



# **LOYAL equipments limited.**

Regd. Office & Works: Block No.: 33,34,35/1-2-3-4-5,  
Village-Zak, Ta.- Dahegam, Dist.- Gandhinagar-382330.  
GUJARAT-INDIA (www.loyalequipments.com)  
CIN NO.: L29190GJ2007PLC050607

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

**Date: August 21, 2024**

To,

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

**(Reference - Loyal Equipments Limited, Scrip Code - 539227, Security ID: LOYAL)**

**Sub: Submission of Annual Report as per Regulation 34 of the Securities and Exchange Board of India (Listing  
Obligation and Disclosure Requirement), 2015**

Dear Sir/Madam,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Kindly find the attached Annual Report of Loyal Equipments Limited for the year 2023-2024 for your record.

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

Thanking you,

Yours faithfully,

**For Loyal Equipments Limited**



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

Place – Dahegam

# ANNUAL REPORT 2023-24



# Table of Contents

<b>Corporate Information</b>	<b>1</b>
<b>Letter to the shareholders</b>	<b>2</b>
<b>Notice</b>	<b>3</b>
<b>Board Report</b>	<b>28</b>
<b>Particulars of Contracts or Arrangements with Related Parties</b>	<b>39</b>
<b>Secretarial Audit Report</b>	<b>41</b>
<b>Management Discussion and Analysis Report</b>	<b>49</b>
<b>Report on Corporate Governance</b>	<b>54</b>
<b>Certificate on Corporate Governance</b>	<b>71</b>
<b>Financial Statements</b>	<b>72</b>
<b>CEO And CFO Certification</b>	<b>118</b>

## CORPORATE INFORMATION

### Board of Directors

Mr. Alkesh Rameshchandra Patel  
 Mrs. Jyotsanaben Rameshchandra Patel  
 Ms. Helena Alkeshkumar Patel  
 Mr. Babubhai Bhulabhai Patel  
 Mr. Girish Nathubhai Desai  
 Mr. Kalpesh Lalitchandra Joshi

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

### Contact Person for Investors

Ms. Neha Jangid  
 Company Secretary and Compliance Officer

Block No. 35/1-2-3-4, Village Zak,  
 Dahegam, Gandhinagar-382330, Gujarat, India  
 Tel No.: +91-2718-247236,  
 Fax No.: +91-2716-269033  
 E-mail: [cs@loyalequipments.com](mailto:cs@loyalequipments.com)  
 Website: [www.loyalequipments.com](http://www.loyalequipments.com)

### Registrar and Share Transfer Agent

Link Intime India Private Limited  
 C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083  
 Tel. No.: 022-49186060  
 Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
 SEBI Regn. No. INR000004058

### Chief Financial Officer

Mr. Amitkumar Chandubhai Patel

### Company Secretary & Compliance Officer

Ms. Neha Jangid

### Registered Office

Block No. 35/1-2-3-4, Village Zak,  
 Dahegam, Gandhinagar-382330, Gujarat, India  
 Tel No.: +91-2718-247236, +91-2716-269399,  
 Fax No.: +91-2716-269033  
 E-mail: [cs@loyalequipments.com](mailto:cs@loyalequipments.com) ;  
 Website: [www.loyalequipments.com](http://www.loyalequipments.com)  
 CIN: L29190GJ2007PLC050607

### Depositories

National Securities Depository Limited  
 Central Depository Services (India) Limited

### Statutory Auditor

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

### Secretarial Auditor

M/s MSV And Associates,  
 Practicing Company Secretaries,  
 D-54, Chomu House, C-Scheme, Jaipur-302001  
 Tel No.: +91-9001637075  
 E-mail: [csviveksharma9@gmail.com](mailto:csviveksharma9@gmail.com)

### Shares Listed at

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

### Bankers

HDFC Bank Limited



## LETTER TO THE SHAREHOLDERS



[Alkesh Rameshchandra Patel, Managing Director](#)

Dear Member(s),

With great pleasure, I welcome you to the 17th Annual General Meeting of Your Company.

I feel immense pleasure to share with you all that the year 2023-24 has been a remarkable year for Loyal Equipments Limited in terms of growth, expansion and accreditations.

Throughout the year, we successfully reached several major milestones that underscore our progress and achievements. Notably, our company has demonstrated exceptional financial growth, reflected in our impressive revenue and profit figures. This remarkable increase highlights the effectiveness of our strategies, the dedication of our team, and the strong market demand for our products. Our ability to achieve such substantial growth not only positions us favorably within the industry but also sets a solid foundation for continued success and expansion in the future.

About the financial side, during the financial year under review, company achieved significant growth in revenue from operations, reaching Rs. 7081.99 Lakhs compared to Rs. 4929.29 Lakhs in the previous year, marking a growth of 43.67%. This growth was the result of well-planned and executed business expansion operations. For the year ending March 31, 2024, the profit before tax amounted to Rs. 950.44 Lakhs, compared to Rs. 624.38 Lakhs in the previous year. The total net profit for the year is Rs. 708.74 Lakhs, an increase from the previous year's net profit of Rs. 596.79 Lakhs.

In the long term, we anticipate enhanced profitability for Loyal Equipments Limited as we continue on our growth trajectory. We plan to further advance our success by leveraging our integration capabilities. Our strategy for future business development is well-defined: we have secured customer orders, formulated a focused strategy, and assembled a capable leadership team to execute our plans. The favorable market conditions have underscored the potential opportunities available to us. We are confident that there are numerous avenues for growth within our reach.

We would like to take this moment to express our sincere gratitude to our dedicated and hardworking staff, as well as to our valued customers and all those who have steadfastly supported us throughout this journey. As we conclude, we also extend our heartfelt thanks to our shareholders, suppliers, distributors, and all other stakeholders for their unwavering commitment.

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

**Wish best wishes**

**Alkesh Rameshchandra Patel**  
**Chairman & Managing Director**

## NOTICE

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the members of Loyal Equipments Limited will be held Friday, 13<sup>th</sup> day of September, 2024 at 11.00 A.M. through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') to transact the following business:

### ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.**
2. **To re-appoint the Statutory Auditor of the Company and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution; and**

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant the recommendation of the Audit Committee, M/s A Y and Company, Chartered Accountants, Jaipur (Registration no.020829C), be and is hereby re-appointed as the Statutory Auditor of the Company, to hold office for a period of five (5) consecutive years commencing from the conclusion of this 17<sup>th</sup> Annual General Meeting till the conclusion of 22<sup>nd</sup> Annual General Meeting to be held in the financial year 2028-29 of the Company at such remuneration as may be determined by the Board in consultation with the auditors in addition to reimbursement of all out-of-pocket expenses to be incurred by them in connection with the audit.”

3. **To appoint a director in place of Ms. Helena Alkeshkumar Patel (DIN-09296895) who retires by rotation and, being eligible, offers herself for re-appointment.**

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Helena Alkeshkumar Patel (DIN-09296895) who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

### SPECIAL BUSINESS:

4. **To approve the issue of Equity Shares of the Company on Preferential Basis:**

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as Special **Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“the Act”) and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, amended from time to time (“SEBI ICDR Regulations”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time (“SEBI Listing Regulations”), and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs (“MCA”), the Foreign Exchange Management Act, 1999, , as amended or restated (“FEMA”), the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), BSE Limited (the “Stock Exchange”) on which equity shares of the Company is listed and/ or any other competent authorities (hereinafter collectively referred to as “Regulatory Authorities”) from time to time to the extent applicable and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approvals (including regulatory approvals), consents, permissions and sanctions as may be necessary or required and such conditions as may be imposed or prescribed while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent and approval of the Members of the Company (“Members”) be and is hereby accorded to the Board to create, offer, issue and allot up to 6,00,000 (Six Lacs Only) Equity Shares having a face value of Rs. 10/- (Rupee Ten Only) to the Promoter, Promoter Group and Public at an issue price of Rs. 211/- (Rupees Two Hundred and Eleven Only) per Equity Share [including premium of Rs. 201/- (Rupees Two Hundred and One Only) per Equity Share], aggregating to Rs. 12,66,00,000 /- (Rupees Twelve Crore and Sixty-Six

Lakhs Only) (“Consideration”) by way of preferential allotment to the below mentioned persons (“Proposed Allottees”) for a Cash at a price not less than the price determined in accordance with Chapter V of SEBI ICDR Regulations.”

The details of the Proposed Allottees and the maximum number of equity shares of the Company proposed to be allotted are set forth in the below table:

Sr. No.	Name of the Proposed Allottees	Category	Maximum Number of Equity Shares to be allotted	Consideration (Amount in INR)
1	Alkesh Rameshchandra Patel	Promoter	50,000	1,05,50,000
2	Hema Maheshkumar Patel	Promoter Group	50,000	1,05,50,000
3	Sandeep Singh	Public	67,000	1,41,37,000
4	Amit R Agarwal	Public	45,000	94,95,000
5	Vicco Laboratories Goa	Public	45,000	94,95,000
6	Rajesh Kumar Singla	Public	35,000	73,85,000
7	Rakesh Loria	Public	24,000	50,64,000
8	Heena Parth Shah	Public	23,000	48,53,000
9	Innovest Ventures	Public	21,000	44,31,000
10	Deepak Gugnani	Public	11,000	23,21,000
11	Saurabh Tripathi	Public	11,000	23,21,000
12	Sumit Gupta	Public	11,000	23,21,000
13	Madhu Pant	Public	11,000	23,21,000
14	Vijaya Sharma	Public	11,000	23,21,000
15	Rahul Sehgal	Public	11,000	23,21,000
16	Ridhima Sethi	Public	11,000	23,21,000
17	Archana Garg	Public	11,000	23,21,000
18	Shalin Trivedi	Public	11,000	23,21,000
19	Suresh Kumar Agarwal	Public	10,000	21,10,000
20	Ashok Raj Singhee	Public	10,000	21,10,000
21	Aditya Haresh Parekh	Public	10,000	21,10,000
22	Mohit Kumar	Public	10,000	21,10,000
23	Pooja Dayaldas Khemani	Public	10,000	21,10,000
24	Kirti Deep	Public	10,000	21,10,000
25	Nikhil Rungta	Public	10,000	21,10,000
26	Manish Lalwani HUF	Public	10,000	21,10,000
27	Jasmeet Singh Budhiraja	Public	10,000	21,10,000
28	Zoeb Musaji kachwala	Public	10,000	21,10,000
29	Ankur Gupta	Public	10,000	21,10,000
30	Navin Haresh Mahtani	Public	10,000	21,10,000
31	Kaushal Pravinchandra Mehta	Public	7,000	14,77,000
32	Aadesh Jain	Public	7,000	14,77,000
33	Praveen Kumar	Public	7,000	14,77,000
<b>Total</b>			<b>6,00,000</b>	<b>12,66,00,000</b>

“**RESOLVED FURTHER THAT** in terms of the provisions of Chapter V of the SEBI ICDR Regulations and in accordance with the explanation to Regulation 161 of the SEBI ICDR Regulations, the relevant date for the purpose of determining floor price of Equity Shares shall be Wednesday, 14<sup>th</sup> August, 2024, being the date 30 days prior to the date of Annual General Meeting of the Company is being held i.e. 13<sup>th</sup> September, 2024.”

“**RESOLVED FURTHER THAT** without prejudice to the generality of the above Resolution, the issue of the Equity Shares to the Investor under the Preferential Issue shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- The Equity Shares to be issued and allotted shall be fully paid up and rank pari-passu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting powers) from the date of allotment thereof, be subject

to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.

- b. The Equity Shares to be allotted shall be locked in for such period as specified in the provisions of Chapter V of the SEBI ICDR Regulations.
- c. The Equity Shares to be issued and allotted pursuant to the Preferential Issue shall be listed and traded on the Stock Exchanges subject to receipt of necessary regulatory permissions and approvals.
- d. The Investor shall be required to bring in the entire consideration for the Equity Shares to be allotted to such Investor, on or before the date of allotment thereof.
- e. The consideration for allotment of Equity Shares shall be paid to the Company from the bank accounts of the Investor.
- f. The Equity Shares shall be allotted in dematerialised form only within a maximum period of fifteen (15) days from the date of passing of the special resolution by the Members, provided that where the allotment of Equity Shares is subject to receipt of any approval or permission from Applicable Regulatory Authorities, the allotment shall be completed within a period of fifteen (15) days from the date of receipt of last of such approvals or permissions.

**“RESOLVED FURTHER THAT** pursuant to the provisions of the Act & Rules, the name of the Subscribers be recorded for the issue of invitation to subscribe to the Equity Shares and that the private placement offer-cum application letter in Form No. PAS-4 be issued to the Subscribers inviting the Subscriber to subscribe to the Equity Shares, and the terms and conditions stated therein and the consent of the Company is hereby accorded to the issuance of the same.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 42, 62(1) (c) and any other related provisions of the Act and rules and regulations made thereunder, the shareholders hereby accord their approval to the record of private placement offer to be maintained by the Company in Form PAS-5 with details of the Proposed Allottees to whom Equity Shares are proposed to be offered on a preferential allotment basis by way of private placement.”

**“RESOLVED FURTHER THAT** the monies to be received by the Company from the Subscribers for application of the securities pursuant to this private placement shall be kept by the Company in a separate bank account and shall be utilized by the Company only after filing of Form PAS-3 with the Registrar of Companies, Ahmedabad (“ROC”) in accordance with Section 42 of the Companies Act and rules made thereunder and such consideration shall be deemed to be considered as Warrant application money and the same may be applied towards allotment of equity shares stated above;

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Equity Shares, subject to the provisions of the Act and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members.”

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents without being required to seek any fresh approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and utilization of proceeds of the Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary to give effect to the aforesaid resolution including making application to BSE for obtaining of in-principle approval, filing of requisite documents with the Registrar of Companies, Ahmedabad (“ROC”), National Securities Depository Limited Central Depository Services (India) Limited (“CDSL”) and/ or such other authorities as may be necessary for the purpose, and to take all such steps as may be necessary for the issuance of Equity Shares with the depositories, viz. NSDL and CDSL and for the credit of such Shares to the respective dematerialized securities account of the Investors, and to delegate all or any of the powers conferred on it by this resolution to any director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board.



“**RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any committee of directors, any other director(s), and/or officer(s) of the Company.”

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

Sd/-

**Neha Jangid  
Company Secretary  
M. No. 56820**

**Place – Gandhinagar, Gujarat  
Date – August 20, 2024**

**NOTES:**

1. An Explanatory Statement under Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the meeting is annexed hereto
2. 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, 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).
3. The Annual Report including Notice of the 17<sup>th</sup> Annual General Meeting (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 17<sup>th</sup> AGM of the Company will also be available on the website of the Company at [www.loyalequipments.com](http://www.loyalequipments.com). The same can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of RTA i.e. [www. linkintime.co.in](http://www.linkintime.co.in).
4. Brief Resume of the Director(s) seeking re-appointment, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} and Secretarial Standard on General Meeting (SS-2) as amended issued by the Institute of Company Secretaries of India (ICSI) is annexed hereto and forms part of Notice.
5. 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.
6. 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.
7. 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.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 07, 2024 to Friday, September 13, 2024 (both days will be inclusive).
9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and the Company’s

Registrars and Transfer Agents, Link Intime India Private Limited (‘the RTA’) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the RTA.

The Securities and Exchange Board of India (‘SEBI’) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts.

10. 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.
11. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. 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.
14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13.
15. **DOCUMENTS OPEN FOR INSPECTION:**
  - (i) All the documents referred to in the accompanying notice and the explanatory 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>
16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
17. 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 2023-24.
18. **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 2023-24 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 of the AGM and Annual Report 2023-24 will also be available on the Company’s website [www.loyalequipments.com](http://www.loyalequipments.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Link Intime India Private Limited <https://www.linkintime.co.in>.

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

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

(LIPL) (RTA of the Company) on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

20. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
21. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
22. **The instructions for shareholders voting electronically are as under:**
  - (i) The voting period begins Tuesday, September 10, 2024 from 9.00 A.M and ends on Thursday, September 12, 2024 at 5.00 P.M. During this period shareholders of the Company, as on the cut-off date Friday, September 06, 2024 may cast their vote electronically.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) 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' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/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.

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

**Login method for Individual shareholders holding securities in demat mode is given below:**

**Individual Shareholders holding securities in demat mode with NSDL:**

METHOD 1 - If registered with NSDL IDeAS facility

Users who have registered for NSDL IDeAS facility:

- a) Visit URL: <https://eservices.nsd.com> and click on "Beneficial Owner" icon under "Login".
- b) Enter user id and password. Post successful authentication, click on "Access to e-voting".
- c) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

User not registered for IDeAS facility:

- a) To register, visit URL: <https://eservices.nsd.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.

- d) After successful login, click on “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

- a) Visit URL: <https://www.evoting.nsdl.com/>
- b) Click on the “Login” tab available under ‘Shareholder/Member’ section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

#### **Individual Shareholders holding securities in demat mode with CDSL:**

METHOD 1 – From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or [www.cdslindia.com](http://www.cdslindia.com).
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL.

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant:

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through “e-voting” tab under Stocks option.



- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on “LINKINTIME” or “e-voting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

**A. User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

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

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*\*Shareholders holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*  
*\*Shareholders holding shares in NSDL form, shall provide ‘D’ above*

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%\*), at least one numeral, at least one alphabet and at least one capital letter).
- ▶ Click “confirm” (Your password is now generated).

3. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
4. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

**Guidelines for Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”):**

**STEP 1 – Registration**

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under “Corporate Body/ Custodian/Mutual Fund”
- c) Fill up your entity details and submit the form.

- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

#### STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on “Investor Mapping” tab under the Menu Section
- c) Map the Investor with the following details:
  - a. ‘Investor ID’ -
    - i. *Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678*
    - ii. *Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.*
  - b. ‘Investor’s Name - Enter full name of the entity.
  - c. ‘Investor PAN’ - Enter your 10-digit PAN issued by Income Tax Department.
  - d. ‘Power of Attorney’ - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the “Report Section”.

#### STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

##### METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on ‘Votes Entry’ tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter ‘16-digit Demat Account No.’ for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

##### VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for 'Company's Name / Event number '. E-voting page will appear.
- d) Download sample vote file from ‘Download Sample Vote File’ option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under ‘Upload Vote File’ option.
- f) Click on ‘Submit’. ‘Data uploaded successfully’ message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**Helpdesk:**

Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**Forgot Password:**

Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholders holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”) has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on ‘Login’ under ‘Corporate Body/ Custodian/Mutual Fund’ tab and further Click ‘forgot password?’
- o Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

### 23. Process and manner for attending the General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on “Login”.

▶ 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 General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company.
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 General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer 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.

Note: Shareholders/ Members, who will be present in the 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 General Meeting will be eligible to attend/ participate in the 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](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

1. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://instavote.linkintime.co.in>, under help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in)
2. Any person who acquired shares of the company and becomes shareholders of the company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. Friday, September 06 , 2024, may obtain the login ID and password by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) of Issuer/RTA.
3. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, September 06, 2024
4. The board of directors has appointed Mr. Arpit Gupta (Membership No. - 421544), Practicing Chartered Accountants, Partner of M/s A Y & Company (Formerly Known as M/s Arpit R Gupta & Company) (505, Fifth Floor, ARG Corporate Park, Ajmer Road, Gopalbari Jaipur-302006, Rajasthan, India) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
5. The Scrutinizer shall after the conclusion of voting at the general meeting will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e- voting in the presence of at least two witnesses not in the employment of the company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favor or against, if any to the chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
6. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.loyalequipments.com](http://www.loyalequipments.com) and on the website of Link Intime immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchange.

7. The entire Annual Report is also available on the Company's website [www.loyalequipments.com](http://www.loyalequipments.com).

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

**Sd/-  
Neha Jangid  
Company Secretary  
M.No. 56820**

**Place – Dahegam, Gandhinagar  
Date – August 20, 2024**

**BRIEF RESUME OF THE DIRECTOR(S) SEEKING RE-APPOINTMENT AT THE 17<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD AT SEPTEMBER 13, 2024.**

**Pursuant to Regulation 36 (3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by Institute of Company Secretaries of India (ICSI)**

<b>Particulars</b>	Ms. Helena Alkeshkumar Patel
Date of Birth	18/03/1997
Date of First Appointment on the Board Appointment	28/08/2021
Qualifications	Mechanical Engineering
Expertise in specific functional areas	Ms. Helena Alkeshkumar Patel (DIN:09296895) is the Whole-Time Director 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
Chairperson/ Members of the Statutory Committee (s) of Board of Directors of the Company as on date	None
Number of shares held in the Company	NIL
Relationships with other Directors, Manager and other Key Managerial personnel	The appointee and Managing Director related to each other as Daughter and Father and appointee with Whole Time Director as Grand-Daughter and Grand Mother.
Details of remuneration paid / sought to be paid	NIL
Details of proposed remuneration	Rs. 2,00,000/- per month
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 2023-24
DIN	09296895
Terms and conditions of Appointment-Re-appointment	Whole-Time Director liable to retire by rotation
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The capabilities required for being the director is having vast experience in the industry in which the company operates. She is having sound and rich experience of our Industry.

## EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) read with section 110 of the Companies Act, 2013.)

### ITEM NO. 2

The incumbent auditors M/s. A Y & Company, Chartered Accountants, Jaipur (Firm Registration No. 020829C) were appointed u/s 139 as Statutory Auditors of the Company in the financial year 2018-19 to hold office from the conclusion of the 12<sup>th</sup> Annual General Meeting till the conclusion of the 17<sup>th</sup> Annual General Meeting to be held in the financial year 2023-24 and whose term of appointment has expired by virtue of the Companies Act, 2013, at the conclusion of this 17<sup>th</sup> AGM. In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than 2 (two) terms of 5 (five) consecutive years. M/s. A Y & Company is eligible for reappointment for a further period of five years.

Considering the evaluation of the past performance, experience, and expertise of M/s. A Y & Company and based on the recommendation of the Audit Committee, it is proposed to appoint M/s. A Y & Company as Statutory Auditors of the Company for a second term of five consecutive years in terms of the aforesaid provisions.

In view of the same and on the recommendation of Audit Committee and the Board of Directors, the Company requires to re-appoint M/s A Y & Company, Chartered Accountants, Jaipur (Firm Registration No. 020829C) as the Statutory Auditors of the Company in the ensuing Annual General Meeting for the period of 5 years commencing from the conclusion of the 17<sup>th</sup> Annual General Meeting till the conclusion of the 22<sup>nd</sup> Annual General Meeting of the Company. Further, the Company has received consent and an eligibility certificate from M/s. A Y & Company, Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed there under and they satisfy the criteria provided in section 141 of the Companies Act, 2013.

The Members are requested to consider re-appointment of M/s. A Y & Company, Chartered Accountants, Jaipur for the office of the Statutory Auditors of the Company to hold the office from the conclusion of the 17<sup>th</sup> Annual General Meeting till the conclusion of the 22<sup>nd</sup> Annual General Meeting. The Board recommends the re-appointment of the Statutory Auditor of the Company for the period of five years and to pass the resolution as set out in Item No. 2 of the Notice as Ordinary Resolution(s).

None of the Directors, Key Managerial Personnel of the Company, and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 2 of the Notice.

### ITEM NO. 4

The Board of Directors of the Company, in its meeting held on Tuesday, August 20, 2024 subject to the approval of the members of the Company by way of passing a special resolution and such other necessary approvals as may be required, approved the proposal for raising funds by way issuance and allotment of up to 6,00,000 (Six Lacs Only) Equity Share of face value of Rs. 10/- (Rupees Ten) each (“Subscription Shares”), at a price of Rs. 211/- (Rupees Two Hundred and Eleven Only) per Equity Share including a premium of Rs. 201/- (Rupees Two Hundred and One Only) per Equity Share, aggregating upto Rs. 12,66,00,000/- (Rupees Twelve Crore and Sixty-Six Lakhs Only) to the Proposed Allottee on preferential issue basis in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”).

Pursuant to the above transaction, there would be no change in the management or control or would not result in transfer of ownership of the Company to Specified Investors (collectively called the "Investors").

List of specified investors to which the Equity Shares to be offered is provided here under:

Sr. No.	Name of the Proposed Allottees	Category	Maximum Number of Equity Shares to be allotted
1	Alkesh Rameshchandra Patel	Promoter	50,000
2	Hema Maheshkumar Patel	Promoter Group	50,000
3	Sandeep Singh	Public	67,000
4	Amit R Agarwal	Public	45,000
5	Vicco Laboratories Goa	Public	45,000
6	Rajesh Kumar Singla	Public	35,000
7	Rakesh Loria	Public	24,000

8	Heena Parth Shah	Public	23,000
9	Innovest Ventures	Public	21,000
10	Deepak Gugnani	Public	11,000
11	Saurabh Tripathi	Public	11,000
12	Sumit Gupta	Public	11,000
13	Madhu Pant	Public	11,000
14	Vijaya Sharma	Public	11,000
15	Rahul Sehgal	Public	11,000
16	Ridhima Sethi	Public	11,000
17	Archana Garg	Public	11,000
18	Shalin Trivedi	Public	11,000
19	Suresh Kumar Agarwal	Public	10,000
20	Ashok Raj Singhee	Public	10,000
21	Aditya Haresh Parekh	Public	10,000
22	Mohit Kumar	Public	10,000
23	Pooja Dayaldas Khemani	Public	10,000
24	Kirti Deep	Public	10,000
25	Nikhil Rungta	Public	10,000
26	Manish Lalwani HUF	Public	10,000
27	Jasmeet Singh Budhiraja	Public	10,000
28	Zoeb Musaji kachwala	Public	10,000
29	Ankur Gupta	Public	10,000
30	Navin Haresh Mahtani	Public	10,000
31	Kaushal Pravinchandra Mehta	Public	7,000
32	Aadesh Jain	Public	7,000
33	Praveen Kumar	Public	7,000
<b>Total</b>			<b>6,00,000</b>

It may be noted that;

- All equity shares of the Company are already made fully paid up as on date. Further, all equity shares to be allotted by way of preferential issue shall be made fully paid up at the time of the allotment;
- The Company is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the stock exchange where the equity shares of the Company are listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended, and any circular or notification issued by the SEBI thereunder;
- The Company has obtained the Permanent Account Numbers of the proposed allottees.
- The Proposed Allottees have represented and declared to the Company that they have not sold nor transferred any equity Shares of the Company during the 90 trading days preceding the relevant date.

In terms of Section 102 of the Act, this Statement sets out all the material facts in respect of aforementioned business. The following disclosure is made in accordance with Section 42 and 62(1)(c) of the Act read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 of Companies Act, 2013 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended thereof (hereinafter referred to as “SEBI (ICDR) Regulations”) The relevant details and other material facts in connection thereto are provided hereunder:

**1) Particulars of the offer including date of passing of Board resolution, kind of securities offered, class of persons, maximum number of securities to be issued and the Issue Price:**

The Board of Directors in its meeting held on August 20, 2024 had subject to the approval of the Members of the Company by way of special resolution and such other approvals as may be required, approved to offer, issue and allot upto 6,00,000 (Six Lacs Only) Equity Share of face value of Rs. 10/- (Rupees Ten) each (“Subscription Shares”), at a price of Rs. 211/- (Rupees Two Hundred and Eleven Only) per Equity Share including a premium of Rs. 201/- (Rupees Two Hundred and One Only) per Equity Share, aggregating upto Rs. 12,66,00,000/- (Rupees Twelve Crore and Sixty-Six Lakhs Only) (being not less than the price calculated in terms of ICDR Regulations) to Promoter/Promoter Group and Public Investors on a preferential basis for cash consideration.



## 2) The object / purpose of the preferential issue:

Our company is in the business of 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. We aim to continue investing in our existing plant & machinery to maintain competitiveness, improve operational efficiency, and support growth.

The Company is undertaking an issue and allotment of up to 6,00,000 (Six Lacs Only) Equity Share, the proceeds i.e. ₹ 12,66,00,000/- will be primarily used to meet the Business Development Requirement of the Company. The Details of which is as follows:

### 1. Capital expenditure for setting-up new workshop including purchase of plant and machinery

As part of such investment, the capital expenditure for building new workshop including purchase of plant and machinery will enhanced the existing capacity of our Company.

*Tentative timeline for utilisation of issue proceeds:*

The intended use of the Proceeds of the Issue is as under: -

Particulars	Financial year 2024-25	Financial year 2025-26
Capital expenditure for setting-up new workshop including purchase of plant and machinery	₹800.00 Lakhs	₹466.00 Lakhs

### *Interim Use of Proceeds*

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Issue Proceeds. Pending utilization of the Issue Proceeds for the purposes described above, our Company intends to deposit the Issue Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or deploy funds for such businesses opportunities as may be allowed by the Board from time to time.

## 3) Basis on which the price has been arrived at and justification for the price (including premium, if any):

Considering that the allotment shall be more than 5% of the post issue fully diluted share capital of the Company, to allottees, the price of Rs. 10/- each of the equity shares to be issued and allotted to the proposed allottees has been determined taking into account the valuation report dated August 17, 2024 issued by Neha Bhandari (Registered Valuer-SFA), independent registered valuer (IBBI Regd. No. IBBI/RV/16/2021/14449), having office at Daulat Villa, 2, Museum Road, Nr. Ramniwas Garden, Jaipur-302004, Rajasthan, India, in accordance with Regulation 166A of the ICDR Regulations (“Valuation Report”). Pursuant to the said Valuation Report, the price of Rs. 210.03/- per equity share has been determined. The Valuation Report shall be available for inspection by the members at registered office of the Company during business hours and the same may be accessed on the Company’s website at the [www.loyalequipments.com](http://www.loyalequipments.com)

The equity shares of the company are listed on BSE Limited and are frequently traded in accordance with regulation 164 of the ICDR Regulations and BSE being the only Stock Exchange where the Equity Shares of the Company are listed, has been considered for determining the floor price in accordance with the SEBI ICDR Regulations. The equity shares of the Company are frequently traded in accordance with regulation 164(5) of the SEBI ICDR Regulations. In terms of the regulation 164(1) of SEBI ICDR Regulations, the price at which Equity Shares will be allotted shall not be less than higher of the following:

- 90 Trading Days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on BSE preceding the Relevant Date: Rs. 202.07/- per Equity Share.
- 10 Trading Days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on BSE preceding the Relevant Date: Rs. 210.03/- per Equity Share

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

It is to be noted that the Articles of Association of the Company does not provide for any particular method of determination which results in a floor price higher than that determined under SEBI ICDR Regulations. The Articles of Association of the Company provide that the price of such shares to be determined by the valuation report of a registered valuer, which has been considered in the present case.

Further, in terms of regulation 166A of SEBI ICDR Regulations, the floor price shall be higher of the floor price determined under regulation 164(1) of the SEBI ICDR Regulations or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer.

Considering the above, the minimum price at which the Equity Shares on Preferential basis can be issued comes to Rs. 210.03/- each as per Regulation 166A read with Regulation 164(1) of the SEBI ICDR Regulations. However, on the recommendation of the Board of Directors in their meeting held on August 20, 2024, it has been decided to issue Equity Shares at the price of Rs. 211.00/- per equity Shares which is above the floor price determined in accordance with SEBI ICDR Regulations.

#### 4) Name and address of Valuer who performed valuation:

According to Regulation 166A of SEBI (ICDR), Regulation, any preferential issue, which may result in a change in control or allotment of more than 5% of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

As the regulation is applicable to proposed issue, the company has taken valuation report from Mrs. Neha Bhandari (Registered Valuer-SFA), independent registered valuer (IBBI Regd. No. IBBI/RV/16/2021/14449), having office at Daulat Villa, 2, Museum Road, Nr. Ramniwas Garden, Jaipur-302004, Rajasthan, India and the same report is available on the website of Company at [www.loyalequipments.com](http://www.loyalequipments.com)

#### 5) Amount which the Company intends to raise by way of issue of Equity Shares:

The proposed Preferential Issue of Equity Shares shall be an aggregate amount up to Rs. 12,66,00,000/- (Rupees Twelve Crore Sixty-Six Lakhs Only)

#### 6) Relevant date with reference to which the price has been arrived at:

In terms of the provisions of Chapter V of the SEBI ICDR Regulations and in accordance with the explanation to Regulation 161 of the SEBI ICDR Regulations, the relevant date for determining the floor price for the Preferential issue of equity shares is Wednesday, August 14, 2024, being the date thirty days prior to the date of Annual General Meeting (AGM), scheduled to be held on Friday, September 13, 2024.

#### 7) The class or classes of persons to whom the allotment is proposed to be made:

The Preferential Issue of Equity Shares is proposed to be allotted to the following allottees:

Sr. No.	Name of the Proposed Allottees	Category	Number of Equity Shares
1	Alkesh Rameshchandra Patel	Promoter	50,000
2	Hema Maheshkumar Patel	Promoter Group	50,000
3	Sandeep Singh	Public	67,000
4	Amit R Agarwal	Public	45,000
5	Vicco Laboratories Goa	Public	45,000
6	Rajesh Kumar Singla	Public	35,000
7	Rakesh Loria	Public	24,000
8	Heena Parth Shah	Public	23,000
9	Innovest Ventures	Public	21,000
10	Deepak Gugnani	Public	11,000
11	Saurabh Tripathi	Public	11,000
12	Sumit Gupta	Public	11,000
13	Madhu Pant	Public	11,000

14	Vijaya Sharma	Public	11,000
15	Rahul Sehgal	Public	11,000
16	Ridhima Sethi	Public	11,000
17	Archana Garg	Public	11,000
18	Shalin Trivedi	Public	11,000
19	Suresh Kumar Agarwal	Public	10,000
20	Ashok Raj Singhee	Public	10,000
21	Aditya Hareesh Parekh	Public	10,000
22	Mohit Kumar	Public	10,000
23	Pooja Dayaldas Khemani	Public	10,000
24	Kirti Deep	Public	10,000
25	Nikhil Rungta	Public	10,000
26	Manish Lalwani HUF	Public	10,000
27	Jasmeet Singh Budhiraja	Public	10,000
28	Zoeb Musaji kachwala	Public	10,000
29	Ankur Gupta	Public	10,000
30	Navin Hareesh Mahtani	Public	10,000
31	Kaushal Pravinchandra Mehta	Public	7,000
32	Aadesh Jain	Public	7,000
33	Praveen Kumar	Public	7,000
<b>Total</b>			<b>6,00,000</b>

**8) The intention / proposal of the Promoters, Directors and Key Managerial Personnel of the Company to subscribe to the proposed preferential issue:**

Except as following, none of the promoters, directors or key management personnel of the issuer intent to subscribe to the offer.

Sr. No.	Name of the Proposed Allottees	Promoter/ Director/ KMP	Maximum Number of Equity Shares proposed to be Allotted
1.	Alkesh Rameshchandra Patel	Promoter and Chairman cum Managing Director	50,000
2.	Hema Maheshkumar Patel	Promoter Group	50,000
<b>Total</b>			<b>1,00,000</b>

The terms and conditions subject to which the Mr. Alkesh Rameshchandra Patel and Mrs. Hema Maheshkumar Patel will be subscribing the proposed Equity Shares are same at which the other prospective investors will be subscribing the proposed Equity shares.

**9) The proposed time within which the allotment shall be completed:**

As required under the SEBI ICDR Regulations, the Equity Shares pursuant to Preferential Issue shall be issued and allotted by the Company within a period of Fifteen (15) days from the date of passing of this special resolution provided that where the issue and allotment of Equity Shares are pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of Fifteen (15) days from the date of receipt of last of such approvals.

**10) The identity of the Proposed Allottee, maximum number of Equity Shares proposed to be issued and the percentage of post issue capital that may be held by the Proposed Allottees:**

Sr. No.	Name of the Proposed Allottees	Category	Holding Pre-Preferential Issue		No of Equity Shares proposed to be allotted	Holding Post-Preferential Issue	
			No. of Shares	In % of Pre-Preferential Shareholding		No. of Shares	In % of Post-Preferential Shareholding
1	Alkesh Rameshchandra Patel	Promoter	20,99,940	20.59	50,000	21,49,940	19.91

2	Hema Maheshkumar Patel	Promoter Group	15	0.00	50,000	50,015	0.46
3	Sandeep Singh	Public	--	--	67,000	67,000	0.62
4	Amit R Agarwal	Public	--	--	45,000	45,000	0.42
5	Vicco Laboratories Goa	Public	--	--	45,000	45,000	0.42
6	Rajesh Kumar Singla	Public	--	--	35,000	35,000	0.32
7	Rakesh Loria	Public	--	--	24,000	24,000	0.22
8	Heena Parth Shah	Public	--	--	23,000	23,000	0.21
9	Innovest Ventures	Public	--	--	21,000	21,000	0.19
10	Deepak Gugnani	Public	--	--	11,000	11,000	0.10
11	Saurabh Tripathi	Public	--	--	11,000	11,000	0.10
12	Sumit Gupta	Public	--	--	11,000	11,000	0.10
13	Madhu Pant	Public	--	--	11,000	11,000	0.10
14	Vijaya Sharma	Public	--	--	11,000	11,000	0.10
15	Rahul Sehgal	Public	--	--	11,000	11,000	0.10
16	Ridhima Sethi	Public	--	--	11,000	11,000	0.10
17	Archana Garg	Public	--	--	11,000	11,000	0.10
18	Shalin Trivedi	Public	--	--	11,000	11,000	0.10
19	Suresh Kumar Agarwal	Public	--	--	10,000	10,000	0.09
20	Ashok Raj Singhee	Public	--	--	10,000	10,000	0.09
21	Aditya Haresh Parekh	Public	--	--	10,000	10,000	0.09
22	Mohit Kumar	Public	--	--	10,000	10,000	0.09
23	Pooja Dayaldas Khemani	Public	--	--	10,000	10,000	0.09
24	Kirti Deep	Public	--	--	10,000	10,000	0.09
25	Nikhil Rungta	Public	--	--	10,000	10,000	0.09
26	Manish Lalwani HUF	Public	--	--	10,000	10,000	0.09
27	Jasmeet Singh Budhiraja	Public	--	--	10,000	10,000	0.09
28	Zoeb Musaji kachwala	Public	--	--	10,000	10,000	0.09
29	Ankur Gupta	Public	--	--	10,000	10,000	0.09
30	Navin Haresh Mahtani	Public	--	--	10,000	10,000	0.09
31	Kaushal Pravinchandra Mehta	Public	--	--	7,000	7,000	0.06
32	Aadesh Jain	Public	--	--	7,000	7,000	0.06
33	Praveen Kumar	Public	--	--	7,000	7,000	0.06

**11) The change in control, if any, in the Company that would occur consequent to the preferential issue:**

There will not be any change in control / management, consequent to this preferential issue.

**12) The Number of persons to whom allotment on preferential basis has been made during the year in terms of number of securities as well as price:**

The Company has not made any preferential issue of securities during the year.

**13) Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer and name and address of valuer who performed valuation:**

Not Applicable

**14) Pre and Post Issue Shareholding pattern of the Company:**

Sr. No.	Category of shareholding	Pre issue#		Post issue	
		Total No. of shares	% of Total No. of Shares	Total No. of shares	% of Total No. of Shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indians</b>				
	Individuals / Hindu Undivided Family	74,99,985	73.53	7599985	70.37
	Bodies Corporate	--	--	--	--
	Sub Total (A)(1)	74,99,985	73.53	7599985	70.37
<b>2</b>	<b>Foreign</b>				
	Individuals (Non-Resident Individuals /Foreign Individuals)	--	--	--	--
	Sub Total (A)(2)	--	--	--	--
	<b>TOTAL A</b>	<b>74,99,985</b>	<b>73.53</b>	<b>75,99,985</b>	<b>70.37</b>
<b>(B)</b>	<b>Public Shareholdings</b>				
<b>1</b>	<b>Institutional Investors</b>	--	--	--	--
<b>2</b>	<b>Central Government/State Government (s)/ President of India</b>	--	--	--	--
<b>3</b>	<b>Non-Institutions</b>				
	Individual				
	a) Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	12,82,101	12.57	15,12,101	14.00
	b) Individual shareholders holding nominal share capital in excess of Rs.2 lakhs.	10,84,682	10.63	12,78,682	11.84
<b>4</b>	<b>NBFCs Registered with RBI</b>	--	--	--	--
<b>5</b>	<b>Employee Trusts</b>	--	--	--	--
<b>6</b>	<b>Any Other (Specify)</b>				
	a) HUF	77,279	0.76	87,279	0.81
	b) Bodies Corporates	23,738	0.23	23,738	0.22
	c) LLP	209	0.01	209	0.01
	d) NRIs	2,18,653	2.14	2,18,653	2.02
	e) Firms	--	--	66,000	0.61
	f) Other (Clearing Member/House - Corp)	13,353	0.13	13,353	0.12
	<b>TOTAL (B)</b>	<b>27,00,015</b>	<b>26.47</b>	<b>32,00,015</b>	<b>29.63</b>
<b>(C)</b>	<b>Non-Promoter - Non Public</b>				
<b>1</b>	<b>Shares underlying DRs</b>	--	--	--	--
<b>2</b>	<b>Shares held by Employee Trust</b>	--	--	--	--
	<b>TOTAL (C)</b>	--	--	--	--
	<b>GRAND TOTAL (A+B+C)</b>	<b>1,02,00,000</b>	<b>100.00</b>	<b>1,08,00,000</b>	<b>100.00</b>

#Pre-issue shareholding pattern as on June 30, 2024

**15) Name and address of valuer who performed valuation:**

Name of the Valuer: Mrs. Neha Bhandari (Registered Valuer-SFA), Independent Registered Valuer  
 IBBI Registration Number - IBBI Regd. No. IBBI/RV/16/2021/14449  
 Address: Daulat Villa, 2, Museum Road, Nr. Ramniwas Garden, Jaipur-302004, Rajasthan, India

**16) Principal terms of assets charged as securities**

Not Applicable



**17) Material terms of the proposed Preferential Issue of the Equity Shares:**

The Equity Shares being issued shall be pari-passu with the existing Equity Shares of the Company in all respects, including dividend and voting rights. The other material terms of the proposed preferential issue of the Equity Shares are stipulated in the Special Resolution as set out at Item No. 4 of this Notice.

**18) Identity of the Natural Person who are the Ultimate Beneficial Owners of the Subscription Shares proposed to be allotted and / or who ultimately control the allottees:**

Sr. No.	Name of the Proposed Allottees	Category	Holding Pre-Preferential Issue		No of Equity Shares proposed to be allotted	Holding Post-Preferential Issue		Ultimate beneficial owners
			No. of Shares	In % of Pre-Preferential Shareholding		No. of Shares	In % of Post-Preferential Shareholding	
1	Alkesh Rameshchandra Patel	Promoter	20,99,940	20.59	50,000	21,49,940	19.91	Self
2	Hema Maheshkumar Patel	Promoter Group	15	0.00	50,000	50,015	0.46	Self
3	Sandeep Singh	Public	--	--	67,000	67,000	0.62	Self
4	Amit R Agarwal	Public	--	--	45,000	45,000	0.42	Self
5	Vicco Laboratories Goa	Public	--	--	45,000	45,000	0.42	*
6	Rajesh Kumar Singla	Public	--	--	35,000	35,000	0.32	Self
7	Rakesh Loria	Public	--	--	24,000	24,000	0.22	Self
8	Heena Parth Shah	Public	--	--	23,000	23,000	0.21	Self
9	Innovest Ventures	Public	--	--	21,000	21,000	0.19	*
10	Deepak Gugnani	Public	--	--	11,000	11,000	0.10	Self
11	Saurabh Tripathi	Public	--	--	11,000	11,000	0.10	Self
12	Sumit Gupta	Public	--	--	11,000	11,000	0.10	Self
13	Madhu Pant	Public	--	--	11,000	11,000	0.10	Self
14	Vijaya Sharma	Public	--	--	11,000	11,000	0.10	Self
15	Rahul Sehgal	Public	--	--	11,000	11,000	0.10	Self
16	Ridhima Sethi	Public	--	--	11,000	11,000	0.10	Self
17	Archana Garg	Public	--	--	11,000	11,000	0.10	Self
18	Shalin Trivedi	Public	--	--	11,000	11,000	0.10	Self
19	Suresh Kumar Agarwal	Public	--	--	10,000	10,000	0.09	Self
20	Ashok Raj Singhee	Public	--	--	10,000	10,000	0.09	Self
21	Aditya Hareh Parekh	Public	--	--	10,000	10,000	0.09	Self
22	Mohit Kumar	Public	--	--	10,000	10,000	0.09	Self
23	Pooja Dayaldas Khemani	Public	--	--	10,000	10,000	0.09	Self
24	Kirti Deep	Public	--	--	10,000	10,000	0.09	Self
25	Nikhil Rungta	Public	--	--	10,000	10,000	0.09	Self
26	Manish Lalwani HUF	Public	--	--	10,000	10,000	0.09	*
27	Jasmeet Singh Budhiraja	Public	--	--	10,000	10,000	0.09	Self
28	Zoeb Musaji kachwala	Public	--	--	10,000	10,000	0.09	Self
29	Ankur Gupta	Public	--	--	10,000	10,000	0.09	Self
30	Navin Hareh Mahtani	Public	--	--	10,000	10,000	0.09	Self
31	Kaushal Pravinchandra Mehta	Public	--	--	7,000	7,000	0.06	Self
32	Aadesh Jain	Public	--	--	7,000	7,000	0.06	Self
33	Praveen Kumar	Public	--	--	7,000	7,000	0.06	Self

\* Details of Ultimate Beneficial Owners who ultimately control aforementioned proposed allottees.

S. No.	Name of the Proposed Allottees	Ultimate Beneficial owner who ultimately controls the Allottees
1.	Vicco Laboratories Goa	Deep Pendharkar Devesh Pendharkar Amit Pendharkar
2.	Innovest Ventures	Neha Sharma
3.	Manish Lalwani HUF	Manish Lalwani

**19) Contribution being made by the Promoters or Directors either as part of the Preferential Issue to Non-QIBs or separately in furtherance of objects:**

Except as following, none of the promoters or directors of the issuer intent to contribute as part of the Preferential Issue.

Sr. No.	Name of the Proposed Allottees	Promoter/ Director/ KMP	Maximum Number of Equity Shares proposed to be Allotted	Consideration Amount (In INR)
1.	Alkesh Rameshchandra Patel	Promoter and Chairman cum Managing Director	50,000	1,05,50,000
2.	Hema Maheshkumar Patel	Promoter Group	50,000	1,05,50,000
<b>Total</b>			<b>1,00,000</b>	<b>2,11,00,000</b>

**20) Practicing Company Secretary Certificate/Chartered Accountant:**

The certificate from MSV & Associates, Practicing Company Secretary certifying that the proposed preferential issue is being made in accordance with the requirements contained in the SEBI ICDR Regulations shall be made available for inspection by the Members during the voting period and is also hosted on website of the Company which can be accessed at the link: [www.loyalequipments.com](http://www.loyalequipments.com)

**21) Lock-in Period**

The equity shares to be allotted on a preferential basis shall be locked-in for such period and upto the extent as specified under Regulations 167 of the SEBI ICDR Regulations.

The entire pre-preferential allotment shareholding of the above allottees, if any, shall be locked in from the Relevant Date up to a period 90 trading days from the date of trading approval as per the SEBI ICDR Regulations.

**22) Listing:**

The equity shares proposed to be issued under this preferential issue will be listed on the Stock Exchange at which the existing shares are listed i.e. BSE Limited subject to the receipt of necessary regulatory permissions and approvals as the case may be.

**23) The current and proposed status of the allottee(s) post Preferential Issue namely, promoter or non-promoter/public:**

Status of proposed allottees of Equity Shares:

Sr. No.	Name of the Proposed Allottees	Current Status	Proposed Status
1	Alkesh Rameshchandra Patel	Promoter	Promoter
2	Hema Maheshkumar Patel	Promoter Group	Promoter Group
3	Sandeep Singh	Public	Public
4	Amit R Agarwal	Public	Public
5	Vicco Laboratories Goa	Public	Public
6	Rajesh Kumar Singla	Public	Public
7	Rakesh Loria	Public	Public
8	Heena Parth Shah	Public	Public

9	Innovest Ventures	Public	Public
10	Deepak Gugnani	Public	Public
11	Saurabh Tripathi	Public	Public
12	Sumit Gupta	Public	Public
13	Madhu Pant	Public	Public
14	Vijaya Sharma	Public	Public
15	Rahul Sehgal	Public	Public
16	Ridhima Sethi	Public	Public
17	Archana Garg	Public	Public
18	Shalin Trivedi	Public	Public
19	Suresh Kumar Agarwal	Public	Public
20	Ashok Raj Singhee	Public	Public
21	Aditya Haresh Parekh	Public	Public
22	Mohit Kumar	Public	Public
23	Pooja Dayaldas Khemani	Public	Public
24	Kirti Deep	Public	Public
25	Nikhil Rungta	Public	Public
26	Manish Lalwani HUF	Public	Public
27	Jasmeet Singh Budhiraja	Public	Public
28	Zoeb Musaji kachwala	Public	Public
29	Ankur Gupta	Public	Public
30	Navin Haresh Mahtani	Public	Public
31	Kaushal Pravinchandra Mehta	Public	Public
32	Aadesh Jain	Public	Public
33	Praveen Kumar	Public	Public

#### 24) Other disclosures:

- The Proposed Allottee has confirmed that it has not sold any Equity Shares of the Company during the period of 90 trading days preceding the Relevant Date.
- The Company is in compliance with the conditions for continuous listing, and is eligible to make the Preferential Issue under Chapter V of the SEBI ICDR Regulations.
- The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the Registered Valuer is not applicable as the allotment of Subscription Shares is for a cash consideration.
- Neither the Company nor any of its Directors or Promoters are categorized as willful defaulter(s) or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulter(s) issued by the Reserve Bank of India. Consequently, the disclosures required under Regulation 163(1) (i) of the SEBI ICDR Regulations are not applicable.
- Neither the Company nor any of its Directors and/ or Promoters is a fugitive economic offender as defined under the SEBI ICDR Regulations.
- The Company does not have any outstanding dues towards SEBI, the Stock Exchanges or the depositories.

#### 25) Undertakings:

The Company hereby undertakes that:

- It is eligible to make the Preferential Issue under Chapter V of the SEBI ICDR Regulations.
- As the equity shares of the Company are listed on the Stock Exchanges for a period of more than 90 trading days as on the Relevant Date, the provisions of regulation 164(3) of SEBI ICDR Regulations governing recomputation of the price of shares shall not be applicable;
- It would re-compute the price of the securities specified above in terms of the provisions of SEBI ICDR Regulations, if it is required to do so;
- If the amount payable, if any, on account of the re-computation of price is not paid within the time stipulated in SEBI ICDR Regulations the above warrants shall continue to be locked-in till the time such amount is paid by the allottees;
- The Proposed Allottees have not sold any equity shares of the Company during 90 trading days preceding the Relevant Date;

- f) Neither the Company nor any of its Promoters or Directors is a wilful defaulter or a fraudulent borrower;
- g) Neither the Company nor any of its Promoters or Directors is a fugitive economic offender as defined under the SEBI ICDR Regulations;
- h) All the equity shares to be allotted pursuant to the exercise of the Warrants held by the Proposed Allottees in the Company will be in dematerialized form;
- i) The Company does not have any outstanding dues to SEBI, Stock Exchanges or the Depositories;
- j) The Company has obtained the permanent account numbers (PAN) of all the Proposed Allottees,
- k) The Company shall be making application seeking in-principle approval to the stock exchange(s), where its equity shares are listed, on the same day when this notice will be sent in respect of the EGM seeking shareholders' approval by way of special resolution;
- l) The Company is in compliance with the conditions for continuous listing;
- m) No person belonging to the promoters / promoter group have sold/transferred any equity shares of the Company during the 90 trading days preceding the Relevant Date.
- n) The issue of Convertible Warrants and resultant Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company.
- o) Neither the Company nor its promoters nor its Directors have been identified as willful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. None of the promoters and directors of the Company have been identified as fugitive economic offenders as per the Fugitive Economic Offenders Act, 2018.

In accordance with the provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI ICDR Regulations, approval of the Members for issue and allotment of the said Equity Shares to Investor is being sought by way of a special resolution as set out in the said item no. 4 of the Notice. Issue of the Equity Shares pursuant to the Preferential Issue would be within the Authorized Share Capital of the Company.

The Board of Directors believes that the proposed Preferential issue is in the best interest of the Company and its Members and, therefore, recommends the resolution at Item No.4 of the accompanying Notice for approval by the Members of the Company as a Special Resolution. Except Mr. Alkesh Rameshchandra Patel and Mrs. Hema Maheshkumar Patel, None of the Directors, Key Managerial Personnel or their relatives thereof are in any way financially or otherwise concerned or interested in the passing of this Special Resolution as set out at Item No. 4 of this notice except and to the extent of their shareholding in the Company.

Documents referred to in the notice/ explanatory statement will be available for inspection by the Members of the Company as per applicable law.

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

**Sd/-  
Neha Jangid  
Company Secretary  
M.No. 56820**

**Place – Dahegam, Gandhinagar  
Date – August 20, 2024**

## BOARD'S REPORT

To

**The Shareholders,**

Your Directors have pleasure in presenting the 17<sup>th</sup> (Seventeenth) Annual Report on the business operations and financial performance of **Loyal Equipments Limited** ("the Company") together with the Audited Financial Statements of your Company for the financial year ended March 31, 2024.

### 1. FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2024 is summarized as below:

(Amount in Lakhs)

Particulars	Current Year (2023-24)	Previous Year (2022-23)
Revenue from operations	7081.99	4929.29
Other income (net)	33.14	34.08
<b>Total Income</b>	<b>7115.13</b>	<b>4963.37</b>
<b>Less:</b>		
Operating & Administrative expenses	5825.58	4000.78
<b>Profit Before Depreciation Interest &amp; Tax</b>	<b>1289.55</b>	<b>962.59</b>
<b>Less:</b>		
Depreciation and amortization expense	206.02	201.86
Finance costs	133.09	136.34
<b>Profit before exceptional item and tax</b>	<b>950.44</b>	<b>624.38</b>
Exceptional item	-	-
<b>Profit before tax (PBT)</b>	<b>950.44</b>	<b>624.38</b>
Tax expense	241.69	27.60
<b>Profit after tax for the year (PAT)</b>	<b>708.74</b>	<b>596.79</b>
<b>Other Comprehensive Income (Net of Tax)</b>	<b>(2.45)</b>	<b>1.03</b>
<b>Total Comprehensive Income</b>	<b>706.30</b>	<b>597.81</b>

### 2. OPERATION & REVIEW:

Revenue from the operations of your Company for the year 2023-24 was Rs. 7081.99 Lakhs which is 43.67% higher than Rs. 4929.29 Lakhs in the previous year. Profit before Depreciation Interest & Tax for the current year was Rs. 1289.55 Lakhs against the profit of Rs.962.59 Lakhs in the previous year. Total Comprehensive Income after tax for the current year at Rs 706.30 Lakhs against the profit of Rs 597.81 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. RISK MANAGEMENT AND INTERNAL CONTROL

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company at regular intervals monitors the financial, operational, legal risk to the Company through procedures like audit, inspections etc.

There is no risk, which in the opinion of the Board may threaten the existence of the Company. The internal financial controls are adequate and are monitored at regular intervals.



#### 4. DIVIDEND

The Board thinks that the profits should be retained for the expansion of the Company, which is in pipeline for more growth and value addition to the company and forming a strong business base so that revenue flows from many channels and hence the Directors of your Company do not recommend any dividend for FY 2023-24.

#### 5. SHARE CAPITAL

- a.) **Authorized Capital** As on March 31, 2024, The Authorised share capital of the Company was Rs. 1500 Lacs consisting of 150 Lacs equity shares of Rs. 10 each.
- b.) **Issued/Subscribed/Paid up Capita:** The Issued, subscribed and Paid-up Share Capital of the Company is Rs. 1020 Lacs consisting of 1,02 equity shares of Rs. 10/- each.

During the financial year 2023-24, there was no change in the capital structure of the Company.

Pursuant to the provisions of Sections 23, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder, the Board of Directors of the company has approved the issue and allot upto 6,00,000 (Six Lacs Only) Equity Shares having a face value of Re. 10/- (Rupee Ten Only) at an issue price of Rs. 211/- (Rupees Two Hundred and Eleven Only) per Equity Share [including premium of Rs. 201/- (Rupees Two Hundred and One Only) per Equity Share], aggregating to Rs. 12,66,00,000 /- (Rupees Twelve Crore and Sixty-Six Lakhs Only) (“Consideration”) by way of preferential allotment to the Promoter/Promoter and Non-Promoter Investor, in accordance with Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (‘ICDR Regulations’) subject to approval of shareholders in the ensuing Annual General Meeting of the Company.

Further during the year, the Company has not issued any equity share with differential voting rights hence the disclosure under Rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable.

#### 6. TRANSFER TO RESERVES

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

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

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

#### 8. MANAGEMENT AND DISCUSSION ANALYSIS REPORT:

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

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

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

#### 10. HUMAN RESOURCE DEVELOPMENT

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

### 11. QUALITY INITIATIVES:

The Company is committed to the highest level of quality and continuous improvement programme are organized at all the level. The manufacturing operation of the Company is SMERA MSE 2, U-Stamp and U2- Stamp certified by the independent originations.

### 12. INFORMATION ABOUT HOLDING / SUBSIDIARIES / ASSOCIATE COMPANY

The Company doesn't have any Holding, Subsidiary and Associate Company as on March 31, 2024.

### 13. MATERIAL CHANGES AND COMMITMENTS

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

### 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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, 2024 who brings in a wide range of skills and experience to the Board.

The composition of Board and KMPs' of the Company as on March 31, 2024 is as under:

Name of the Director/KMP	Designation	DIN
Mr. Alkesh Rameshchandra Patel	Chairman cum Managing Director	02672297
Mrs. Jyotsanaben Rameshchandra Patel	Whole Time Director	01307770
Ms. Helena Alkeshkumar Patel	Whole-Time Director	09296895
Mr. Babubhai Patel	Non-Executive Independent Director	00116495
Mr. Girish Nathubhai Desai	Non-Executive Independent Director	02824731
Mr. Kalpesh Lalitchandra Joshi	Non-Executive Independent Director	07210197

In accordance with the provisions of Section 152 of the Act and as per the Article of Association of the Company Ms. Helena Alkeshkumar Patel is liable to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer herself for re- appointment.

The designation of Ms. Helena Alkeshkumar Patel (DIN : 09296895) has changed from Non-Executive Director to Whole-Time Director with a liability to retire by rotation in the previous Annual General Meeting of the Company held on Friday, September 29, 2023.

Except as above no change in any Key Managerial Personnel of the Company during the year. Details of Composition of the Board and its Committees, Category, Attendance of Directors at Board Meetings and Committees meetings and last Annual General Meeting, number of other directorships and other committee memberships are given in the Corporate Governance Report forming part of this report.

### 15. NUMBER OF MEETINGS OF THE BOARD

06 (Six) meetings of the board were held during the year. The intervening gap between the said meetings were in accordance with the provisions of the Act, relevant Rules made thereunder, Secretarial Standards Issued by the Institute of Company Secretaries of

India, and provisions of Listing Regulations. The details of the meetings of the Board of the Company held and attended by the Directors during the financial year are given in the Corporate Governance Report which forms part of this Annual Report

## **16. BOARD EVALUATION**

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

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

## **17. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

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

## **18. AUDIT COMMITTEE**

During the year under review, the Company constituted the Audit Committee and the primary objective is to monitor and supervise the financial reporting, to ensure accurate and timely disclosures, transparency, integrity and quality of financial reporting. As of the date of this report, the audit committee is comprised of Mr. Babubhai Patel (Chairman), Mr. Alkesh Rameshchandra Patel (Member) and Mr. Kalpesh Lalitchandra Joshi (Member). The meetings of Audit committee are detailed in Corporate Governance Report annexed with this Report.

## **19. 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 meetings of Stakeholder's Relationship Committee are detailed in Corporate Governance Report annexed with this Report.

## **20. 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 meetings of Nomination and Remuneration Committee are detailed in Corporate Governance Report annexed with this Report.

## **21. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

As required under Section 135 of the Companies Act, 2013, the Company had spent Rs.1,70,000/- (Rupees One Lakh Seventy Thousand only) on food distribution i.e., Mid Day meal as CSR expenditure for the financial year ended 2023-24. 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.

## **22. STATUTORY AUDITORS**

The incumbent Statutory Auditors, M/s A Y & Company, Chartered Accountants, were appointed by the members of the Company as the Statutory Auditors for the period of five years from the conclusion of the Annual General Meeting held on 10 August 2019

till the conclusion of Annual General Meeting of the Company to be held in FY 2023-24. As required by the provisions of the Companies Act, 2013, M/s A Y and Company, Chartered Accountants, Jaipur (Registration no. 020829C), recommended by the Audit Committee & Board of Directors to be re-appointed as the Statutory Auditors of the Company for a second term of five (5) consecutive years in ensuing Annual General Meeting to hold office from the conclusion of the 17th Annual General Meeting till the conclusion of the 22<sup>nd</sup> Annual General Meeting to be held in the FY 2028-29.

### **23. 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, Partner of M/s MSV & 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-III".

### **24. 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.

### **25. 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.

### **26. 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, 2024, are set out in the Financial Statements of the Company.

### **27. 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>

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

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

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, 2024.

Pursuant to the said Act, the details regarding the number of complaints received, disposed and pending during the FY 2023-24, pertaining to incidents under the above framework/ law are as follows:

Particulars	Numbers
Number of complaints pending at the beginning of the financial year	Nil
Number of complaints received during the financial year	Nil
Number of complaints disposed off during the financial year	Nil

## **29. 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-II to this report and in the section on Related Party Transactions in Corporate Governance Report.

## **30. 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, 2024 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.

## **31. 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.

## **32. 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.

## **33. DEPOSITS FROM PUBLIC**

During the financial year ended March 31, 2024, 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.

## **34. 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, 2024 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.

### **35. 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”.

### **36. 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.

### **37. 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

### **38. 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, 2024 to the date of signing of the Boards Report.

### **39. 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 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.

### **40. 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](http://www.loyalequipments.com)

### **41. ‘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.

#### **42. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has designed and implemented a process driven framework for Internal Financial Controls (“IFC”) within the meaning of the explanation to Section 134(5)(e) of the Act read with Rule 8(5) (viii) of the Companies (Accounts) Rules, 2014. The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operating functions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices. Your Company has in place adequate Internal Financial Controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations.

#### **43. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR**

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee (“NRC”) has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

**Qualifications** – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.

• **Positive Attributes** - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

• **Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1) (b) of the Listing Regulations.

#### **44. 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.

#### **45. 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.

#### **46. 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.
- 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).
- f) There was no revision of financial statements and Board's Report of the Company during the year under review.
- g) The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.
- h) Since the Company has not formulated any scheme of provision of money for purchase of own shares by employees or by trustee for the benefits of employees in terms of Section 67(3) of the Act, no disclosures are required to be made.

#### **47. 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/-

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

Sd/-

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

**Date: August 20, 2024  
Place: Dahegam, Gandhinagar.**

**ANNEXURE TO BOARD'S REPORT**
**ANNEXURE –I**
**DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO: [Particulars pursuant to the Companies (Accounts) Rules, 2014]**
**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. 28.60 Lakhs./-
The Foreign Exchange outgo during the year in terms of actual outflows:	Rs. 378.46 Lakhs./-

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

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

**Jyotsanaben Rameshchandra Patel  
Whole Time Director  
DIN – 0130777**

**Sd/-**

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

**Date: August 20, 2024**

**Place: Dahegam, Gandhinagar.**

## ANNEXURE –II

## 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)

**This Form pertains to the 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 2023-24.
  - i. Name(s) of the related party and nature of relationship: Not Applicable
  - ii. Nature of contracts/arrangements/transactions: Not Applicable
  - iii. Duration of the contracts / arrangements/transactions: Not Applicable
  - iv. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - v. Justification for entering into such contracts or arrangements or transactions: Not Applicable
  - vi. Date(s) of approval by the Board: Not Applicable
  - vii. Amount paid as advances, if any: Not Applicable
  - viii. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

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

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (Rs)
Mr. Alkesh Rameshchandra Patel	Managing Director	-	Remuneration to Key Managerial Personnel	77,00,000
Mr. Amitkumar Chandubhai Patel	Chief Financial Officer	-	Remuneration to Key Managerial Personnel	12,39,000
Ms. Neha Jangid	Company Secretary & Compliance officer	-	Remuneration to Key Managerial Personnel	3,11,000
Mrs. Jyotsanaben R Patel	Whole time Director	-	Remuneration to Key Managerial Personnel	12,50,000
		05 Years	Rent	30,00,000
*Ms. Helena Alkesh Patel	Whole time Director	-	Remuneration to Key Managerial Personnel	
Mrs. Parul Alkesh Patel	Relative to KMP	-	Remuneration to Key Managerial Personnel	12,50,000
Mrs. Hemaben M Patel	Relative to KMP	-	Remuneration to Key Managerial Personnel	6.25.000
Loyal Engineers	Proprietorship of Director	-	Rent	24,00,000
Loyal Equipments Inc.	Subsidiary		Purchase	27,99,000



Mr. Girish Nathubhai Desai	Non-Executive Independent Director		Sitting Fees	10,000
Mr. Babubhai Bhulabhai Patel	Non-Executive Independent Director		Sitting Fees	10,000
Mr. Kalpesh Lalitchandra Joshi	Non-Executive Independent Director		Sitting Fees	10,000
*Ms. Helena Alkesh Patel	Non-Executive Director		Sitting Fees	2,00,000

\* The designation of Ms. Helena Alkeshkumar Patel (DIN : 09296895) has changed from Non-Executive Director to Whole-Time Director with a liability to retire by rotation in the previous Annual General Meeting of the Company held on Friday, September 29, 2023.

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

Sd/-

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

Sd/-

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

**Date: August 20, 2024**

**Place: Dahegam, Gandhinagar.**

**ANNEXURE - III**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
 FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024  
*[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 – 382330, Gujarat.**

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 our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 (‘Audit Period’) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company as per Annexure A for the Financial Year ended on 31<sup>st</sup> March, 2024 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, 2018;
  - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the period).
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the period)
  - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not applicable to the Company during the period) and
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the period)
  - ix. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015;

As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

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 NSE 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. Details of the same are as under:

- Change in designation of Ms. Helena Alkeshkumar Patel (DIN: 09296895) from Non-Executive Director to Whole-Time Director of the Company in Annual General Meeting held on September 29,2023.

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** based on the information provided and the representation made by the Company, in our opinion, 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, the Company has not undertaken any specific event / action that can have a bearing on the Company's compliance responsibility in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

Place: Jaipur  
Date: 16.08.2024

**For MSV & Associates**  
**Practicing Company Secretaries**  
**FRN: P2018RJ071900**  
**Peer Review Certificate No.: 1924/2022**

**Name of Company Secretary: Vivek Sharma**  
**Partner**  
**FCS No. 10663|CP. No. 14773**  
**UDIN: F010663F000983668**

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

**ANNEXURE - A**

To,  
The Members  
**LOYAL EQUIPMENTS LIMITED**  
Block No.35/1-2-3-4  
Village - Zak Dahegam  
Gandhinagar-382330, Gujarat.

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 as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns
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. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
7. 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: 16.08.2024

**For MSV & Associates**  
**Practicing Company Secretaries**  
**FRN: P2018RJ071900**  
**Peer Review Certificate No.: 1924/2022**

**Name of Company Secretary: Vivek Sharma**  
**Partner**  
**FCS No. 10663|CP. No. 14773**  
**UDIN: F010663F000983668**

## ANNEXURE IV

### 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;
    - 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:

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 (whether executive or non-executive) 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/Extra Ordinary 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.
- 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

**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.
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 2023-24.

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

#### Global Economic Outlook

Global growth, estimated at 3.2 percent in 2023, is projected to continue at the same pace in 2024 and 2025. The forecast for 2024 is revised up by 0.1 percentage point from the January 2024 World Economic Outlook (WEO) Update, and by 0.3 percentage point from the October 2023 WEO. The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine; weak growth in productivity; and increasing geoeconomic fragmentation. Global headline inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. The latest forecast for global growth five years from now—at 3.1 percent—is at its lowest in decades. The pace of convergence toward higher living standards for middle- and lower-income countries has slowed, implying a persistence in global economic disparities. As Chapter 3 explains, the relatively weak medium-term outlook reflects lower growth in GDP per person stemming, notably, from persistent structural frictions preventing capital and labor from moving to productive firms. Chapter 4 indicates how dimmer prospects for growth in China and other large emerging market economies, given their increasing share of the global economy, will weigh on the prospects of trading partners.

Risks to the global outlook are now broadly balanced. On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, could, along with persistent core inflation where labor markets are still tight, raise interest rate expectations and reduce asset prices. A divergence in disinflation speeds among major economies could also cause currency movements that put financial sectors under pressure. High interest rates could have greater cooling effects than envisaged as fixed-rate mortgages reset and households contend with high debt, causing financial stress. In China, without a comprehensive response to the troubled property sector, growth could falter, hurting trading partners. Amid high government debt in many economies, a disruptive turn to tax hikes and spending cuts could weaken activity, erode confidence, and sap support for reform and spending to reduce risks from climate change. Geoeconomic fragmentation could intensify, with higher barriers to the flow of goods, capital, and people implying a supply-side slowdown. On the upside, looser fiscal policy than necessary and assumed in projections could raise economic activity in the short term, although risking more costly policy adjustment later on. Inflation could fall faster than expected amid further gains in labor force participation, allowing central banks to bring easing plans forward. Artificial intelligence and stronger structural reforms than anticipated could spur productivity.

As the global economy approaches a soft landing, the near-term priority for central banks is to ensure that inflation touches down smoothly, by neither easing policies prematurely nor delaying too long and causing target undershoots. At the same time, as central banks take a less restrictive stance, a renewed focus on implementing medium-term fiscal consolidation to rebuild room for budgetary maneuver and priority investments, and to ensure debt sustainability, is in order. Cross-country differences call for tailored policy responses. Intensifying supply-enhancing reforms would facilitate inflation and debt reduction, allow economies to increase growth toward the higher prepandemic era average, and accelerate convergence toward higher income levels. Multilateral cooperation is needed to limit the costs and risks of geoeconomic fragmentation and climate change, speed the transition to green energy, and facilitate debt restructuring.

#### 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.

### Existing Relationship with Suppliers

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

## OUR BUSINESS STRATEGY

### Meeting Customer Requirements

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

### Adopting Automation in Production Process

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

### To build-up a Professional Organization

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

### Optimal Utilization of Resources

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

## 2. OPPORTUNITIES AND THREATS

Our Products are widely used in the industries like Petro-chemicals, Compressor Industries, Power Plants, Fertilizers, Refinery, Pharmaceuticals and Dairy Industry. We manufacture and design the products as per the needs of the customer, so that they can avail the products as per their specifications and customizations. We have enlisted with governments undertaking and other parties such as Engineers India Limited, and Gujarat State Petronet Ltd., as registered supplier for supply of Pressure Vessels and Heat Exchangers. Also our Company is a member of Heat Transfer Research Inc, the world's premier source of technology information, services and software in field of process heat transfer.

Further, Our Company is authorized under The American Society of Mechanical Engineers (ASME) for "U" and "U2" Stamp on Manufacture of pressure vessels and also authorized by The National Board of Boiler & Pressure Vessel Inspectors for "NB" Mark in Pressure Vessels and other pressure retaining items. Increased Competition from Local & Big Players and Change in Government Policies are major threats to the Company

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

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

Loyal Equipments 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 critical/risk areas, as per the Annual Internal Audit Programme. The Audit Committee of Directors periodically reviews the significant findings of different Audits, as prescribed in the Companies Act, 2013 and in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## 7. FINANCIAL AND OPERATIONAL PERFORMANCE

Revenue from the operations of your Company for the year 2023-24 was Rs. 7081.99 Lakhs which is 43.67% higher than Rs. 4929.29 Lakhs in the previous year. Profit before Depreciation Interest & Tax for the current year was Rs. 1289.55 Lakhs against the profit of Rs.962.59 Lakhs in the previous year. Total Comprehensive Income after tax for the current year at Rs 706.30 Lakhs against the profit of Rs 597.81 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% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation therefore as under:

- a) **Debtor Turnover Ratio:** The Debtor Turnover ratio as on March 31, 2024 is 5.77 times as compared to previous year ended on March 31, 2023 is 4.71 times. The change in the ratio is 22.48 % as compared to Previous Year
- b) **Inventory Turnover Ratio:** The Inventory Turnover Ratio as on March 31, 2024 is 3.75 times as compared to previous year ended on March 31, 2023 is 2.63 times. The change in the ratio is 42.69% 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, 2024 is 8.14 times as compared to previous year ended on March 31, 2023 is 5.58 times. The change in the ratio is 45.91 % as compared to Previous Year.
- d) **Current Ratio:** The Current Ratio as on March 31, 2024 is 1.93 times as compared to previous year ended on March 31, 2023 is 1.54 times. The change in the ratio is 25.11 % as compared to Previous Year.
- e) **Debt Equity Ratio:** The Debt Equity Ratio as on March 31, 2024 is 0.45 times as compared to previous year ended on March 31, 2023 is 0.61 times. The change in the ratio is 25.86 % as compared to Previous Year.
- f) **Operating Profit Margin:** The Operating Profit Margin Ratio as on March 31, 2024 is 17.74 % as compared to previous year ended on March 31, 2023 is 18.84%. The change in the ratio is 5.82 % as compared to Previous Year.
- g) **Net Profit Margin:** The Net Profit Margin Ratio as on March 31, 2024 is 10.01 % as compared to previous year ended on March 31, 2023 is 12.11%. The change in the ratio is 17.36 % as compared to Previous Year.

**Cautionary Note**

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

## REPORT ON CORPORATE GOVERNANCE

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

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

### 2. BOARD OF DIRECTORS

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

#### (A) Composition of the Board

The composition of the Board of the Company as on March 31, 2024 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
<b>Promoter &amp; Executive Directors:-</b>			
1.	Alkesh Rameshchandra Patel	02672297	Chairman & Managing Director
2.	Jyotsanaben Rameshchandra Patel	01307770	Whole Time Director
3.	Helena Alkeshkumar Patel	09296895	Whole-Time Director
<b>Independent &amp; Non-Executive Directors:-</b>			
1.	Girish Nathubhai Desai	02824731	Independent Director
2.	Kalpesh Lalitchandra Joshi	07210197	Independent Director
3.	Babubhai Patel	00116495	Independent Director

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

**(B) Relationship Between Directors:**

Sr. No.	Name of Director	Relationship with Directors
1.	Mr. Alkesh Rameshchandra Patel	Son of Mrs. Jyotsanaben Rameshchandra Patel and Father of Ms. Helena Alkeshkumar Patel
2.	Mrs. Jyotsanaben Rameshchandra Patel	Mother of Mr. Alkesh Rameshchandra Patel and Grand Mother of Ms. Helena Alkeshkumar Patel
3.	Ms. Helena Alkeshkumar Patel	Daughter of Mr. Alkesh Rameshchandra Patel and Granddaughter of Mrs. Jyotsanaben Rameshchandra Patel

**(C) Other provisions as to Board and its Committees**
**(i) Details of Board Meetings held during the financial year 2023-24**

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 2023-24, Six (06) Meetings of Board of Directors of the Company were held on (i) May 13, 2023, (ii) August 12, 2023, (iii) September 05, 2023, (iv) October 25, 2023, (v) February 14, 2024, and (vi) March 31, 2024.

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 2023-24 information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration. The information regularly provided to the Board inter-alia includes:

- (a) Annual operating plans and budgets and any updates.
- (b) Quarterly, Half Yearly and Annual Financial Results and Board's Report, etc.
- (c) All Related Party transactions.
- (d) Minutes of Meetings of Audit Committee and other committees of the Board.
- (e) The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
- (f) Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
- (g) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- (h) Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- (i) Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- (j) Details of any joint venture or collaboration agreement.
- (k) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- (l) Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- (m) Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- (n) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- (o) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- (p) Quarterly Report on Reconciliation of Share Capital Audit and status of Investor Grievances.
- (q) Any other information required to be presented to the Board for information or approval.

**(iii) Details of Directors' attendance at Board Meetings and AGM held during the financial year 2023-24, 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, 2024 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 September 29, 2023	As on March 31, 2024		
		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	6	6	100	Yes	Nil	Nil	Nil
2.	Mrs. Jyotsanaben Rameshchandra Patel	6	6	100	Yes	Nil	Nil	Nil
3.	Ms. Helena Alkeshkumar Patel	6	6	100	Yes	Nil	Nil	Nil
4.	Mr. Babubhai Patel	6	6	100	Yes	Nil	Nil	Nil
5.	Mr. Girish Nathubhai Desai	6	6	100	Yes	Nil	Nil	Nil
6.	Mr. Kalpesh Lalitchandra Joshi	6	6	100	Yes	1*	1	2

**Notes:**

- (1) The number of other directorships excludes directorships held in Private Limited Companies, Foreign Companies and that of the Company.
- (2) This includes the Chairmanship/Membership only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted public limited companies.
- (3) None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2024 have been made by the Directors.
- (4) The Managing Director do not serve as Independent Director in any other listed company entities.
- (5) None of the Directors on the Board who are the Executive Directors serves as Independent Directors in more than three listed entities.

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

Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2024

Name of the Director	Category	Number of Equity Shares Held
NIL		

All the Board members, Key managerial personnel (KMP's) and the Senior management have affirmed compliance with the Code of Conduct during the year ended on March 31, 2024.

**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, 2024, the Board had the following committees:

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

##### 4.1 AUDIT COMMITTEE

The audit committee of the Company is constituted during the year under review, in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes. During the financial year 2023-24, 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 September 29, 2023
			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 for Audit Committee meeting shall either be two members or one third of the members of the Audit Committee, whichever is greater, with at least two Independent Directors. The Secretary of the Company acts as a Secretary to the Committee

##### Role of the Audit Committee:

- (i). Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii). Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii). Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv). Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.



- Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- (v). Reviewing, with the management, the quarterly & half yearly financial statements before submission to the board for approval;
- (vi). Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii). Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- (viii). Approval or any subsequent modification of transactions of the Company with related parties;
- (ix). Scrutiny of inter-corporate loans and investments;
- (x). Examination of the financial statement and the auditors' report thereon;
- (xi). Evaluation of internal financial controls and risk management systems;
- (xii). Establish a vigil mechanism for directors and employees to report genuine concerns in
- (xiii). Such manner as may be prescribed;
- (xiv). The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- (xv). The audit committee shall review the information required as per SEBI Listing Regulations.
- (xvi). The audit committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings.

During the financial year 2023-24, five (05) meetings of the Audit Committee were held on (i) May 13, 2023, (ii) August 12, 2023 (iii) October 25, 2023 (iv) September 5, 2023 and (v) February 14, 2024. 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, 2024, 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 September 29, 2023
			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 2023-24, five (05) meetings of the Nomination and Remuneration Committee were held on (i) May 13, 2023, (ii) August 12, 2023 (iii) October 25, 2023, (iv) September 05, 2023 and (v) February 14, 2024

The roles and responsibilities of the Committee include the following:

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

#### Remuneration Policy:

Pursuant to the requirement of Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy on appointment of Directors including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other senior management. Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. 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 2023-24 are as under:

(Amount in Rs.)

Particulars	Alkesh Rameshchandra Patel	Jyotsanaben Rameshchandra Patel	*Helena Alkeshkumar Patel
Salary	77,00,000	12,50,000	--
Contribution to PF & Other Funds	--	--	--
Professional Tax	--	--	--
<b>Total</b>	77,00,000	12,50,000	--

\*The designation of Ms. Helena Alkeshkumar Patel (DIN : 09296895) has changed from Non-Executive Director to Whole-Time Director with a liability to retire by rotation in the previous Annual General Meeting of the Company held on Friday, September 29, 2023.

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

During the year, the NEIDs were neither paid any remuneration nor granted any loans or advances. A Non-Executive Director will be eligible for sitting fees for each meeting of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014. A Non-Executive Director is also eligible for reimbursement the expenses incurred by him for attending the Board and / or Committee of Board meetings, there are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the year ended on 31<sup>st</sup> March, 2024.

The details of sitting fees paid to the Non-Executive Directors during the financial year 2023-24 are given below:

Sr. No.	Name of Non-Executive Director	Sitting Fees (in Rs.)
1	Babubhai Patel	10,000
2	Girish Nathubhai Desai	10,000
3	Kalpesh Lalitchandra Joshi	10,000
4.	*Ms. Helena Alkeshkumar Patel	2,00,000

\*The designation of Ms. Helena Alkeshkumar Patel (DIN : 09296895) has changed from Non-Executive Director to Whole-Time Director with a liability to retire by rotation in the previous Annual General Meeting of the Company held on Friday, September 29, 2023.

**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>.

Separate Meetings of independent directors

For the Board to exercise free and fair judgment in all matters related to the functioning of the Company as well as the Board, it is important for independent directors to have meetings without the presence of the executive management. Section 149(8) read with Schedule IV (“Code for Independent Directors”) of the Act and Regulation 25 (3) of the Listing Regulations has mandated that the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management.

During the financial year, a separate meeting of Independent Directors of the Company was held on October 25, 2023. At this meeting, the independent directors, among other matters, reviewed the performance of non-independent directors and the board of directors as a whole, assess the quality, quantity and timely flow of information between the company management and the board and also reviewed the performance of the Chairman of the Company.

The details of the meetings and attendance of independent directors at the separate meeting for the financial year 2023-24, are given below:

Name	Date of Meeting	No of Meetings Held during the year	attended	% of Attendance
Mr. Babubhai Patel	25.10.2023	01	01	100.00
Mr. Girish Nathubhai Desai	25.10.2023	01	01	100.00
Mr. Kalpesh Lalitchandra Joshi	25.10.2023	01	01	100.00

**d. Details of shares of the Company held by the Directors as on March 31, 2024 are given below:**

Sr. No.	Name of the Director	No. of Equity Shares held
1	Alkesh Rameshchandra Patel	20,99,940
2	Jyotsnaben Rameshchandra Patel	54,00,000
3	Babubhai Patel	Nil
4	Girish Nathubhai Desai	Nil
5	Kalpesh Lalitchandra Joshi	Nil
6	Helena Alkeshkumar Patel	Nil

#### 4.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has constituted a Stakeholders Relationship Committee in terms of the provisions of Section 178(5) 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, 2024, the composition of the Stakeholders Relationship Committee was as under:

S.No.	Name of Committee Members	Position in the Committee	Number of Meetings			Attendance at last AGM held on September 29, 2023
			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 2023-24, five (05) meetings of the stakeholders' relationship committee were held during the year on i) May 13, 2023, (ii) August 12, 2023 (iii) October 25, 2023 (iv) September 05, 2023 and (v) February 14, 2024

#### 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 2023-24, 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, 2024	Nil

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

**Ms. Neha Jangid, Company Secretary**  
**Loyal Equipments Limited**

Block No. 35/1-2-3-4, Village Zak,  
 Ta: Dahegam, Gandhinagar – 382 330  
 Tel No: +91-2718-247236, +91-2716-269399  
 Fax No.: +91-2716-269033,  
 E-mail: [cs@loyalequipments.com](mailto:cs@loyalequipments.com)  
 Website: [www.loyalequipments.com](http://www.loyalequipments.com)

**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, five (05) meetings of the Corporate Social Responsibility committee were held during the year on i) May 13, 2023, (ii) August 12, 2023 (iii) October 25, 2023 (iv) September 05, 2023 and (v) February 14, 2024

S.No.	Name of Committee Members	Position in the Committee	Number of Meetings			Attendance at last AGM held on September 29, 2023
			Held during the year	Attended	percentage of attendance	
1.	Mr. Kalpesh Lalitchandra Joshi	Chairman	5	5	100	Yes
2.	Mr. Alkesh Rameshchandra Patel	Member	5	5	100	Yes
3.	Mrs. Jyotsanaben Rameshchandra Patel	Member	5	5	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:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy (“CSR Policy”) which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- 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
14 <sup>th</sup>	2020-21	Thursday, September 30, 2021	11.00 AM	Through Video Conference	Yes
15 <sup>th</sup>	2021-22	Friday, September 30, 2022	11:00 AM	Block No. 35/1-2-3-4, Village Zak, Ta: Dahegam, Gandhinagar – 382330	Yes

16 <sup>th</sup>	2022-23	Friday, September 29, 2023	11:00 AM	Through Video Conference	Yes
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**(b) Extra ordinary General Meetings (EGM):**

No Extra-Ordinary Meeting was conducted in current year i.e. 2023-24

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

During the financial year ended March 31, 2024, No Special Resolution was passed through postal ballot and as on the date of this Report there is no special resolution proposed to be conducted through postal ballot.

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

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

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

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

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

**7. SECRETARIAL AUDIT**

Mr. Vivek Sharma, Partner of M/s MSV & Associates, Practicing Company Secretaries, Jaipur has conducted Secretarial Audit for the financial year 2023-24 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 the Materiality of Related Party Transactions and Dealing with Related Party Transactions as per provisions of Listing Regulations and the same is available on the website of the Company on the following link: [http://www.loyalequipments.com/data/policy/policy\\_related\\_party\\_transactions.pdf](http://www.loyalequipments.com/data/policy/policy_related_party_transactions.pdf).

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

**9. RECONCILIATION OF SHARE CAPITAL AUDIT:**

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



## 10. DISCLOSURES

- i. The company did not enter into any materially significant related party transactions having a potential conflict with the interests of the company. Transactions with related party are disclosed in the audited financial statements.
- ii. The financial statements (both standalone & consolidated) have been prepared in accordance with the applicable accounting standards, the Indian Accounting Standards (Ind-AS).
- iii. There is no instance of non-compliance by the company on any matter related to the capital markets, resulting in disciplinary action against the company by the stock exchanges or Securities & Exchange Board of India (SEBI) or any other statutory authority during last three years.
- iv. The policy for determining Material subsidiaries and the Policy on Related party transactions is available at [www.loyalequipments.com](http://www.loyalequipments.com).
- v. Part E of Schedule II:
  - a. The company has an Executive chairman
  - b. The results of the company are uploaded on website, besides publication in Newspaper.
  - c. The company's financial statements of 2023-24 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 14, 2024, in compliance of Companies Act, 2013, Listing Regulations.

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

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

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

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

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

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

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

### 13. MEANS OF COMMUNICATION:

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

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

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

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

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

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

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

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

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

### 14. CEO/CFO CERTIFICATION

In terms of Regulation 17 (8) of the Listing Regulations, a Certificate on financial reporting and internal controls to the Board, duly signed by Managing Director and CFO was placed before the Board of Directors in its Board Meeting held on Tuesday, August 20, 2024 while considering the Annual Audited Financial Statements of the Company for the financial year ended on March 31, 2024.

### 15. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. Vivek Sharma, Partner of M/s MSV & 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 L29190GJ2007PLC050607.

### ii. Annual General Meeting:

<b>Date &amp; Time</b>	Friday, September 13, 2024 at 11.00 A.M
<b>Venue</b>	Through Video Conference

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 17<sup>th</sup> AGM to be held on Friday, September 13, 2024

### iii. Financial Calendar:

<b>Year ending</b>	March 31, 2024
<b>AGM in</b>	September
<b>Dividend Payment</b>	NA

### iv. Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September, 07, 2024 to Friday, September 13, 2024 (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: <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a> Website: <a href="http://www.bseindia.com">www.bseindia.com</a>	539227

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

### vii. Market Price Data: The closing market price of equity shares on 28<sup>st</sup> March, 2024 (last trading day of the year) was Rs. 156.65 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, 2023	69.98	59.25	1,34,473
May, 2023	114.85	65.10	11,09,073
June, 2023	137.35	105.00	6,92,790
July, 2023	141.00	131.25	1,73,631
August, 2023	164.00	118.00	5,13,167
September, 2023	146.65	122.05	2,07,020

October, 2023	168.20	128.00	1,32,436
November, 2023	237.45	164.00	7,56,079
December, 2023	260.00	186.00	2,58,630
January, 2024	215.00	175.80	2,73,819
February, 2024	214.00	137.60	2,52,789
March, 2024	167.70	139.25	70,003

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, 2024:**

**Distribution of equity shareholding as on March 31, 2024:**

No. of equity shares held	No. of shareholders	% of shareholders	Total Amount	% of Amount
1-500	2901	85.02	296378	2.90
501-1000	213	6.25	168260	1.65
1001-2000	130	3.81	188766	1.85
2001-3000	53	1.55	133520	1.31
3001-4000	20	0.59	70349	0.69
4001-5000	14	0.41	66248	0.65
5001-10000	41	1.20	287583	2.82
10001 and Above	40	1.17	898896	88.13
<b>TOTAL</b>	<b>3412</b>	<b>100.00</b>	<b>10200000</b>	<b>100.00</b>

By category of shareholders:

S. No.	Category	No. of Shareholders	No. of Shares held	% of Shareholding
1.	Promoters	5	7499985	73.53%
2.	Central Government/ State Government(s)/ President of India		-	-
3.	Non-Institutions			
	[a(i)] Individuals- (i) Individual shareholder shareholding nominal share capital up to Rs. 2 lakhs	3154	1312935	12.87%
	[a(ii)] Individuals- (ii) Individual shareholder shareholding nominal share capital in excess of Rs. 2 lakhs	16	1040639	10.20%
	SUNITA SARWANKUMAR SARAF	1	170000	1.67%
	NARESH SARAFA	1	179000	1.75%
	MAHENDRA GIRDHARILAL WADHWANI	1	199780	1.96%
	(b) Non Resident Indians (NRIs)	55	216837	2.13%
	GHANSHYAM KALWANI	1	180000	1.76%
	(c) Bodies Corporate	18	25884	0.25%
	(d) Any Other Specify	93	103720	1.02%
	-LLP	2	9619	0.09%
	-Clearing Member	2	13353	0.13%
	-HUF	89	80748	0.79%

	<b>Total</b>	<b>3341</b>	<b>10200000</b>	<b>100.00%</b>
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**Top Ten Equity Shareholders of the Company as on March 31, 2024:**

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>Number of equity shares held</b>	<b>Percentage of holding</b>
1	Jyotsanaben Rameshchandra Patel	54,00,000	52.94%
2	Alkesh Rameshchandra Patel	20,99,940	20.59%
3	Mahendra Girdharilal Wadhvani	1,99,736	1.96%
4	Ghanshyam Kalwani	1,80,000	1.76%
5	Naresh Kumar Saraf	1,79,000	1.75%
6	Sunita Sarwankumar Saraf	1,30,000	1.27%
7	Bhavesh Bhogilal Shah	66,000	0.65%
8	Kamini Bhavesh Shah	57,000	0.56%
9	Patel Girishbhai Amrutbhai	54,000	0.53%
10	Patel Kunalbhai	45,539	0.45%

**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, 2024. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE876S01017.

**xii. Outstanding GDRs / ADRs / Warrants / any other convertible instruments:** As on date, the Company does not have any outstanding instruments of the captioned type.

**xiii. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund ("IEPF"):** No amount pursuant to Sections 205A and 205C of the Companies Act, 1956 and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment.

**xiv. Annual Listing Fee to Stock Exchange**

The Company has paid the Annual Listing Fee for the Financial Year 2024-25 to BSE Limited in relation to its listed securities.

**xv. Annual Custodial Fee to Depositories<sup>4</sup>**

The Company has timely paid the annual custodian fee for the financial year 2023-24 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**

**Ms. Neha Jangid**

Company Secretary

Loyal Equipments Limited

Block No. 35/1-2-3-4, Village Zak,

Dahegam, Gandhinagar – 382 330, Gujarat, India.

E-mail: [cs@loyalequipments.com](mailto:cs@loyalequipments.com)

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

Sd/-

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

Sd/-

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

**Date: August 20, 2024**

**Place: Dahegam, Gandhinagar.**



## ANNEXURE A

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of,  
**LOYAL EQUIPMENTS LIMITED**  
Block No.35/1-2-3-4, Village - Zak Dahegam  
Gandhinagar-382330, Gujarat.

In Pursuance of sub clause (i) of clause 10 of Part C of schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015; (LODR) in respect of LOYAL EQUIPMENTS LIMITED (CIN: L29190GJ2007PLC050607), we have examined the relevant registers, records, forms, returns and disclosures provided by the Directors (as enlisted in Table A).

In our opinion and to the best of our knowledge and based on the following:

- Documents available on the website of the Ministry of Corporate Affairs;
- Verification of Directors Identification Number (DIN) status on the website of the Ministry of Corporate Affairs; and
- Disclosures provided by the Directors (as enlisted in Table A) to the Company.

We hereby certify that none of the Directors on the board of the company (as enlisted in Table A) has been Debarred or Disqualified from being appointed or continuing as Director of company by the SEBI/ Ministry of Corporate Affairs or any statutory authority as on March 31<sup>st</sup>, 2024.

**List of Directors (Table A)**

S. No.	Name of the Directors	DIN	Date of appointment	Designation
1.	Helena Alkeshkumar Patel	09296895	28/08/2021	Whole-time director
2.	Jyotsanaben Rameshchandra Patel	01307770	20/04/2007	Whole-time director
3.	Babubhai Bhulabhai Patel	00116495	11/06/2015	Independent Director
4.	Girish Nathubhai Desai	02824731	11/06/2015	Independent Director
5.	Kalpesh Lalitchandra Joshi	07210197	12/06/2015	Independent Director
6.	Alkesh Rameshchandra Patel	02672297	20/04/2007	Managing Director

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Place: Jaipur  
Date: 16.08.2024

For MSV & Associates  
Practicing Company Secretaries  
FRN: P2018RJ071900  
Peer Review Certificate No.: 1924/2022

Name of Company Secretary: Vivek Sharma  
Partner  
FCS No. 10663|CP. No. 14773  
UDIN: F010663F000983646

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of,  
**LOYAL EQUIPMENTS LIMITED**  
Block No.35/1-2-3-4, Village - Zak Dahegam  
Gandhinagar-382330, Gujarat.

We have examined the compliance of the conditions of Corporate Governance by **LOYAL EQUIPMENTS LIMITED** (“the **Company**”) for the year ended on March 31, 2024, 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 Directors and Management, and considering the relaxations granted by the Ministry of Corporate Affairs

and Securities and Exchange Board of India, 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, 2024.

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 MSV & Associates**  
**Practicing Company Secretaries**  
**FRN: P2018RJ071900**  
**Peer Review Certificate No.: 1924/2022**

**Place: Jaipur**  
**Date: 16.08.2024**

**Vivek Sharma**  
**Managing Partner**  
**FCS No. 10663|COP No. 14773**  
**UDIN: F010663F000983679**

**FINANCIAL STATEMENT**
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**
**TO THE MEMBERS OF  
LOYAL EQUIPMENTS LIMITED**
**OPINION**

We have audited the accompanying financial statements of **Loyal Equipments Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), for the year ended on March 31, 2024, the Statement of Changes in Equity for the year ended on March 31<sup>st</sup>, 2024, 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 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, 2024, 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 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 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 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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.

<b>S. No.</b>	<b>Key Audit Matter</b>
1.	<p><b>Valuation of Inventories:</b> The company has Inventories amounting to Rs. 1707.67 Lakhs (i.e. 31.67% of total assets) at the Balance Sheet Date March 31, 2024 comprises of Raw Material Inventory amounting to Rs. 753.14 Lakhs &amp; Work in Progress Inventory of Rs. 954.53 Lakhs.</p> <p>Accordingly, appropriateness of the estimates used to identify the valuation of inventories, is determined to be a key audit matter for our audit of Ind AS financial statements.</p>
	<p><b>Auditor Response to key Audit Matter:</b></p> <p>Principal Audit Procedures: We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> <li>We reviewed the management policy for physical verification and the documents related to management's physical count procedure actually followed during the year</li> </ul>

	<ul style="list-style-type: none"> <li>• We understood the management process for assessment of value in use/ net realisable value of various class of inventories and making provision for obsolete inventory.</li> <li>• We reviewed the management’s judgement applied in estimating the value of inventory obsolescence for stores &amp; spares, taking into consideration management assessment of the present and future condition of the inventory.</li> <li>• We performed substantive audit procedures that included review of working prepared by the management for valuation of inventories and observed that appropriate allocation of fixed cost and variable cost is done in respect of Finished Goods and Work in Progress which is in lines with prevailing accounting standards.</li> </ul>
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#### **INFORMATION OTHER THAN THE 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 Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report but does not include the Financial Statements and our Auditor’s report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **MANAGEMENT’S RESPONSIBILITY FOR THE 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 Financial Statements to give a true and fair view of the financial position, financial performance, & cash flows of the Company in accordance with accounting standard & 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- identify and assess the risks of material misstatements of the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably 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 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 reasonably be expected to outweigh the public interest benefits of such communication.

## **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 & Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the 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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of internal financial control over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in Annexure “A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions 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 financial statements.
  - (ii) The Company has made provision, as at March 31, 2024 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, 2024.
  - (iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (v) The company has not declared and paid any dividend during the year 2022-23
  - (vi) Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.



2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For A Y & Company**  
**Chartered Accountants**  
**FRN : 020829C**

**CA Arpit Gupta**  
**Partner**  
**M.NO. : 421544**

**UDIN : 24421544BKFPJJ7453**

**Place : Dahegam**  
**Date : 30.04.2024**

## ANNEXURE “A” TO THE AUDITOR’S REPORT

### **Report on the Internal Financial Control under clause (i) of sub section 3 of Section 143 of companies Act , 2013 (‘The Act’)**

We have audited the internal financial control over financial reporting of Loyal Equipments Limited (‘the company’) as of 31st March, 2024 in conjunction with our audit of the financial statement of the company for the year ended on that date.

#### **Management Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 Arpit Gupta**  
**Partner**  
**M.NO. : 421544**  
**UDIN : 24421544BKFPJJ7453**

**Place : Dahegam**  
**Date : 30.04.2024**

**ANNEXURE “B” TO THE AUDITOR’S REPORT**

**Referred to in Paragraph 2 Under “Report on Other Legal and Regulatory Requirements” of Our Report to the member of Loyal Equipments Limited of Even Date**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- 1) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties are held in the name of the company.
  - (d) The company has not revalued its Property, Plant & Equipment (including Right of use assets) or intangible assets during the year
  - (e) No proceedings have been initiated or are pending against the company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2)
  - (a) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company
- 3) In our opinion the investments made by the company are prima facie, not prejudicial to the interest of the company. Further the company has not, provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLP or other parties covered in register maintained under section 189 of the companies act 2013. Hence the question of reporting such loans are not prejudicial to the company’s interest or whether the receipt of the principal amount and interest are regular and whether reasonable steps for recovery of overdues of such loan are taken, does not arise.
- 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 deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is 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 Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to 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 regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods & Service Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities and no statutory dues were outstanding as at 31<sup>st</sup> March, 2024 for a period of more than six months from the date they became payable except as followings:

- b) According to the information and explanation given to us, there are no dues of income tax, Goods & service tax & duty of customs outstanding on account of any dispute.
- 8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
  - 9)
    - a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
    - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
    - c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
    - d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
    - e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
    - f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
  - 10)
    - a) The Company has not raised any money by way of initial public offer during the year.
    - b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
  - 11)
    - a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
    - b) No report under sub section (12) of section 143 of the companies act has been filed in Form ADT-4 as prescribed under rule 13 of companies (Audit and Auditors) Rules, 2014 with the central Government during the year and upto the date of this report.
    - c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
  - 12) 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, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
  - 14)
    - a) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
    - b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

- 15) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17) The company has not incurred cash losses in the financial year. Further the company has not incurred cash loss in the immediately preceding financial year too.
- 18) During the year under review, there has been no resignation of statutory auditors.
- 19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- 21) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For A Y & Company**  
**Chartered Accountants**  
**FRN : 020829C**

**CA Arpit Gupta**  
**Partner**  
**M.NO. : 421544**  
**UDIN : 24421544BKFPJJ7453**

**Place : Dahegam**  
**Date : 30.04.2024**



**BALANCE SHEET AS AT 31ST MARCH 2024**

Particulars	Note	Amount (In Lakhs)	Amount (In Lakhs)
	No.	31.03.2024	31.03. 2023
<b>ASSETS</b>			
<b>A. Non-Current Assets</b>			
<b>(i) Fixed Assets</b>			
(a) Plant, Property and Equipment	2	1145.49	1246.23
(b) Right of Use Assets	2	131.34	169.41
(c) Capital Work-in-Progress	2	0.00	0.00
(d) Investment Properties		0.00	0.00
(e) Goodwill		0.00	0.00
(f) Other Intangible Assets	2	28.48	6.68
(g) Intangible Assets under Development		0.00	0.00
(h) Biological Assets other then bearer Plants		0.00	0.00
<b>(ii) Financial Assets</b>			
(a) Investments	3	9.21	4.21
(b) Trade Recievables		0.00	0.00
(c) Loans & Advances	4	129.95	122.34
<b>(iii) Deferred Tax Assets (Net)</b>	16	3.70	0.00
<b>(iv) Other Non-Current Assets</b>		0.00	0.00
<b>B. Current Assets</b>			
(i) Inventories	5	1707.67	2066.62
<b>(ii) Financial Assets</b>			
(a) Current Investments		0.00	0.00
(b) Trade Recievables	6	1287.42	1167.76
(c) Cash & Cash Equivalents	7	831.11	231.52
(d) Short Term Loans & Advances	8	83.00	53.83
(iv) Current Tax Assets (Net)	9	3.85	14.08
(v) Other Current Assets	10	31.52	51.83
<b>TOTAL ASSETS</b>		<b>5392.76</b>	<b>5134.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(i) Equity Share Capital	11	1020.00	1020.00
(ii) Other Equity	12	1938.36	1232.06
<b>Total Equity</b>		<b>2958.36</b>	<b>2252.06</b>
<b>B. Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>(i) Financial Liabilities</b>			
(a) Long Term Borrowings	13	237.30	356.53
(b) Trade Payables		0.00	0.00
(c) Other Long Term Liabilities	14	115.37	155.89
<b>(ii) Long Term Provisions</b>	15	34.36	32.58
<b>(iii) Deferred Tax Liabilities</b>	16	0.00	4.38
<b>(iv) Other Long Term Liabilities</b>		0.00	0.00
<b>Current Liabilities</b>			
<b>(i) Financial Liabilities</b>			
(a) Short Term Borrowings	17	985.22	853.55
(b) Trade Payables	18		

Due to Micro, Small & Medium Enterprises		0.00	0.00
Due to Creditors Other than Micro, Small & Medium Enterprises		354.57	919.53
(c) Other Current Liabilities	19	701.50	557.46
<b>(ii) Short Term Provisions</b>	20	6.08	2.55
<b>(iii) Current Tax Liabilities (Net)</b>		0.00	0.00
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5392.76</b>	<b>5134.53</b>
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1		

As per Our Separate Report of Even Date  
For A Y & Company  
Chartered Accountants  
Firm Registration No. : 020829C

For and On behalf of the Board  
For Loyal Equipments Limited

CA Arpit Gupta  
Partner  
M.No. 421544  
UDIN: 24421544BKFPJJ7453

Alkesh R Patel  
Managing Director  
DIN:02672297

Jyotsanaben R Patel  
Director  
DIN:01307770

Place : Dahegam  
Date: 30.04.2024

Amit C Patel  
Chief Financial Officer

Neha Jangid  
Company Secretary  
M.No. 56820

**STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED ON 31 MARCH 2024**

Particulars	Note	Amount (In Lakhs)	Amount (In Lakhs)
	No.	31.03 .2024	31.03 .2023
<b>A.INCOME</b>			
I) Revenue from Operations	21	7081.99	4929.29
II) Other Income	22	33.14	34.08
<b>III TOTAL INCOME (I+II)</b>		<b>7115.13</b>	<b>4963.37</b>
<b>IV. EXPENDITURE</b>			
a) Cost of Raw Material Consumed	23	3854.34	3028.51
b) Purchases of Stock in Trade		0.00	0.00
c) Changes in Inventory of Finished Goods, Work In Progress & Stock In Trade	24	264.78	-362.86
d) Employee Benefit Expenses	25	537.00	428.04
e) Finance Costs	26	133.09	136.34
f) Depreciation and Amortisation Expenses	27	206.02	201.86
g) Other Expenses	28	1169.46	907.09
<b>TOTAL EXPENSES (IV)</b>		<b>6164.69</b>	<b>4338.99</b>
(V) Profit/(loss) before exceptional items and tax (III-IV)		950.44	624.38
(VI) Exceptional items		0.00	0.00
(VII) Profit/(loss) before tax from Continuing Operations (V-VI)		950.44	624.38
<b>(VIII) Tax Expenses</b>			
a) Current year Tax		235.03	42.15
b) Deferred Tax		(7.26)	(14.55)
c) Tax Related to Earlier year		13.92	0.00
<b>(IX) Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>708.74</b>	<b>596.79</b>
X Profit/(Loss) from discontinued operations		0.00	0.00
XI Tax Expenses of discontinued operations		0.00	0.00
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		0.00	0.00
<b>XIII Profit/(loss) for the period (IX+XII)</b>		<b>708.74</b>	<b>596.79</b>
<b>XIV Other Comprehensive Income</b>			
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		0.00	0.00
B (i) Items that will not be reclassified to profit or loss		3.27	-1.37
(ii) Income tax relating to items that will not be reclassified to profit or loss		-0.82	0.34
<b>XV Total Comprehensive Income for the period (XIII+XIV)(Comprising profit (Loss) and other comprehensive income for the period)</b>		<b>706.30</b>	<b>597.81</b>
XVI Earnings per equity share (for continuing operation) :			
(1) Basic		6.95	5.85
(2) Diluted		6.95	5.85
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		6.95	5.85
(2) Diluted		6.95	5.85
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1		

As per Our Separate Report of Even Date  
For A Y & Company  
Chartered Accountants  
Firm Registration No. : 020829C

For and On behalf of the Board  
For Loyal Equipments Limited

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Partner  
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Managing Director  
DIN:02672297

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Director  
DIN:01307770

Place : Dahegam  
Date: 30.04.2024

Amit C Patel  
Chief Financial Officer

Neha Jangid  
Company Secretary  
M.No. 56820

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)
	31.03. 2024	31.03. 2023
<b>Cash flows from operating activities</b>		
Profit before taxation & Extraordinary items	950.44	624.38
<i>Adjustments for:</i>		
Depreciation	206.02	201.86
Non-Cash Expense	19.00	62.21
Payment of Lease Rent	(54.00)	(54.00)
Payment of Gratuity	(6.06)	-
Investment income	(7.85)	(6.29)
Finance Cost	133.09	136.34
<i>Working capital changes:</i>		
(Increase) / Decrease in trade and other receivables	(119.66)	(242.53)
(Increase) / Decrease in other current assets	20.31	(13.63)
(Increase) / Decrease in Short Term Loans & Advances	(29.17)	(9.27)
(Increase) / Decrease in Current Tax Assets	11.06	3.16
(Increase) / Decrease in inventories	358.95	(387.31)
Increase / (Decrease) in trade payables	(564.97)	182.60
Increase / (Decrease) in other current liabilities	140.81	176.28
<b>Cash generated from operations</b>	<b>1,057.97</b>	<b>673.81</b>
Income taxes paid/(Refund)	(248.95)	(41.80)
<b>Net cash from operating activities</b>	<b>809.02</b>	<b>632.01</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(89.01)	(15.85)
Long terms loans & Advances Granted/Received	(7.61)	50.09
Proceeds from Sales of Investment	-	13.85
Interest received	7.85	5.89
Dividend received	-	0.40
<b>Net cash used in investing activities</b>	<b>(88.77)</b>	<b>54.38</b>
<b>Cash flows from financing activities</b>		
Payment of Long Term Borrowings	(119.23)	(152.97)
Proceeds from Short Term Borrowings	131.67	(195.78)
Payment of Finance Cost	(133.09)	(136.34)
<b>Net cash used in financing activities</b>	<b>(120.66)</b>	<b>(485.10)</b>
<b>Net increase in cash and cash equivalents</b>	<b>599.59</b>	<b>201.29</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>231.52</b>	<b>30.23</b>
<b>Cash and cash equivalents at end of period</b>	<b>831.11</b>	<b>231.52</b>
<b>Cash and cash equivalents comprises of</b>		

Cash in Hand	20.67	20.82
Balance with Scheduled Banks	810.44	210.70

As per Our Separate Report of Even Date  
For A Y & Company  
Chartered Accountants  
Firm Registration No. : 020829C

For and On behalf of the Board  
For Loyal Equipments Limited

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Partner  
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Alkesh R Patel  
Managing Director  
DIN:02672297

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Director  
DIN:01307770

Place : Dahegam  
Date: 30.04.2024

Amit C Patel  
Chief Financial Officer

Neha Jangid  
Company Secretary  
M.No. 56820



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2024**

<b>A) EQUITY SHARE CAPITAL</b>	
<b>Particulars</b>	<b>Amount (In Lakhs)</b>
<b>Equity Shares of Rs. 10 each issued, subscribed &amp; Paid</b>	
<b>As at 01 April, 2022</b>	<b>1020.00</b>
changes in Equity share Capital during the year	0.00
<b>As at 31st March, 2023</b>	<b>1020.00</b>
changes in Equity share Capital during the year	0.00
<b>As at 31st March, 2024</b>	<b>1020.00</b>

**B) OTHER EQUITY**

<b>Particulars</b>	<b>Other Equity</b>		
	<b>Reserves &amp; Surplus</b>		
	<b>General Reserve</b>	<b>Securities Premium</b>	<b>Retained Earnings</b>
<b>As at 31st March, 2022</b>	<b>0.00</b>	<b>0.00</b>	<b>634.25</b>
Profit/(Loss) for the period	0.00	0.00	596.79
Other Comprehensive Income	0.00	0.00	-1.02
Total Comprehensive Income	0.00	0.00	597.81
Transfer to General Reserve	0.00	0.00	0.00
Utilization of Reserves	0.00	0.00	0.00
<b>Balance As at 31st March, 2023</b>	<b>0.00</b>	<b>0.00</b>	<b>1232.06</b>
Profit/(Loss) for the period	0.00	0.00	708.74
Other Comprehensive Income	0.00	0.00	2.45
Total Comprehensive Income	0.00	0.00	706.30
Transfer to General Reserve	0.00	0.00	0.00
Utilization of Reserves	0.00	0.00	0.00
<b>As at 31st March, 2024</b>	<b>0.00</b>	<b>0.00</b>	<b>1938.36</b>

**NOTE NO. 1**

Notes Forming Part of Financial Statements for the year ended on March 31<sup>st</sup>, 2024

**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 Lakhs, 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.

**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 ₹ 169.41 lakhs have been brought forward on 1st April 2023. Accordingly other expenses (rent) have reduced by ₹ 54.00 lakhs, finance cost increased by ₹ 16.71 lakhs and depreciation increased by ₹ 38.07 lakhs during 2023-24.

**F. INTANGIBLE ASSETS:**

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

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

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

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

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

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

Land is not depreciated.

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

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

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

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

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

#### J. CASH & CASH EQUIVALENTS:

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

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

#### K. CASH FLOW STATEMENTS:

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

## L. INVENTORIES:

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

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

## M. FINANCIAL INSTRUMENTS:

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

- **Initial Recognition**

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

- **Subsequent Measurement:**

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

### Debt Instruments:

#### Amortised Cost

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

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

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

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

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

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

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such

election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

- **Derecognition of financial assets**

A financial asset is derecognised only when:

- a) The Company has transferred the rights to receive cash flows from the asset or the rights have expired or
- b) The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

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

- **Impairment of financial assets:**

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

**Financial liabilities and equity instruments:**

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

**Equity instruments:**

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

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

**Financial liabilities:**

- **Subsequent Measurement**

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

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

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

- **Derecognition of financial liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

- **Determination of fair value:**

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

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

## N. 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 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. 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:
  - 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.

## 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:**
- **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.

- **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 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.

**29. EARNINGS PER SHARE:**

Particulars	2023-24	2022-23
Profit after tax as per Statement of Profit & loss available to equity shareholders (In Lakhs) (a)	708.74	596.79
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)	6.95	5.85

**30. EMPLOYEE BENEFITS:**
**a) Contribution to Employee Provident Fund:**

(Amount In Lakhs)

Particulars	2023-24	2022-23
Contribution to employee provident Fund	15.94	12.16

**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 Lakhs)

Particulars	Non-Current	Current	Total
Defined benefit Obligation	34.36	6.08	40.44
Fair value of Plan Assets	-	-	-

Particulars	As at 31st March 2024	As at 31st March 2023
<b>(i) Change in defined benefit obligation</b>		
Defined benefit obligation, beginning of the year	35.13	29.89
Current service cost	5.47	4.44
Interest cost	2.63	2.17
Past service cost	-	-
Benefits paid	(6.06)	-
Actuarial (gains)/losses	3.27	(1.37)
<b>Defined benefit obligation, end of the year</b>	<b>40.44</b>	<b>35.13</b>
<b>(ii) Net Liability/(Asset) recognized in the Balance Sheet</b>		
Present value of defined benefit obligation	40.44	35.13
Fair value of plan assets	-	-
<b>Net liability</b>	<b>40.44</b>	<b>35.13</b>

Current	6.08	2.55
Non-current	34.36	32.58
<b>(iii) Expenses recognized in Statement of Profit or Loss</b>		
Current service cost	5.47	4.44
Past Service cost	-	-
Interest cost	2.63	2.17
<b>Total Expense recognised in statement of profit or loss</b>	<b>8.10</b>	<b>6.61</b>
<b>(iv) Remeasurements recognized in other comprehensive income(OCI)</b>		
Changes in demographic assumptions	-	-
Changes in financial assumptions	-	-
Experience adjustments	3.27	(1.37)
<b>Total Actuarial (Gain) / Loss recognised in OCI</b>	<b>3.27</b>	<b>(1.37)</b>

Particulars	As at 31st March 2024	As at 31st March 2023
<b>(v) Maturity Profile of Defined Benefit Obligation</b>		
01 April 2023 to 31 Mar 2024	-	2.55
01 April 2024 to 31 Mar 2025	6.08	1.54
01 April 2025 to 31 Mar 2026	1.86	4.75
01 April 2026 to 31 Mar 2027	1.92	0.78
01 April 2027 to 31 Mar 2028	1.95	0.79
01 April 2028 to 31 Mar 2029	2.18	
01 April 2029 Onwards	26.46	
<b>(vi) Sensitivity Analysis for significant assumptions*</b>		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year		
1% increase in salary growth rate	38.14	37.22
1% decrease in salary growth rate	43.02	33.34
1% increase in withdrawal rate	40.63	35.51
1% decrease in withdrawal rate	40.23	34.70
1% increase in discount rate	38.14	32.58
1% decrease in discount rate	43.02	38.06
<b>(vii) Actuarial Assumptions</b>		
Discount rate (p.a)	7.25%	7.50%
Salary Escalation Rate (p.a.)	5.00%	5.00%
Retirement age	60 years	60 years
Mortality (Including provision for disability)	IALM 2012-14	IALM 2012-14

Employee Withdrawal rate	10.00% p.a.	5.00% p.a.
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**31. CIF Value of Imports:**

(Amount In Lakhs)

Particulars	2023-24	2022-23
Raw Material	378.46	367.59

**32. Contingent Liabilities not provided for:**

In respect of Bank Guarantees 118.87 Lakhs (Previous year: 108.42 Lakhs).

**33. Segment Reporting:**

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

**34. 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 Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
<b>Current Tax Expense</b>	235.03	42.15
<b>Tax Related to Previous Years</b>	13.92	0.00
<b>Deferred Tax Expense/(Income)</b>		
Origination and reversal of temporary differences	(7.26)	(14.55)
Origination and reversal of carried forward losses	-	-
<b>Total Tax Expense</b>	241.69	27.59

**(ii) Income Tax recognized in other comprehensive income**

(Amount In Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
<b>Net actuarial gains/(losses) on defined benefit plans</b>		
Before Tax	3.27	(1.37)
Tax expense/benefit recognized in OCI	(0.82)	0.34
Net of Tax	<b>2.45</b>	<b>(1.02)</b>

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

(Amount In Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
<b>Profit before tax</b>	950.44	624.38
<b>Applicable Tax Rate</b>	25.17%	25.17%



<b>Computed Current tax expense</b>	235.03	42.15
<b>Tax Related to Previous Years</b>	13.92	-
<b>Remeasurement of Deferred Tax due to Change in Expected Tax Rates</b>	<b>(7.26)</b>	<b>(14.55)</b>
<b>Tax as per Statement of Profit &amp; Loss</b>	<b>241.69</b>	<b>27.59</b>

**35. 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 2023-24 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 31<sup>st</sup> March, 2024:**

Particulars	Current Liability	Non-Current Liability	Total
Lease Liability	40.52	115.37	155.89

Particulars	As at 31st March 2024
<b>(i) Movement of Lease Liabilities</b>	
Balance at beginning of the year	193.18
Additions	-
Finance cost accrued during the period	16.71
Deletions	-
Payment of lease liabilities	
-Principal	(37.29)
-Interest	(16.71)
<b>Balance at end of the year</b>	<b>193.18</b>
<b>(ii) Break up of Lease Liabilities</b>	
Current Lease Liability	40.52
Non-Current Lease Liability	115.37
<b>Total</b>	<b>155.89</b>

**36. Disclosure of Related Party Transactions as on March 31st, 2024: -**

Related Party Transactions are being reported as per Ind AS 24 'Related Party Disclosures' for the year ended March 31, 2024.

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

S.No.	Name	Designation
1.	Mr. Alkesh Rameshchandra Patel	Managing Director

2.	Mrs. Jyotsanaben Rameshchandra Patel	Whole time Director
3.	Mr. Amitkumar Chandubhai Patel	Chief Financial Officer
4.	Ms. Neha Jangid	Company Secretary & Compliance officer
5.	Mr. Babubhai Bhulabhai Patel	Non-Executive Independent Director
6.	Mr. Girish Nathubhai Desai	Non-Executive Independent Director
7.	Mr. Kalpesh Lalitchandra Joshi	Non-Executive Independent Director
8.	Ms. Helena Alkeshkumar Patel	Non-Executive Director
9.	Mrs. Parul Alkeshkumar Patel	Relative to KMP
10.	Mrs. Hemaben M Patel	Relative to KMP

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

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

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

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

(In Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Remuneration to Key Managerial Personnel of holding Company*		
Mr. Alkesh Rameshchandra Patel	77.00	60.00
Mr. Amitkumar Chandubhai Patel	12.39	10.36
Ms. Neha Jangid	3.11	2.65
Mrs. Jyotsanaben R Patel	12.50	6.00
Ms. Helena Alkesh Patel*	-	-
Mrs. Parul Alkesh Patel	12.50	6.00
Mrs. Hemaben M Patel	6.25	3.00
Rent Paid		
Loyal Engineers	24.00	24.00
Mrs. Jyotsanaben Rameshchandra Patel	30.00	30.00
Loan Received		
Mrs. Jyotsanaben Rameshchandra Patel	100.00	-
Loan Repaid		
Mrs. Jyotsanaben Rameshchandra Patel	100.00	-
Sales/(Purchases):		
Loyal Equipments Inc.	27.99	(6.24)
Sitting Fees		
Mr. Girish Nathubhai Desai	0.10	0.44
Mr. Babubhai Bhulabhai Patel	0.10	0.44
Mr. Kalpesh Lalitchandra Joshi	0.10	0.44
Ms. Helena Alkesh Patel*	2.00	6.00

\*The designation of Ms. Helena Alkesh Patel (DIN : 09296895) has changed from Non-Executive Director to Whole-Time Director with a liability to retire by rotation in the last Annual General Meeting of the Company held on Friday, September 29, 2023.

\*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, 2024	Balance as on March 31, 2023
1.	Mr. Alkesh Rameshchandra Patel	5.00	25.08
2.	Mrs. Jyotsanaben Rameshchandra Patel	0.50	14.09
3	M/s Loyal Engineers	0.00	6.48
4.	Mr. Amitkumar Chandubhai Patel	0.31	0.79
5.	Ms. Neha Jangid	0.25	0.21
6.	Ms. Helna Alkesh Patel	0.00	5.89
7.	Mrs. Parul Alkesh Patel	0.50	5.89
8.	Mrs. Hemaben M Patel	0.25	2.89

### 37. 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 2022-23, to the extent the Company has received intimation from the “Suppliers” regarding their status under the Act:

S.No.	Particulars	March 31, 2024	March 31, 2023
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	--	--
	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	--	--

### 38. FINANCIAL INSTRUMENTS

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

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

- **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk), will affect the Company’s income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

- i. **Interest Rate Risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest-bearing investments because of fluctuations in

the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest-bearing investments will fluctuate because of fluctuations in the interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations.

#### Interest Rate Exposure:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>A. Fixed Rate Borrowings</b>		
Term Loan & Lease Liabilities	529.06	702.67
-Short Term Borrowings	849.36	700.58
<b>B. Interest Free Borrowings</b>	--	--
<b>Total Borrowings</b>	<b>1378.42</b>	<b>1403.25</b>

#### 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, 2024	As at March 31, 2023
<b>Trade Receivables</b>		
More than Six Months	1045.89	926.65
Less Than Six Months	241.53	241.11

#### • Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Expected contractual maturity for Financial Liabilities:**

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>As at March 31, 2024</b>				
Borrowings	985.22	237.30	0.00	<b>1222.52</b>
Trade & Other Payables	354.57	0.00	0.00	<b>354.57</b>
Other financial Liabilities	707.58	149.73	0.00	<b>857.31</b>
<b>As at March 31, 2023</b>				
Borrowings	853.55	356.53	0.00	<b>1210.08</b>
Trade & Other Payables	919.53	0.00	0.00	<b>919.53</b>
Other financial Liabilities	560.01	188.47	0.00	<b>748.48</b>

**c) 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, 2024 and March 31, 2023.

**Gearing Ratio:**

Particulars	As at March 31, 2024	As at March 31, 2023
Total Borrowings	1378.41	1403.25
Less: Cash & Cash Equivalents	831.11	231.52
Net Debts	547.30	1171.73
Total Equity	2958.36	2252.06
Gearing Ratio	0.19	0.52

**d) 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 Lakhs)

Particulars	Carrying Value		Fair Value	
	As at March 31 <sup>st</sup> , 2024	As at March 31 <sup>st</sup> , 2023	As at March 31 <sup>st</sup> , 2024	As at March 31 <sup>st</sup> , 2023
<b>Financial Assets</b>				
FVTPL Financial Instruments – Investments	9.21	4.21	9.21	4.21
Trade Receivables	1287.42	1167.76	1287.42	1167.76
Cash & Cash Equivalents	831.11	231.52	831.11	231.52
Other financial Assets	248.32	242.09	248.32	242.09
<b>Total</b>	<b>2376.06</b>	<b>1645.58</b>	<b>2376.06</b>	<b>1645.58</b>
<b>Financial Liabilities</b>				

Borrowings	1222.52	1210.08	1222.52	1210.08
Trade Payables	354.57	919.53	354.57	919.53
Other Financial Liabilities	857.31	748.48	857.31	748.48
<b>Total</b>	<b>1211.88</b>	<b>2878.09</b>	<b>1211.88</b>	<b>2878.09</b>

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

### 38. Trade Receivable Ageing Summary

As on 31.03.2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables- considered good	912.31	66.79	144.84	143.61	19.87	1287.42
(ii) Undisputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--
(iii) Disputed Trade Receivables considered good	--	--	--	--	--	--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--	--	--

As on 31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables- considered good	926.65	45.76	159.75	35.60	-	1167.76
(ii) Undisputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--
(iii) Disputed Trade Receivables considered good	--	--	--	--	--	--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--	--	--

### 39. Trade Payable Ageing Summary

As on 31.03.2024 :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
MSME	--	--	--	--	--
Others	352.09	2.48	--	--	354.57



Disputed dues - MSME	--	--	--	--	--
Disputed dues - Others	--	--	--	--	--

**As on 31.03.2023 :**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
MSME	--	--	--	--	--
Others	885.90	16.87	14.41	2.35	919.53
Disputed dues - MSME	--	--	--	--	--
Disputed dues - Others	--	--	--	--	--

**40. Disclosure of Corporate social responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	As at 31st March 2024
Average Net Profits of the Company for three immediate Preceding financial years (A)	57.94
Gross amount required to be spent by the company during the year i.e. 2% of (A)	<b>1.16</b>
<b>Amount spent during the year on :</b>	
Food distribution i.e., mid day meal	1.70
Projection Education for enhancing vocation skills among the children and other people	-
Cloth distribution	-
Promoting day care centres for orphans	-
Facilities for poor senior citizens	-
Focusing on Women Empowerment and Skills	-
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects and Supplies participants of Educational Assistance Program and Alternative Learning System for street children	-
Promoting Healthcare including preventive healthcare	-
Distribution of green four, Animal Fodder etc. to Gaushala	-
<b>Total</b>	<b>1.70</b>

**41. Statement of Various Accounting Ratios:**

S. No.	Particular	Numerator	Denominator	Ratio		Movement in %	Reason for Movement if movement is more than 25%
				31.03.2024	31.03.2023		
(a)	Current Ratio	Current Assets	Current Liabilities	1.93	1.54	25.11	This Ratio is increased due to Increase in Cash & Cash Equivalents
(b)	Debt-Equity Ratio	Total Debt	Shareholders Equity	0.45	0.61	-25.86	This ratio is decreased due to repayment of debts.
(c)	Debt Service Coverage Ratio	Net Operating Income	Total Debt Service	44.75	2.41	1756.65	This ratio is indecreased due to repayment of debts & higher operating profit.
(d)	Return on Equity Ratio	Profit After Tax	Average Shareholders Equity	27.20	30.56	-10.98	Reason is not required
(e)	Trade Receivables turnover ratio (in times)	Revenue	Average Trade Receivable	5.77	4.71	22.48	Reason is not required
(f)	Trade payables turnover ratio (in times)	Purchase of Services & other Expenses	Average Trade Payables	5.90	3.69	59.96	This Ratio is increased due to increase & decrease in Average Trade Payables.
(g)	Net capital turnover ratio (in times)	Revenue	Net Working Capital	3.73	3.94	5.26	Reason is not required
(h)	Net profit ratio	Net Profit	Revenue	10.01	12.11	17.36	Reason is not required
(i)	Return on Capital employed	Operating Profit	Total Capital Employed	42.47	41.23	3.01	Reason is not required
(k)	Inventory Turnover Ratio	Revenue	Average Inventory	3.75	2.63	42.69	This Ratio is increased due to higher turnover with same level of Inventory holding Levels

**42. Other Misc. Disclosures:**

Sr. No.	Particulars	Note in financial statements
(i)	Title deeds of Immovable Property not held in the name of the Company:	The Company do not have any Immovable property which is not held in the name of Company.
(ii)	Loans or advances to specified persons	The Company has not provided any Loan or Advances to specified persons.
(iii)	Details of Benami Property held	The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(iv)	Borrowings secured against current assets	The Company has availed facilities from banks on the basis of security of current assets.
(v)	Wilful Defaulter	The Company is not declared Wilful Defaulter by any Bank or any Financial Institution.
(vi)	Relationship with Struck off Companies	The Company do not have any transactions with struck-off companies.
(vii)	Undisclosed income	The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(x)	Details of Crypto Currency or Virtual Currency	The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

**43. 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.

**NON CURRENT ASSETS**  
**NOTE NO. : 2**

(In'000)

Fixed Assets	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount		
	Balance as at 01/04/2022	Additions/ (Disposals)	Acquired through business combinations	Disposals/ Transfers	Balance as at 31/03/2023	Balance as at 01/04/2022	Depreciation charge for the year	Adjustment	Eliminated On disposals	Balance as at 31/03/2023	As at 31/03/2023	As at 31/03/2022	
<b>A</b>	<b>Tangible Assets</b>												
Land/ Shed	13.95		0.00	0.00	13.95	0.00	0.00	0.00	0.00	0.00	13.95	13.95	
Buildings	1349.70	7.25	0.00	0.00	1356.94	366.73	0.00	0.00	0.00	366.73	990.22	982.97	
Plant and Equipment	784.82	48.96	0.00	0.00	833.78	557.04	0.00	0.00	0.00	557.04	276.74	227.78	
Furniture and Fixtures	18.04	0.00	0.00	0.00	18.04	14.49	0.00	0.00	0.00	14.49	3.55	3.55	
Vehicles	114.64	0.00	0.00	0.00	114.64	107.00	0.00	0.00	0.00	107.00	7.65	7.65	
Office equipment	75.45	7.91	0.00	0.00	83.36	65.13	164.86	0.00	0.00	229.98	-146.62	10.32	
<b>Total</b>	<b>2356.60</b>	<b>64.12</b>	<b>0.00</b>	<b>0.00</b>	<b>2420.72</b>	<b>1110.37</b>	<b>164.86</b>	<b>0.00</b>	<b>0.00</b>	<b>1275.23</b>	<b>1145.49</b>	<b>1246.23</b>	
<b>B</b>	<b>Intangible Assets</b>												
Softwares	99.48	24.90	0.00	0.00	124.38	92.80	3.10	0.00	0.00	95.89	28.48	6.68	
<b>Total</b>	<b>99.48</b>	<b>24.90</b>	<b>0.00</b>	<b>0.00</b>	<b>124.38</b>	<b>92.80</b>	<b>3.10</b>	<b>0.00</b>	<b>0.00</b>	<b>95.89</b>	<b>28.48</b>	<b>6.68</b>	
<b>C</b>	<b>Capital Work in Progress</b>												
Corporate Office New building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>D</b>	<b>Right to Use Assets</b>												
Lease hold Land	265.81	0.00	0.00	0.00	265.81	96.40	38.07	0.00	0.00	134.47	131.34	169.41	
<b>Total</b>	<b>265.81</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>265.81</b>	<b>96.40</b>	<b>38.07</b>	<b>0.00</b>	<b>0.00</b>	<b>134.47</b>	<b>131.34</b>	<b>169.41</b>	

<b>Grand Total</b>	2721.89	89.01	0.00	0.00	2810.90	1299.57	206.02	0.00	0.00	1505.59	1305.31	1422.32
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### FINANCIAL ASSETS - NON CURRENT

#### NOTE NO. 3 INVESTMENTS

Particulars	Amount (In Lakhs)	
	31.03.2024	31.03.2023
Investment in Equity Instruments	9.21	4.21
	<b>9.21</b>	<b>4.21</b>

#### NOTE NO. 4 NON CURRENT ASSETS

Particulars	Amount (In Lakhs)	
	31.03.2024	31.03.2023
Security Deposits & Bank Guarantee	129.95	122.34
<b>TOTAL</b>	<b>129.95</b>	<b>122.34</b>

### CURRENT ASSETS

#### NOTE NO.5 INVENORIES

Particulars	Amount (In Lakhs)	
	31.03.2024	31.03.2023
Raw Material	753.14	847.32
WIP	954.53	1219.31
Finished Goods	0.00	0.00
	<b>1707.67</b>	<b>2066.62</b>

#### NOTE NO. 6 TRADE RECIEVABLES

Particulars	Amount (In Lakhs)	
	31.03.2024	31.03.2023
Less than Six Months	1045.89	241.11
More than Six Months	241.53	1219.31
Less: Provision for ECL	0.00	0.00
	<b>1287.42</b>	<b>1167.76</b>

#### NOTE NO. 7 CASH & CASH EQUIVALENTS

Particulars	Amount (In Lakhs)	
	31.03.2024	31.03.2023
Balance with Scheduled Banks	810.44	210.70
Cash in Hand	20.67	20.82
	<b>831.11</b>	<b>231.52</b>

**NOTE NO.8 SHORT TERM LOANS & ADVANES**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>SHORT TERM LOANS &amp; ADVANES SHORT TERM LOANS &amp; ADVANES (Unsecured and Considered Good)</b>		
Advance Against Order	53.84	22.61
Staff Advance	29.16	13.42
Other Advances	0.00	17.81
	<b>83.00</b>	<b>53.83</b>

**8.1 Loans & Advances granted to Promoter, Director, KMP & Related Parties**

8.1 Loans & Advances granted to Promoter, Director, KMP & Related Parties	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>Type of Borrower</b>		
Promoters	-	-
Directors	-	-
KMPS	-	-
Related Parties	-	-

**NOTE NO. 9 CURRENT TAX ASSETS**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>Current Tax Assets</b>		
Advance Income Tax (Net)	3.85	14.08
	<b>3.85</b>	<b>14.08</b>

**NOTE NO.10 OTHER CURRENT ASSETS**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>OTHER CURRENT ASSETS</b>		
Prepaid Expenses	12.55	15.98
Income Tax Refundable	18.70	22.06
Kotak Mahindra Bank Dividend Account	0.27	0.01
Other Receivables	0.00	13.78
	<b>31.52</b>	<b>51.83</b>

**NOTE NO.11 EQUITY SHARE CAPITAL**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorised Capital</b>	1500.00	1500.00
(1,50,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		
(Previous Year 150,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		



<b>Issued, Subscribed and Paid Up Capital</b>	1020.00	1020.00
(1,02,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		
(Previous Year 102,00,000.00 Equity shares of Rs. 10 Each Fully Paid-Up)		
	<b>1020.00</b>	<b>1020.00</b>

<b>11.1) The reconciliation of the number of shares outstanding is set out below :-</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
<b>Particulars</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
<b>Equity Shares at the beginning of the year</b>	10200000	10200000
Add : Bonus Shares issued during the year	0.00	0.00
Equity Shares at the end of the year		
	<b>10200000</b>	<b>10200000</b>

<b>11.2) The details of Shareholders holding more than 5% shares :-</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
<b>Name of the Shareholder (% of Holding)</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	<b>(% of holding)</b>	<b>(% of holding)</b>
Alkesh R Patel	2099940	2099940
	(20.59%)	(20.59%)
Jyotsnaben R Patel	5400000	5400000
	52.94%	52.94%

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.

<b>11.4) Shareholding of Promoters</b>	<b>31.03.2024</b>		
<b>Name of Promoters</b>	<b>No. of Shares</b>	<b>% of Shareholding</b>	<b>Change in Shareholding</b>
Alkesh R Patel	20,99,940	20.59%	-
Jyotsnaben R Patel	54,00,000	52.94%	-

#### NOTE NO.12 OTHER EQUITY

<b>Particulars</b>	<b>Amount (In Lakhs)</b>	<b>Amount (In Lakhs)</b>
<b>OTHER EQUITY</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
<b>A) Securities Premium</b>		
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
	<b>0.00</b>	<b>0.00</b>
<b>B) Retained Earnings</b>		
As per Balance sheet of Previous Financial Year	1232.06	634.25
Add : Transfer from Profit of the Current Year	706.30	597.81
<b>TOTAL (A+B)</b>	<b>1938.36</b>	<b>1232.06</b>

**NON CURRENT LIABILITIES**

**FINANCIAL LIABILITIES**

**NOTE NO. 13 LONG TERM BORROWING**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>A) Secured</b>		
GECL Loan	0.00	33.92
HDFC Capex Loan	237.30	322.61
	<b>237.30</b>	<b>356.53</b>
<b>B) Unsecured</b>	0.00	0.00
<b>TOTAL (A+B)</b>	<b>237.30</b>	<b>356.53</b>

**Note 13.1) Terms of Loans**

- a) HDFC Capex 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%
- c) There are no defaults in repayment of loans and interest during the year.

**NOTE NO. 14 OTHER NON CURRENT LIABILITY**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>Other Non-Current Liability</b>		
Lease Liability	115.37	155.89
	<b>115.37</b>	<b>155.89</b>

**NOTE NO. 15 LONG TERM PROVISION**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>Long Term Provision</b>		
Provision for Gratuity	34.36	32.58
	<b>34.36</b>	<b>32.58</b>

**NOTE NO. 16 DEFERRED TAX LIABILITIES/(ASSETS) (NET)**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>Deferred Tax Liabilities/(Assets) (net)</b>		
Deferred Tax Liabilities as of Previous Year	4.38	18.59
Add/Less : Adjustments in Current Year	(8.08)	(14.21)
<b>Total</b>	<b>-3.70</b>	<b>4.38</b>

**CURRENT LIABILITIES**  
**FINANCIAL LIABILITIES**  
**NOTE NO. 17 SHORT TERM BORROWINGS**

Particulars	Amount (In Lakhs) 31.03.2024	Amount (In Lakhs) 31.03.2023
<b>Short Term Borrowings</b>		
<b>A) Secured</b>		
Current Maturities of Long Term Debt	135.86	152.97
HDFC WCDL Loan Account	0.00	0.00
HDFC Bank Limited CC	849.36	700.58
	<b>985.22</b>	<b>853.55</b>
<b>B) Unsecured</b>	0.00	0.00
	<b>0.00</b>	<b>0.00</b>
<b>TOTAL (A+B)</b>	<b>985.22</b>	<b>853.55</b>

**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**

Particulars	Amount (In Lakhs) 31.03.2024	Amount (In Lakhs) 31.03.2023
<b>Trade Payables</b>		
Trade Payable Due to Micro, Small & Medium Enterprises	0.00	0.00
Trade Payable Due to Other than Micro, Small & Medium Enterprises	354.57	919.53
	<b>354.57</b>	<b>919.53</b>

**NOTE NO. 19 OTHER CURRENT LIABILITIES**

Particulars	Amount (In Lakhs) 31.03.2024	Amount (In Lakhs) 31.03.2023
<b>Other Current Liabilities</b>		
Unpaid Electricity bill	1.75	1.50
Unpaid Prof. Tax	0.15	0.13
Provident Fund Payable	2.29	1.90
ESI Payable	0.20	0.00
Unpaid Salary	30.61	67.87
GST Payable	116.19	82.96
Advance Received from Customers	477.97	339.93
Audit Fees Payable	3.75	3.75
T.D.S Payable	8.49	7.87
Kotak Securities Demat Account	0.00	0.00
Lease Liability	40.52	37.29
Retention	15.13	9.68
Unclaimed Dividend	0.04	0.16
Other Payables	4.42	4.42
	<b>701.50</b>	<b>557.46</b>

**NOTE NO. 20 SHORT TERM PROVISIONS**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>Short Term Provisions</b>		
Provision for Gratuity	6.08	2.55
	<b>6.08</b>	<b>2.55</b>

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

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>REVENUE FROM OPERATIONS</b>		
<b>Sales</b>		
- Domestic	7053.39	4929.29
- Export	28.60	0.00
<b>TOTAL</b>	<b>7081.99</b>	<b>4929.29</b>

**NOTE NO. - 22 OTHER INCOME**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>OTHER INCOME</b>		
Interest Income	7.85	5.89
Dividend Income	0.00	0.40
Discount Received	0.00	0.79
Income from Various Subsidies	0.43	0.00
Other Incomes	24.86	27.00
<b>TOTAL</b>	<b>33.14</b>	<b>34.08</b>

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

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>COST OF RAW MATERIAL CONSUMED</b>		
Opening stock of Raw Material	847.32	822.86
Add : Purchases During the Year	3760.17	3052.97
Less : Closing Stock of Raw Material	753.14	847.32
<b>TOTAL</b>	<b>3854.34</b>	<b>3028.51</b>

**NOTE NO. - 24 CHANGES IN INVENTORY OF FINISHED GOODS WORK IN PROGRESS & STOCK IN TRADE**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
	31.03.2024	31.03.2023
<b>Inventories at the beginning of the Year</b>		
- Work In Progress	1219.31	856.45
- Finished Goods	0.00	0.00
- Stock in Trade	0.00	0.00

Inventories at the end of the Year		
- Work In Progress	954.53	1219.31
- Finished Goods	0.00	0.00
- Stock in Trade	0.00	0.00
<b>Net Change in the Inventory of Finished Goods</b>	<b>264.78</b>	<b>-362.86</b>
<b>Work in Progress &amp; Stock in Trade</b>		

**NOTE NO. - 25 EMPLOYEE BENEFIT EXPENSES**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
<b>EMPLOYEE BENEFIT EXPENSES</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
Bonus & Incentive	19.50	15.63
Staff Welfare Expenses	28.34	8.97
Salary to Staff	381.12	323.87
Directors Remuneration	84.00	60.00
Contribution to Statutory Fund	15.94	12.16
Provision for Gratuity (Current Service Cost & Interest Cost)	8.10	6.61
Staff Medical Expenses	0.00	0.80
<b>TOTAL</b>	<b>537.00</b>	<b>428.04</b>

**NOTE NO. - 26 FINANCE COST NOTE**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
<b>FINANCE COST</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
Interest expenses	124.50	121.93
Bank Charges	8.59	14.41
<b>TOTAL</b>	<b>133.09</b>	<b>136.34</b>

**NOTE NO. - 27 DEPRECIATION & AMORTISATION EXPENSES**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
<b>DEPRECIATION &amp; AMORTISATION EXPENSES</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
Depreciation	206.02	201.86
<b>TOTAL</b>	<b>206.02</b>	<b>201.86</b>

**NOTE NO. - 28 OTHER EXPENSES**

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
<b>OTHER EXPENSES</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
<b>DIRECT EXPENSES</b>		
Power & fuel	33.40	25.71
Testing & Inspection	144.37	123.91
Job Work	489.05	457.21
Transportation Exp.	175.30	68.62
Import Material Clearing Charges	4.70	25.61
Engineering Design & Consultancy Exps.	30.15	27.16
Repair of Plant & Machinery	18.86	17.89
Other Direct Exp.	19.11	10.37

Total (A)	914.95	756.47
<b>INDIRECT EXPENSES</b>	7.50	7.50
Audit Fees	14.01	2.02
Advertisement Exp.	4.82	6.35
AMC Charges	84.72	0.00
Annual Event Expenses	4.03	3.00
Annual Listing Fees	0.00	35.92
Adjustment on Account of FVTPL	0.02	0.01
Demat Charges	1.48	5.23
Forex Gain/Loss	4.73	5.85
Repairs & Maintenance	2.30	0.00
Director Sitting Fees	2.70	0.00
Donation	0.15	0.00
Export Material Clearing Charges	0.00	0.50
GST Interest Expenses	6.81	6.95
Insurance	0.00	4.00
Commission Expenses	40.96	9.98
Professional & Legal Fees	19.51	0.00
Rates & Taxes	0.00	16.65
Late Delivery Charges	20.97	10.98
Travelling & Conveyance Expenses	0.00	4.20
Office Miscellaneous Expenses	0.55	0.00
Discount Expenses	13.98	13.84
Software Expenses	2.21	0.72
Postage & Courier	2.25	2.07
Telephone Exps.	3.86	2.73
Printing & Stationary Expenses	0.30	0.30
Website Exp.	2.84	0.68
Vehicle Running & Maintenance	12.86	9.64
Other Misc. Exp.	0.96	1.52
ZAK Panchayat Tax	7.50	7.50
<b>Total (B)</b>	<b>254.50</b>	<b>150.62</b>
<b>TOTAL (A+B)</b>	<b>1169.46</b>	<b>907.09</b>

As per Our Separate Report of Even Date  
For A Y & Company  
Chartered Accountants  
Firm Registration No. : 020829C

For and On behalf of the Board  
For Loyal Equipments Limited

CA Arpit Gupta  
Partner  
M.No. 421544  
UDIN: 24421544BKFPJJ7453

Alkesh R Patel  
Managing Director  
DIN:02672297

Jyotsanaben R Patel  
Director  
DIN:01307770

Place : Dahegam  
Date: 30.04.2024

Amit C Patel  
Chief Financial Officer

Neha Jangid  
Company Secretary  
M.No. 56820

**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, 2024.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statement was made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and with the existing accounting standards and/or applicable laws and regulations.
4. There are no transactions entered into by the company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's audit committee of Board of Director's.
5. We are responsible for establishing and maintaining disclosure controls over financial reporting for the Company, and we have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP) in India.
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have displayed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions):
  - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b. Any significant changes in internal controls during the year covered by this report.
  - c. All significant changes in internal controls during the year covered by this report.
  - d. Any Instances of significant fraud of which we are aware, that involve the management or other employees who have a significant role in the Company's internal control system
7. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle-blowers from unfair termination and other unfair or prejudicial employment practices.



8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

**Sd/-**

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

**Sd/-**

**Amitkumar Chandubhai Patel**  
**Chief Financial Officer**

**Place: Dahegam, Gandhinagar**

**Date : August 20, 2024**