



LOYAL equipments limited.

(Formerly known as Loyal Equipments Private Limited)

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

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CIN NO. L29190GJ2007PLC050607



6.	Details of impact of COVID-19 on listed entity's —	
i)	Capital and Financial Resources	The company's capital and financial resources have been significantly affected. There have been constraints in liquidity and cashflow, prolonged cycles of receivables, increase in inventories which resulted in elongated working capital cycles.
ii)	Profitability	The profitability for the year 2020-21 will be at lower level because of reduction in sales due to the impact of CoVID-19 lockdown and rescission in the market. In view of lock down, the profitability during 1 st and 2 nd quarter (April to September) is likely to be adversely impacted. As the business situation is very dynamic, the company is closely monitoring it. Though we do hope the business situation should normalise during the end of 3 rd and 4 th quarter.
iii)	Liquidity position	As explained above, due to our receivables getting delayed, the cash position is under stress. However, the company does hope the cash position will to be normal from end of 3 rd quarter.
iv)	Ability to service debt and other financing arrangements	All the banks have extended total 6 months moratorium for servicing of principal and interest on borrowings. The debt servicing situation will be comfortable in near future.
v)	Assets	None of our assets got impaired due to CoVID -19 effect till date.
vi)	Internal financial reporting and control	The company has a sound internal financial reporting and control mechanism and wherever applicable additional controls are being added to address the current situation.
vii)	Demand for products/services	Our overall sales are down considerably leading to lower revenue. It will take time to reach normalcy subject to further relaxation announced by government.
7.	Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	Currently, the company does not see any failure in performance by the company of its obligations envisaged in contract / agreement entered into by it which may have material effect.
8.	Other relevant material updates about the listed entity's business	There will be impact of the 1 st , 2 nd and 3 rd quarter performance which is likely to have its impact on the annual performance for the year 2020-21

Kindly take the same on records.

Thanking You,

FOR, LOYAL equipments limited



Rameshchandra Nathalal Patel
 (Whole Time Director)
 (DIN-01307699)

Place – Dahegam