing & Stationary Expenses	309.39	412.02
Website Exp.	30.00	30.00
Vehicle Running & Maintenance	94.71	434.60
Other Misc. Exp.	65.00	73.61
ZAK Panchayat Tax	179.91	89.36
Total (B)	12618.29	17744.11
TOTAL (A+B)	66190.87	99693.91

28. EARNINGS PER SHARE:

(Amount In '000)

Particulars	2020-21	2019-20
Total Comprehensive Income after tax as per Statement of Profit & loss available to equity shareholders (In Thousands) (a)	8317.71	28644.76
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	10200000
Basic/Diluted Earnings Per Share (a/b)	0.82	2.81

29. EMPLOYEE BENEFITS:

a) Contribution to Employee Provident Fund:

(Amount In '000)

Particulars	2020-21	2019-20
Contribution to employee provident Fund	1415.39	1288.19

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	Non Current	Current	Total
Defined benefit Obligation	2783.09	273.66	3056.75
Fair value of Plan Assets	-	-	-

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Change in defined benefit obligation		
Defined benefit obligation, beginning of the year	1918.27	1234.798
Current service cost	615.09	479.91
Interest cost	134.28	86.44
Past service cost	-	-
Benefits paid	(106.73)	-
Actuarial (gains)/losses	495.85	117.122
Defined benefit obligation, end of the year	3056.75	1918.27

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(ii) Net Liability/(Asset) recognized in the Balance Sheet		
Present value of defined benefit obligation	3056.75	1918.27
Fair value of plan assets	-	-
Net liability	3056.75	1918.27
Current	273.66	81.58
Non-current	2783.09	1836.69
(iii) Expenses recognized in Statement of Profit or Loss		
Current service cost	615.09	479.91
Past Service cost	-	-
Interest cost	134.28	86.44
Total Expense recognised in statement of profit or loss	749.37	566.35
(iv) Remeasurements recognized in other comprehensive income(OCI)		
Changes in demographic assumptions	-	-
Changes in financial assumptions	-	107.20
Experience adjustments	495.85	9.92
Total Actuarial (Gain) / Loss recognised in OCI	495.85	117.12

Particulars	As at 31st March 2021
(v) Maturity Profile of Defined Benefit Obligation	
01 April 2021 to 31 Mar 2022	273.66
01 April 2022 to 31 Mar 2023	73.95
01 April 2023 to 31 Mar 2024	76.56
01 April 2024 to 31 Mar 2025	112.24
01 April 2025 to 31 Mar 2026	561.96
01 April 2026 onwards	1958.40
(vi) Sensitivity Analysis for significant assumptions*	
Increase/(Decrease) on present value of defined benefits obligation at the end of the year	
1% increase in salary growth rate	33.42
1% decrease in salary growth rate	28.07
1% increase in withdrawal rate	30.73
1% decrease in withdrawal rate	30.34
1% increase in discount rate	28.14
1% decrease in discount rate	33.39
(vii) Actuarial Assumptions	
Discount rate (p.a)	7.00%
Salary Escalation Rate (p.a.)	5.00%
Retirement age	60 years
Mortality (Including provision for disability)	IALM 2012-14
Employee Withdrawal rate	5.00% p.a.

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30. CIF Value of Imports:

(Amount In '000)

Particulars	2020-21	2019-20
Raw Material	2731.46	19149.16

31. Contingent Liabilities not provided for:

In respect of Bank Guarantees 198.92 Lacs (Previous year: 54.38 Lacs).

32. 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.

33. Disclosure as per Ind AS 12 - Income Taxes

(a) Income Tax Expense

(i) Income Tax recognized in the statement of profit and loss

(Amount In '000)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Current Tax Expense	3876.08	9246.95
Deferred Tax Expense/(Income)		
Origination and reversal of temporary differences	1012.19	154.40
Origination and reversal of carried forward losses	-	-
Total Tax Expense	4888.27	9401.35

(ii) Income Tax recognized in other comprehensive income

(Amount In '000)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Net actuarial gains/(losses) on defined benefit plans		
Before Tax	495.85	117.12
Tax expense/benefit recognized in OCI	124.81	29.48
Net of Tax	(371.04)	(87.64)

(iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

(Amount In '000)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Profit before tax	13826.63	38192.69
Applicable Tax Rate	25.17%	25.17%
Adjustments for:		
Expenses not Allowed in Income Tax	1572.98	(1454.72)

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Computed tax expense	3876.08	9246.95
Remeasurement of Deferred Tax due to Change in Expected Tax Rates	1012.19	154.40
Tax as per Statement of Profit & Loss	4888.27	9401.35

34. Disclosure as per Ind AS 116 – Leases

The company's leasing agreements are in respect of leases of Land. These agreements are generally renewable on mutually agreed terms. The weighted average incremental borrowing rate applied to lease liabilities for 2020-21 is 8.65%.

- The company has elected not to apply the recognition, measurement and presentation requirements of the standard to all short term leases (leases which have a lease term of 12 months or less and do not contain a purchase option), and to leases of low value assets on a lease-by-lease basis.

Statement of Lease Liabilities as at 1 April, 2020:

Particulars	Current Liability	Non-Current Liability	Total
Lease Liability	--	--	--

(Amount In '000)

Particulars	As at 31st March 2021
(i) Movement of Lease Liabilities	
Balance at beginning of the year	--
Additions	19515.47
Finance cost accrued during the period	1688.09
Deletions	-
Payment of lease liabilities	
-Principal	(671.91)
-Interest	(1688.09)
Balance at end of the year	18843.56
(ii) Break up of Lease Liabilities	
Current Lease Liability	16873.53
Non Current Lease Liability	1970.03
Total	18843.56

35. Disclosure of Related Party Transactions as on March 31st, 2021:-

Related Party Transactions are being reported as per Ind AS 24 'Related Party Disclosures' for the year ended March 31, 2021.

• **Key Managerial Personnel/Related Parties:**

S.No.	Name	Designation
1.	Mr. Rameshchandra Nathalal Patel	Whole time Director

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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. Akanksha Aswani	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.	M/s 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 Rameshchandra Patel	Proprietor

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

(In '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Remuneration to Key Managerial Personnel of holding Company*		
Mr. Rameshchandra Nathalal Patel	3196.77	4450.00
Mr. Alkesh Rameshchandra Patel	650.00	3350.00
Mr. Amitkumar Chandubhai Patel	852.32	843.25
Mrs. Akanksha Aswani	148.80	117.20
Rent Paid		
Loyal Engineers	1800.00	1800.00
Mrs. Jyotsanaben Rameshchandra Patel	2400.00	2400.00
Sales:		
Loyal Equipments Inc.	5559.29	--

*The above remuneration to KMP does not include Provision for Gratuity as it is provided in the books on the basis of actuarial valuation for the company as a whole and hence individual figures cannot be identified.

- **Outstanding Balance of Related Parties:**

S.NO.	Name	Balance as on March 31, 2021	Balance as on March 31, 2020
1.	Mr. Rameshchandra Nathalal Patel	--	2489.80
2.	Mr. Alkesh Rameshchandra Patel	715.60	1146.95
3	Mrs. Jyotsanaben Rameshchandra Patel	2359.98	1188.00
4.	M/s Loyal Engineers	2629.50	1296.00
5.	Mr. Amitkumar Chandubhai Patel	63.56	63.56

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6.	Mrs. Akanksha Aswani	11.22	11.22
7.	Loyal Equipments Inc.	3318.62	--

36. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 :

Disclosure under Micro, Small and Medium Enterprises Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the “Suppliers” regarding their status under the Act:

(Amount In ‘000)

S.No.	Particulars	March 31, 2021	March 31, 2020
a)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
	Principal amount due to micro and small enterprise	--	9445.11
	Interest due on above	--	--
b)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the period	--	--
c)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	--	--
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	--	--
e)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	--	--

37.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.

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The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations.

Interest Rate Exposure:

Particulars	As at 31 st March 2021	As at 31 st March 2020
A. Fixed Rate Borrowings		
Term Loan & Lease Liabilities	50114.68	5413.67
-Short Term Borrowings	122967.07	87667.85
B. Interest Free Borrowings	--	--
Total Borrowings	173081.75	93081.52

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, 2021	As at March 31, 2020
Trade Receivables		
More than Six Months	5213.44	5218.22
Less Than Six Months	46110.77	59612.30

• 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.

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Expected contractual maturity for Financial Liabilities:

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2021				
Borrowings	126920.02	46161.73	0.00	173081.75
Trade & Other Payables	83873.14	0.00	0.00	83873.14
Other financial Liabilities	26878.65	0.00	0.00	26878.65
As at March 31, 2020				
Borrowings	89959.96	3121.56	0.00	93081.52
Trade & Other Payables	50468.58	0.00	0.00	50468.58
Other financial Liabilities	14737.30	0.00	0.00	14737.30

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, 2021 and March 31, 2020.

Gearing Ratio:

Particulars	As at March 31, 2021	As at March 31, 2020
Total Borrowings	173081.75	93081.52
Less: Cash & Cash Equivalents	28217.43	12972.72
Net Debts	144864.32	80108.80
Total Equity	216417.51	208099.80
Gearing Ratio	0.67	0.38

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:

(In '000)

Particulars	Carrying Value		Fair Value	
	As at March 31 st , 2021	As at March 31 st , 2020	As at March 31 st , 2021	As at March 31 st , 2020
Financial Assets				

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FVTPL Financial Instruments – Investments	8641.22	1703.05	8641.22	1703.05
Trade Receivables	51324.21	64830.51	51324.21	64830.51
Cash & Cash Equivalents	28217.43	12972.72	28217.43	12972.72
Other financial Assets	13270.05	9996.45	13270.05	9996.45
Total	101452.91	89502.73	101452.91	89502.73
Financial Liabilities				
Borrowings	173081.75	93081.52	173081.75	93081.52
Trade Payables	83873.14	50468.58	83873.14	50468.58
Other Financial Liabilities	26878.65	14737.30	26878.65	14737.30
Total	283833.54	158287.40	283833.54	158287.40

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.

38. Previous Year Figures:

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The previous year's figures have been regrouped / reclassified wherever necessary, to make them comparable.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS

**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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), for the year ended on March 31, 2021, the Statement of Changes in Equity for the year ended on March 31st, 2021, 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, 2021, 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 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 determined the matters described below to be the key audit matters to be communicated in our report.

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Assessing the impact of Pandemic COVID 19 on the financial statements:

The pandemic has created huge uncertainties on the operations of many established businesses and exposed them to several new risks. Due to this, organizations have had to make significant changes to their normal processes to adapt to this sudden and unexpected turn of situation. These changes could impact the measurement of assets and liabilities on varying degree.

Due to COVID-19, the Company is also exposed to various risks such as assessment of counter parties' risks for receivables, operational controls, compliance and several other risks.

Auditors' Response to the Key Audit Matter:

Principal Audit Procedure:

Our audit procedures relating to the impairment of assets & other operational controls, compliances & several other risk are as follows:

- Looked at the company's exhaustive risk identification and mitigation analysis using its well established enterprise risk management framework to understand the implications, assessment process and the company's current mitigation plans.
- assessment of risks of counter party defaults by examining external credit rating movements, if any and the process of identification of risky receivables and making suitable provisions in the financial statements.
- Assessment of the temporary changes made to the internal control framework over financial reporting and carrying suitable tests for the effectiveness of key controls on the balance sheet date.
- Evaluating the overall presentation of the financial statements and ensuring the appropriateness and adequacy of the disclosures.

Checking the compliance against the various regulatory prescriptions applicable to the company to the extent those are relevant in the preparation of financial statement.

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 standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, 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.

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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 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.

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- 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

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - i) 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;
 - j) 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;
 - k) 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;
 - l) 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;
 - m) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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.

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- 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, 2021 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, 2021.

With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us

For A Y & Company
Chartered Accountants
FRN: 020829C

CA Yashika Gianchandani
Partner
M. No. 420219
UDIN: 21420219AAAABT9396

Place: Dahegam
Date: 30.06.2021

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ANNEXURE “A” TO THE AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on other Legal and Regulatory Requirements section of our report to the Members of Loyal Equipments Limited of even date)

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, 2021 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

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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, 2020, 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.

For A Y & Company
Chartered Accountants
FRN: 020829C

CA Yashika Gianchandani
Partner
M.No. 420219
UDIN: 21420219AAAABT9396

Place: Dahegam
Date: 30.06.2021

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CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

Particulars	Note No.	Amount (In '000)	
		31.03.2021	31.03.2020
ASSETS			
A. Non-Current Assets			
(i) Fixed Assets			
(a) Plant, Property and Equipment	2	87453.39	90825.48
(b) Right of Use Assets	2	17490.17	0.00
(c) Capital Work-in-Progress	2	59761.36	203.84
(d) Investment Properties		0.00	0.00
(e) Goodwill		0.00	0.00
(f) Other Intangible Assets	2	1118.32	265.24
(g) Intangible Assets under Development		0.00	0.00
(h) Biological Assets other than bearer Plants			
(ii) Financial Assets			
(a) Investments	3	854.07	718.62
(b) Trade Receivables		0.00	0.00
(c) Loans & Advances	4	991.78	944.07
(iii) Deferred Tax Assets (Net)		0.00	0.00
(iv) Other Non Current Assets		0.00	0.00
B. Current Assets			
(i) Inventories	5	206615.49	178580.65
(ii) Financial Assets			
(a) Current Investments		0.00	0.00
(b) Trade Receivables	6	51375.48	63402.35
(c) Cash & Cash Equivalents	7	34756.76	22335.10
(d) Short Term Loans & Advances	8	17609.50	8957.69
(iv) Current Tax Assets (Net)	9	192.73	813.21
(v) Other Current Assets	10	34165.05	9259.08
TOTAL ASSETS		512384.10	376305.33
EQUITY AND LIABILITIES			
A. Equity			
(i) Equity Share Capital	11	102000.00	102000.00
(ii) Other Equity	12	114430.59	106099.81
Total Equity		216430.59	208099.81

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B. Liabilities			
Non-Current Liabilities			
(i) Financial Liabilities			
(a) Long Term Borrowings	13	34751.84	3121.57
(b) Trade Payables		0.00	0.00
(c) Other Long Term Liabilities	14	16873.53	0.00
(ii) Long Term Provisions	15	2783.09	1836.68
(iii) Deferred Tax Liabilities	16	2238.54	1226.35
(iv) Other Long Term Liabilities		0.00	0.00
Current Liabilities			
(i) Financial Liabilities			
(a) Short Term Borrowings	17	122967.07	87667.85
(b) Trade Payables	18		
Due to Micro, Small & Medium Enterprises		0.00	9445.11
Due to Creditors Other than Micro, Small & Medium Enterprises		83873.14	41023.47
(c) Other Current Liabilities	19	32466.31	23884.51
(ii) Short Term Provisions		0.00	0.00
(iii) Current Tax Liabilities (Net)		0.00	0.00
TOTAL EQUITY AND LIABILITIES		512384.10	376305.33

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 MARCH 2021

Amount (In '000)

Particulars	Note No.	31.03.2021	31.03.2020
<u>A.INCOME</u>			
I) Revenue from Operations	20	271647.06	340006.98
II) Other Income	21	11742.20	1652.72
III TOTAL INCOME (I+II)		283389.26	341659.70
<u>IV. EXPENDITURE</u>			
a) Cost of Raw Material Consumed	22	152356.24	191226.54
b) Purchases of Stock in Trade		0.00	0.00
c) Changes in Inventory of Finished Goods, Work In Progress & Stock In Trade	23	-24265.19	-53881.17
d) Employee Benefit Expenses	24	48409.10	42524.01
e) Finance Costs	25	11295.24	9926.08
f) Depreciation and Amortisation Expenses	26	14821.00	11460.70
g) Other Expenses	27	66881.56	102210.83
TOTAL EXPENSES (IV)		269497.95	303467.00
(V) Profit/(loss) before exceptional items and tax (III-IV)		13891.32	38192.71
(VI) Exceptional items		0.00	0.00
(VII) Profit/(loss) before tax from Continuing Operations (V-VI)		13891.32	38192.71
(VIII) Tax Expenses			
a) Current year Tax		3876.08	9246.95
b) Federax Taxes of Subsidiary Company		51.61	0.00
c) Deferred Tax		1012.19	154.40
(IX) Profit/(Loss) for the period from continuing operations (VII-VIII)		8951.44	28791.36
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
XIII Profit/(loss) for the period (IX+XII)		8951.44	28791.36
XIV Other Comprehensive Income			
A (i) Items that will be reclassified to Profit or loss		0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
B (i) Items that will not be reclassified to profit or loss		495.85	117.12

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(ii) Income tax relating to items that will not be reclassified to profit or loss		124.81	29.48
XV Total Comprehensive Income for the period (XIII+XIV)(Comprising profit (Loss) and other comprehensive income for the period)		8330.78	28644.76
XVI Earnings per equity share (for continuing operation) :			
(1) Basic		0.82	2.81
(2) Diluted		0.82	2.81
XVII Earnings per equity share (for discontinued operation) :			
(1) Basic		0.00	0.00
(2) Diluted		0.00	0.00
XVIII Earnings per equity share (for discontinued & Continuing operation) :			
(1) Basic		0.82	2.81
(2) Diluted		0.82	2.81

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

	Amount (Rs. In '000)	
Particulars	31.03.2021	31.03.2020
Cash flows from operating activities		
Profit before taxation & Extraordinary items	13,891.32	38,192.71
<i>Adjustments for:</i>		
Depreciation	14,821.00	11,460.70
Adjustment on Account of Non Cash Items	2,958.81	649.65
Lease Rent Paid not included in Profit & Loss	(2,360.00)	
Investment income	(716.68)	(467.88)
Finance Cost	11,295.24	9,926.08
<i>Working capital changes:</i>		
(Increase) / Decrease in trade and other receivables	12,026.87	2,760.90
(Increase) / Decrease in other current assets	(24,905.97)	(262.55)
(Increase) / Decrease in Short Term Loans & Advances	(8,651.81)	(6,065.46)
(Increase) / Decrease in inventories	(28,034.84)	(51,881.22)
Increase / (Decrease) in trade payables	33,404.56	19,402.91
Increase / (Decrease) in other current liabilities	6,338.11	5,643.69
Cash generated from operations	30,066.60	29,359.52
Income taxes paid	(4,238.53)	(13,628.97)
Net cash from operating activities	25,828.07	15,730.55
Cash flows from investing activities		
Purchase of Fixed Assets	(69,709.63)	(22,045.35)
Purchase/Sales of Investments	-	-
Long terms loans & Advances Granted/Received	(47.71)	(50.51)
Interest received	715.06	424.58
Dividend received	1.62	43.30
Net cash used in investing activities	(69,040.67)	(21,627.98)
Cash flows from financing activities		
Payment of Long Term Borrowings	31,630.27	(2,292.10)
Proceeds from Short Term Borrowings	35,299.22	18,149.60
Payment of Finance Cost	(11,295.24)	(9,926.08)
Net cash used in financing activities	55,634.25	5,931.42
Net increase in cash and cash equivalents	12,421.66	34.00
Cash and cash equivalents at beginning of period	22,335.10	22,301.10
Cash and cash equivalents at end of period	34,756.75	22,335.10
Cash and cash equivalents comprises of		
Cash in Hand	2,178.72	2,085.08
Balance with Scheduled Banks	32,578.04	20,250.02

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2021

A) EQUITY SHARE CAPITAL

Particulars	Amount (In '000)
Equity Shares of Rs. 10 each issued, subscribed & Paid	
As at 01 April, 2019	102000.00
changes in Equity share Capital during the year	0.00
As at 31st March, 2020	102000.00
changes in Equity share Capital during the year	0.00
As at 31st March, 2021	102000.00

B) OTHER EQUITY

(Amount In ' 000)

Particulars	Other Equity			Amount
	Reserves & Surplus			
	General Reserve	Securities Premium	Retained Earnings	
Balance As at 31st March, 2019	0.00	0.00	77455.04	77455.04
Profit/(Loss) for the period	0.00	0.00	28791.37	28791.37
Other Comprehensive Income	0.00	0.00	146.60	146.60
Total Comprehensive Income	0.00	0.00	28644.77	28644.77
Transfer to General Reserve	0.00	0.00	0.00	0.00
Utilization of Reserves	0.00	0.00	0.00	0.00
As at 31st March, 2020	0.00	0.00	106099.81	106099.81
Profit/(Loss) for the period	0.00	0.00	8951.44	8951.44
Other Comprehensive Income	0.00	0.00	620.66	620.66
Total Comprehensive Income	0.00	0.00	8330.78	8330.78
Transfer to General Reserve	0.00	0.00	0.00	0.00
Utilization of Reserves	0.00	0.00	0.00	0.00
As at 31st March, 2021	0.00	0.00	114430.59	114430.59

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NOTE NO. 1

Notes Forming Part of Financial Statements for the year ended on March 31st, 2021

i. 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 31st March, 2021. The principal activity of both Holding Company is manufacturing of Industrial & Engineering Equipments & of Subsidiary is Trading of Industrial & Engineering Equipments..

Since the reporting currency of Loyal equipment Inc. (Subsidiary Company) is United States Doller & 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 Average exchange rate i.e. the exchange rate prevailing in the market on monthly basis while doing consolidation.

ii. 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.

iii. ROUNDING OF AMOUNTS:

The financial statements including notes thereon are presented in Indian ₹ which is the Company's functional currency. All amounts disclosed in the financial statements including notes thereon have been rounded off to the nearest thousand, unless stated otherwise.

iv. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPERATION:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015, read with section 133 of the Companies Act, 2013.

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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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B. PRINCIPALS OF CONSOLIDATION:

- 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.
- Profits & losses resulting from intra group transaction that are recognized in assets, such as inventory and property, plant and equipments are eliminated in full.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- The carrying amount of parent’s investments in subsidiary is offset against the parent’s portion of equity in subsidiary.
- Since 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. RIGHT OF USE ASSETS

Under Ind AS, Right of Use Assets and Lease Liabilities of ₹ 195.15 lakhs have been created on 1st April 2020. Accordingly other expenses(rent) have reduced by ₹ 23.60 lakhs, finance cost increased by ₹ 16.88 lakhs and depreciation increased by ₹ 20.25 lakhs during 2020-21.

G. 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

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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.

H. 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.

I. 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.

J. 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.

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K. 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.

L. 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

M. 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.

N. 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.

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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:

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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.

O. LEASE:

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

The Company as lessee:

The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract

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contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

P. 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.

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Q. 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.

R. 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.

S. 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:

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- i. the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii. the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. the amount of revenue can be measured reliably;
- iv. it is probable that the economic benefits associated with the transaction will flow to the company; and
- v. 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.

T. 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.

U. 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.

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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.

V. 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.

W. 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.

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X. CRITICAL ACCOUNTING JUDGMENT AND ESTIMATES:

The preparation of financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the applicability of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statement and reported amounts of revenue and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in the estimates are made as the Management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material. Their effects are disclosed in the notes to the financial statement.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and others. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these condensed financial statements.

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NON CURRENT ASSETS
NOTE NO.: 2

(In '000)

	Fixed Assets	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount	
		Balance as at 01/04/2020	Additions / (Disposals)	Acquired through business combinations	Disposals/ Transfers	Balance as at 31/03/2021	Balance as at 01/04/2020	Depreciation charge for the year	Adjustment	Eliminated On disposals	Balance as at 31/03/2021	As at 31/03/2021	As at 31/03/2020
(a)	Tangible Assets												
	Land/Sheed	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	64674.48	1713.18	0.00	0.00	66387.66	10896.01	5123.34	0.00	0.00	16019.35	50368.31	53778.47
	Plant and Equipment	71965.43	3808.98	0.00	0.00	75774.41	40968.19	5227.01	0.00	0.00	46195.21	29579.20	30997.24
	Furniture and Fixtures	1804.00	0.00	0.00	0.00	1804.00	854.73	259.78	0.00	0.00	1114.51	689.49	949.27
	Vehicles	11464.43	0.00	0.00	0.00	11464.43	8733.02	1016.97	0.00	0.00	9749.99	1714.44	2731.41
	Office equipment	6961.61	144.30	0.00	275.00	6830.92	5987.82	347.79	0.00	234.58	6101.03	729.89	973.79

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	Fixed Assets of Subsidiary Company	0.00	3716.22	0.00	0.00	3716.22	0.00	739.47	0.00	0.00	739.47	2976.75	0.00
	Total	158265.25	5666.47	0.00	275.00	163656.72	67439.77	11974.89	0.00	234.58	79180.08	87453.39	90825.48
(b)	Intangible Assets												
	Software	9013.42	934.42	0.00	0.00	9947.84	8748.18	81.34	0.00	0.00	8829.52	1118.32	265.23
	Total	9013.42	934.42	0.00	0.00	9947.84	8748.18	81.34	0.00	0.00	8829.52	1118.32	265.23
C	Capital Work in Progress												
	Corporate Office New building	203.84	60087.71	0.00	530.19	59761.36	0.00	0.00	0.00	0.00	0.00	59761.36	203.84
	Total	203.84	60087.71	0.00	530.19	59761.36	0.00	0.00	0.00	0.00	0.00	59761.36	203.84
D	Right to Use Asset												
	Leasehold Land	0.00	19515.47	0.00	0.00	19515.47	0.00	2025.30	0.00	0.00	2025.30	17490.17	0.00
	Total	0.00	19515.47	0.00	0.00	19515.47	0.00	2025.30	0.00	0.00	2025.30	17490.17	0.00
	Grand Total	167482.51	66688.60	0.00	805.19	233365.92	76187.95	12056.23	0.00	234.58	88009.60	148333.07	91294.56

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FINANCIAL ASSETS - NON CURRENT

NOTE NO. 3 - INVESTMENTS

(Amount In '000)

Particulars	31.03.2021	31.03.2020
Investment in Equity Shares of NNCB Limited	400.00	400.00
Investment in Equity Shares of Lupin Ltd.	204.09	183.66
Investment in Equity Shares of BEML Ltd.	125.58	60.21
Investment in Equity Shares of Bharat Forge Limited	119.19	70.67
Investment in Equity Shares of Reliance Capital Ltd.	4.30	3.20
Investment in Equity Shares of IOCL	0.92	0.88
TOTAL	854.07	718.62

NOTE NO. 4 - LOANS & ADVANCES - LONG TERM

(Amount In '000)

Particulars	31.03.2021	31.03.2020
Security Deposits	991.78	944.07
TOTAL	991.78	944.07

CURRENT ASSETS - NOTE NO. 5 - INVENTORIES

(Amount In '000)

Particulars	31.03.2021	31.03.2020
Raw Material	90459.30	86689.65
WIP	61398.19	32407.24
Finished Goods	54758.00	59483.76
TOTAL	206615.49	178580.65

CURRENT ASSETS - NOTE NO. 6 - TRADE RECIEVABLES

(Amount In '000)

Particulars	31.03.2021	31.03.2020
Less than Six Months	46162.04	58184.14
More than Six Months	5213.44	5218.22
TOTAL	51375.48	63402.35

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NOTE NO. 7 - CASH & CASH EQUIVALENTS

(Amount In '000)

Particulars	31.03.2021	31.03.2020
Balance with Scheduled Banks	26148.89	20250.02
Cash in Hand	2068.54	2085.08
Cash & Cash Equivalents of Subsidiary	6539.33	0.00
TOTAL	34756.76	22335.10

NOTE NO. 8 - SHORT TERM LOANS & ADVANCES
(Unsecured and Considered Good)

(Amount In '000)

Particulars	31.03.2021	31.03.2020
Advance Against Order	15577.53	7457.12
Other Advances	2031.97	1500.57
TOTAL	17609.50	8957.69

NOTE NO. 9 - CURRENT TAX ASSETS

(Amount In '000)

Particulars	31.03.2021	31.03.2020
Advance Income Tax (Net)	192.73	813.21
TOTAL	192.73	813.21

NOTE NO. 10 - CURRENT TAX ASSETS

(Amount In '000)

Particulars	31.03.2021	31.03.2020
Bank Guarantees	19892.17	5437.79
Bank Guarantee Amendment Charges Receivables	0.00	149.54
GST Receivable	11599.77	1835.20
Staff Advance	707.47	485.40
Prepaid Expenses	1461.19	832.41
Income Tax Refundable	462.70	476.99
Kotak Mahindra Bank Dividend Account	41.75	41.75
TOTAL	34165.05	9259.08

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NOTE NO. 11 - EQUITY SHARE CAPITAL

Particulars	Amount (In '000)	
	31.03.2021	31.03.2020
Authorized Capital		
(1,50,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)	150000.00	150000.00
(Previous Year 150,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		
Issued, Subscribed and Paid Up Capital		
(1,02,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)	102000.00	102000.00
(Previous Year 102,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		
TOTAL	102000.00	102000.00

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

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

11.2) The details of Shareholders holding more than 5% shares:-

Name of the Shareholder (% of Holding)	No. of Shares	No. of Shares
	(% of holding)	(% of holding)
Alkesh R Patel	2099940	2099940
	(20.59%)	(20.59%)
Jyotsnaben R Patel	3300000	3300000
	(32.35%)	(32.35%)
Rameshchandra N Patel	2100000	2100000
	(20.59%)	(20.59%)

11.3) 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.

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NOTE NO.12 - OTHER EQUITY

(Amount In '000)

Particulars	31.03.2021	31.03.2020
<u>A) Securities Premium</u>		
As per Balance sheet of Previous Financial Year	0.00	0.00
Add : Addition in Current Year	0.00	0.00
Less : Utilized in Current Year	0.00	0.00
	0.00	0.00
<u>B) Retained Earnings</u>		
As per Balance sheet of Previous Financial Year	106099.81	77455.04
Add : Transfer from Profit of the Current Year	8330.78	28644.77
TOTAL (A+B)	114430.59	106099.81

NON CURRENT LIABILITIES
FINANCIAL LIABILITIES

NOTE NO. 13 - LONG TERM BORROWING

(Amount In '000)

Particulars	31.03.2021	31.03.2020
<u>A) Secured</u>		
ICICI Bank Car Loan	0.00	686.66
HDFC Bank Limited Car Loan	307.46	0.00
ICICI Bank Machinery Loan	133.67	606.81
HDFC Capex Loan	28063.81	662.35
Car Loan from Subsidiary Company	3149.96	0.00
Kotak Mahindra Bank Prime Limited Car Loan	783.27	1165.74
	32438.17	3121.57
<u>B) Unsecured</u>		
PPP Loan	2313.68	0.00
	2313.68	0.00
TOTAL (A+B)	34751.84	3121.57

Note 13.1) Terms of Loans:

- a) ICICI Bank Machinery Loan is secured by way of hypothecation of Plant & Mahcinery @ 9.24% payable in equal 48 EMI's of Rs. 58410.00
- b) Car Loans taken from Bank of financial institution are secured by way of hypothecation of the Vehicle purchased from the Amount of Loan.

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- c) HDFC Capex Loan has been secured Primiraly by way of hypothecation of Stock & Book Debts on entire Exposure & Equitable Mortgage of Industrial land Block No. 35/1, 35/2, 35/3, 35/4 & Block No. 34 @ 8.65% Per Annum.
- d) There are no defaults in repayment of loans and interest during the year.

NOTE NO. 14 - OTHER NON CURRENT LIABILITIES

Particulars	(Amount In '000)	
	31.03.2021	31.03.2020
Lease Liability	16873.53	0.00
TOTAL	16873.53	0.00

NOTE NO. 15 - LONG TERM PROVISIONS

Particulars	(Amount In '000)	
	31.03.2021	31.03.2020
Provision for Gratuity	2783.09	1836.68
TOTAL	2783.09	1836.68

NOTE NO. 16 - DEFERRED TAX LIABILITIES (NET)

Particulars	(Amount In '000)	
	31.03.2021	31.03.2020
Deferred Tax Liabilities as of Previous Year	1226.35	1071.95
Add/Less : Adjustments in Current Year	1012.19	154.40
TOTAL	2238.54	1226.35

CURRENT LIABILITIES
FINANCIAL LIABILITIES

NOTE NO. 17 - SHORT TERM BORROWINGS

Particulars	(Amount In '000)	
	31.03.2021	31.03.2020
A) Secured		
Kotak Mahindra Bank O/D	0.00	87667.85
GECL Loan	13900.00	0.00
HDFC WCDL Loan	11283.60	0.00
HDFC Bank Limited CC	97783.47	0.00
	122967.07	87667.85
B) Unsecured		

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Loan from Director in Subsidiary	0.00	0.00
	0.00	0.00
TOTAL (A+B)	122967.07	87667.85

17.1) Terms of Loan

- a) HDFC Bank Overdraft facility, GECL Loan & WCDL Loan has been secured Primarily by way of hypothecation of Stock & Book Debts on entire Exposure & Equitable Mortgage of Industrial land Block No. 35/1, 35/2, 35/3, 35/4 & Block No. 34 @ 8.65% Per Annum.
- b) There is no default in repayment of loan & Interest.

NOTE NO. 18 - TRADE PAYABLES

Particulars	(Amount In '000)	
	31.03.2021	31.03.2020
Trade Payable Due to Micro, Small & Medium Enterprises	0.00	9445.11
Trade Payable Due to Other than Micro, Small & Medium Enterprises	83873.14	41023.47
TOTAL	83873.14	50468.58

NOTE NO. 19 - OTHER CURRENT LIABILITIES

Particulars	(Amount In '000)	
	31.03.2021	31.03.2020
Current Maturities of Long Term Debt	1982.92	2292.11
Unpaid Electricity bill	194.85	0.00
Unpaid Prof. Tax	14.09	17.36
Provident Fund Payable	217.70	249.84
Unpaid Salary	3645.38	7913.18
Payroll Liabilities	448.05	0.00
Payroll Taxes Payable	217.27	166.24
Advance Received from Customers	20716.81	10483.69
Audit Fees Payable	225.00	225.00
T.D.S Payable	810.41	1244.36
TCS Payable	8.25	0.00
Lease Liability	1970.03	0.00
Kotak Securities Demat Account	0.75	0.75
Provision for Gratuity	273.66	81.58
Retention	1282.80	752.06
Unclaimed Dividend	16.00	16.00
Unclaimed Investor Fund	442.33	442.33
TOTAL	32466.31	23884.51

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NOTE NO. 20 - REVENUE FROM OPERATIONS

		(Amount In '000)	
Particulars	31.03.2021	31.03.2020	
Sales			
- Domestic	271592.65	280315.81	
- Export	5613.70	86887.40	
- Inter Company Elimination	-5559.29	-27196.22	
TOTAL	271647.06	340006.98	

NOTE NO. 21 - OTHER INCOMES

		(Amount In '000)	
Particulars	31.03.2021	31.03.2020	
Income From Investments throu FVTPL	135.45	0.00	
Profit on Sale of Fixed Assets	124.58	0.00	
Interest Income	715.06	424.58	
Dividend Income	1.62	43.30	
Discount Received	1.24	0.24	
Income from Various Subsidies	600.50	758.74	
Scrap Sales	9573.77	0.00	
Other Incomes	589.99	425.86	
TOTAL	11742.20	1652.72	

NOTE NO. 22 - COST OF RAW MATERIAL CONSUMED

		(Amount In '000)	
Particulars	31.03.2021	31.03.2020	
Opening stock of Raw Material	86689.65	88689.60	
Add : Purchases During the Year	156125.89	189226.59	
Less : Closing Stock of Raw Material	90459.30	86689.65	
TOTAL	152356.24	191226.54	

NOTE NO. 23 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

		(Amount In '000)	
Particulars	31.03.2021	31.03.2020	
Inventories at the beginning of the Year			
- Work In Progress	32407.24	27873.88	

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- Finished Goods	59483.76	10135.95
- Stock in Trade	0.00	0.00
Inventories at the end of the Year		
- Work In Progress	61398.19	32407.24
- Finished Goods	54758.00	59483.76
- Stock in Trade		
Net Change in the Inventory of Finished Goods, Work in Progress & Stock in Trade	-24265.19	-53881.17

NOTE NO. 24 - EMPLOYEE BENEFIT EXPENSES

(Amount In '000)

Particulars	31.03.2021	31.03.2020
Bonus	1825.44	1826.84
Staff Welfare Expenses	787.82	1256.39
Salary to Staff	35877.73	30258.68
Directors Remuneration	7095.29	7200.00
Payroll Taxes	571.73	0.00
Provident Fund Exp.	1415.39	1288.19
Provision for Gratuity (Current Service Cost & Interest Cost)	749.37	566.35
Staff Medical Expenses	86.34	127.56
TOTAL	48409.10	42524.01

NOTE NO. 25 - FINANCE COST

(Amount In '000)

Particulars	31.03.2021	31.03.2020
Interest expenses	11295.24	7466.08
Other borrowing costs	0.00	2460.00
TOTAL	11295.24	9926.08

NOTE NO. 26 - OTHER EXPENSES

(Amount In '000)

Particulars	31.03.2021	31.03.2020
Depreciation	14821.00	11460.70
TOTAL	14821.00	11460.70

NOTE NO. 27 - DEPRECIATION & AMORTISATION EXPENSES

(Amount In '000)

Particulars	31.03.2021	31.03.2020
<u>DIRECT EXPENSES</u>		

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Power & fuel	2031.53	2151.89
Testing & Inspection	9185.34	9741.92
Job Work	28093.06	47239.27
Transportation Exp.	6292.67	4211.51
Import Material Clearing Charges	270.32	4723.79
Engineering Design & Consultancy Expenses	2981.78	490.89
Factory Rent	400.00	1950.00
Repair of Plant & Machinery	1209.83	838.28
Other Direct Exp.	3108.05	10602.25
Total (A)	53572.58	81949.80
<u>INDIRECT EXPENSES</u>		
Adjustment on Account of FVTPL	0.00	83.30
Audit Fees	450.00	450.00
Advertisement Exp.	193.56	159.90
AMC Charges	134.36	1144.19
Annual Listing Fees	355.00	357.50
Annual Event Expenses	0.00	3355.50
Bank Charges	1836.54	853.72
Demat Charges	1.55	1.39
Forex Gain/Loss	732.19	2573.22
Petrol Exp.	0.00	422.72
Repairs & Maintenance	77.42	330.60
Export Material Clearing Charges	1206.19	0.00
GST Interest Expenses	359.73	0.00
Insurance	697.50	608.26
Marketing & Sales Consulting Exp.	0.00	2335.42
Professional & Legal Fees	359.74	578.23
Rates & Taxes	234.37	400.38
Rent	0.00	1800.00
Late Delivery Charges	1826.48	373.50
Travelling & Conveyance Expenses	406.80	1138.96
Foreign Travelling Exp.	0.00	203.51
Office Miscellaneous Expenses	713.70	962.21
Donation	100.00	0.00
Software Expenses	1401.49	458.92
Packing And Forwarding Charges	781.38	0.00
Postage & Courier	56.42	58.50
Telephone Expenses	274.67	459.00

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Printing & Stationary Expenses	309.39	412.02
Website Exp.	30.00	30.00
Vehicle Running & Maintenance	94.71	547.14
Other Misc. Exp.	65.00	73.61
ZAK Panchayat Tax	179.91	89.36
Other Exp. Subsidiary	430.90	0.00
Total (B)	13308.98	20261.03
TOTAL (A+B)	66881.56	102210.83

28. EARNINGS PER SHARE:

(Amount In '000)

Particulars	2020-21	2019-20
Total Comprehensive Income after tax as per Statement of Profit & loss available to equity shareholders (In Thousands) (a)	8330.78	28644.77
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	10200000
Basic/Diluted Earnings Per Share (a/b)	0.82	2.81

29. EMPLOYEE BENEFITS:

a) Contribution to Employee Provident Fund:

(Amount In '000)

Particulars	2020-21	2019-20
Contribution to employee provident Fund	1415.39	1288.19

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	Non Current	Current	Total
Defined benefit Obligation	2783.09	273.66	3056.75
Fair value of Plan Assets	-	-	-

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Change in defined benefit obligation		
Defined benefit obligation, beginning of the year	1918.27	1234.798
Current service cost	615.09	479.91
Interest cost	134.28	86.44
Past service cost	-	-
Benefits paid	(106.73)	-
Actuarial (gains)/losses	495.85	117.122
Defined benefit obligation, end of the year	3056.75	1918.27
(ii) Net Liability/(Asset) recognized in the Balance Sheet		

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Present value of defined benefit obligation	3056.75	1918.27
Fair value of plan assets	-	-
Net liability	3056.75	1918.27
Current	273.66	81.58
Non-current	2783.09	1836.69
(iii) Expenses recognized in Statement of Profit or Loss		
Current service cost	615.09	479.91
Past Service cost	-	-
Interest cost	134.28	86.44
Total Expense recognized in statement of profit or loss	749.37	566.35
(iv) Remeasurements recognized in other comprehensive income(OCI)		
Changes in demographic assumptions	-	-
Changes in financial assumptions	-	107.20
Experience adjustments	495.85	9.92
Total Actuarial (Gain) / Loss recognized in OCI	495.85	117.12

Particulars	As at 31st March 2021
(v) Maturity Profile of Defined Benefit Obligation	
01 April 2021 to 31 Mar 2022	273.66
01 April 2022 to 31 Mar 2023	73.95
01 April 2023 to 31 Mar 2024	76.56
01 April 2024 to 31 Mar 2025	112.24
01 April 2025 to 31 Mar 2026	561.96
01 April 2026 onwards	1958.40
(vi) Sensitivity Analysis for significant assumptions*	
Increase/(Decrease) on present value of defined benefits obligation at the end of the year	
1% increase in salary growth rate	33.42
1% decrease in salary growth rate	28.07
1% increase in withdrawal rate	30.73
1% decrease in withdrawal rate	30.34
1% increase in discount rate	28.14
1% decrease in discount rate	33.39
(vii) Actuarial Assumptions	
Discount rate (p.a)	7.00%
Salary Escalation Rate (p.a.)	5.00%
Retirement age	60 years
Mortality (Including provision for disability)	IALM 2012-14
Employee Withdrawal rate	5.00% p.a.

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30. CIF Value of Imports:

(Amount In '000)

Particulars	2020-21	2019-20
Raw Material	2731.46	19149.16

31. Contingent Liabilities not provided for:

In respect of Bank Guarantees 198.92 Lacs (Previous year: 54.38 Lacs).

32. 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.

33. Disclosure as per Ind AS 12 - Income Taxes

(b) Income Tax Expense

(i) Income Tax recognized in the statement of profit and loss

(Amount In '000)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Current Tax Expense	3876.08	9246.95
Deferred Tax Expense/(Income)		
Origination and reversal of temporary differences	1012.19	154.40
Origination and reversal of carried forward losses	-	-
Tax Expenses of Subsidiary Company	51.61	-
Total Tax Expense	4939.88	9401.35

(ii) Income Tax recognized in other comprehensive income

(Amount In '000)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Net actuarial gains/(losses) on defined benefit plans		
Before Tax	495.85	117.12
Tax expense/benefit recognized in OCI	124.81	29.48
Net of Tax	(371.04)	(87.64)

(iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

(Amount In '000)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Profit before tax	13891.32	38192.69
Applicable Tax Rate	25.17%	25.17%

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Adjustments for:		
Expenses not Allowed in Income Tax	1508.29	(1454.72)
Computed tax expense	3876.08	9246.95
Remeasurement of Deferred Tax due to Change in Expected Tax Rates	1012.19	154.40
Tax Expenses of Subsidiary Company	51.61	-
Tax as per Statement of Profit & Loss	4939.88	9401.35

34. Disclosure as per Ind AS 116 – Leases

The company's leasing agreements are in respect of leases of Land. These agreements are generally renewable on mutually agreed terms. The weighted average incremental borrowing rate applied to lease liabilities for 2020-21 is 8.65%.

The company has elected not to apply the recognition, measurement and presentation requirements of the standard to all short term leases (leases which have a lease term of 12 months or less and do not contain a purchase option), and to leases of low value assets on a lease-by-lease basis.

Statement of Lease Liabilities as at 1 April, 2020:

Particulars	Current Liability	Non-Current Liability	Total
Lease Liability	--	--	--

(Amount In '000)

Particulars	As at 31st March 2021
(i) Movement of Lease Liabilities	
Balance at beginning of the year	--
Additions	19515.47
Finance cost accrued during the period	1688.09
Deletions	-
Payment of lease liabilities	
-Principal	(671.91)
-Interest	(1688.09)
Balance at end of the year	18843.56
(ii) Break up of Lease Liabilities	
Current Lease Liability	16873.53
Non Current Lease Liability	1970.03
Total	18843.56

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35. Disclosure of Related Party Transactions as on March 31st, 2021:-

Related Party Transactions are being reported as per Ind AS 24 'Related Party Disclosures' for the year ended March 31, 2021.

• **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. Akanksha Aswani	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.	Mr. Alkesh Rameshchandra Patel	President in Loyal Equipments Inc.
10.	Mrs. Parul Alkeshkumar Patel	Employee in Loyal Equipments Inc.
11.	Ms. Helena Alkeshkumar Patel	Employee in Loyal Equipments Inc.

* 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 Rameshchandra Patel	Proprietor

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2021
Remuneration to Key Managerial Personnel		
Mr. Rameshchandra Nathalal Patel	3196.77	4450.00
Mr. Alkesh Rameshchandra Patel	650.00	3350.00
Mr. Amitkumar Chandubhai Patel	852.32	843.25
Ms. Akanksha Aswani	148.80	117.20
Remuneration to Key Managerial Personnel of Subsidiary Company		
Mr. Alkesh Rameshchandra Patel	3548.52	1807.80
Mrs. Parul Alkeshkumar Patel	1585.78	813.51
Ms. Helena Alkeshkumar Patel	1333.08	--

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Rent Paid		
Loyal Engineers	1800.00	1800.00
Mrs. Jyotsanaben Rameshchandra Patel	2400.00	2400.00

• **Outstanding Credit/(Debit) Balance of Related Parties:**

S.NO.	Name	Balance as on March 31, 2021	Balance as on March 31, 2020
1.	Mr. Rameshchandra Nathalal Patel	--	2489.80
2.	Mr. Alkesh Rameshchandra Patel	715.60	337.73
4	Mrs. Jyotsanaben Rameshchandra Patel	2359.98	1188.00
5.	M/s Loyal Engineers	2629.50	1296.00
6.	Mr. AmitKumar Chandubhai Patel	63.56	63.56
7.	Ms. Akanksha Aswani	11.22	11.22
8.	Alkesh Rameshchandra Patel	(1780.65)	--
9.	Mrs. Parul Alkeshkumar Patel	110.18	112.99
10.	Ms. Helena Alkeshkumar Patel	117.52	--

36. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 :

Disclosure under Micro, Small and Medium Enterprises Act, 2006 are provided as under for the year 2020-21, to the extent the Company has received intimation from the “Suppliers” regarding their status under the Act:

S.No.	Particulars	March 31, 2021	March 31, 2020
a)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
	Principal amount due to micro and small enterprise	--	9445.11
	Interest due on above	--	--
b)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the period	--	--
c)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	--	--
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	--	--
e)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	--	--

37. FINANCIAL INSTRUMENTS

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

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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.

Particulars	As at 31 st March 2021	As at 31 st March 2020
C. Fixed Rate Borrowings		
Term Loan & Lease Liabilities	55578.32	5413.67
-Short Term Borrowings	122967.07	87667.85
D. Interest Free Borrowings	--	--
Total Borrowings	178545.39	93081.52

- 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

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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, 2021	As at March 31, 2020
Trade Receivables		
More than Six Months	5213.44	5218.22
Less Than Six Months	46162.04	58184.14

- **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
As at March 31, 2021				
Borrowings	126920.02	51625.37	0.00	178545.39
Trade & Other Payables	83873.14	0.00	0.00	83873.14
Other financial Liabilities	28513.35	0.00	0.00	28513.35
As at March 31, 2020				
Borrowings	89959.96	3121.56	0.00	93081.52
Trade & Other Payables	50468.58	0.00	0.00	50468.58
Other financial Liabilities	21592.40	0.00	0.00	21592.40

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

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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, 2021 and March 31, 2020.

Gearing Ratio:

Particulars	As at March 31, 2021	As at March 31, 2020
Total Borrowings	178545.39	93081.52
Less: Cash & Cash Equivalents	34756.76	22335.10
Net Debts	143788.63	70746.42
Total Equity	216430.59	208099.81
Gearing Ratio	0.66	0.34

e) 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:

(In '000)

Particulars	Carrying Value		Fair Value	
	As at March 31 st , 2021	As at March 31 st , 2020	As at March 31 st , 2021	As at March 31 st , 2020
Financial Assets				
FVTPL Financial Instruments – Investments	854.07	718.62	854.07	718.62
Trade Receivables	51375.48	63402.35	51375.48	63402.35
Cash & Cash Equivalents	34756.76	22335.10	34756.76	22335.10
Other financial Assets	18601.28	9901.76	18601.28	9901.76
Total	105587.59	175958.80	105587.59	175958.80
Financial Liabilities				
Borrowings	178545.39	93081.52	178545.39	93081.52
Trade Payables	83873.14	50468.58	83873.14	50468.58
Other Financial Liabilities	28513.35	21592.40	28513.35	21592.40
Total	290931.88	165142.50	290931.88	165142.50

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.

38. Additional information, as required under Schedule III of the Companies Act, 2013 of Enterprises consolidated as Subsidiary

Name of the entity	Net Assets i.e. total Assets minus total liabilities		Share in Profit & Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated profit & loss	Amount
1	2	3	4	5
Parent				
Loyal Equipments Limited	99.99	216417.51	99.84	8317.71

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Subsidiary				
<u>Indian</u>				
Nil				
<u>Foreign</u>				
Loyal Equipments Inc	0.01	13.08	0.16	13.08
Minority Interest in All Subsidiary	--			

Previous Year Figures:

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The previous year's figures have been regrouped / reclassified wherever necessary, to make them comparable.

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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, 2021.
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.

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- 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 : September 07, 2021