



**LOYAL equipments limited.**

(Formerly known as Loyal Equipments Private Limited)

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

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

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

CIN NO. L29190GJ2007PLC050607



**Dated: July 31, 2020**

To,

**Compliance Department  
BSE Limited,  
P.J. towers, Dalal Street,  
Fort, Mumbai – 400 001,  
Maharashtra, India**

**(Script Code: 539227, Loyal Equipments Limited)**

**Subject: Disclosure of Material Impact of CoVID-19 pandemic on the company under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

**Ref.: SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020**

Dear Sir/Madam,

With reference to above captioned subject, the Company was reported temporary suspension of working at registered office and factory due to CoVID-19 pandemic from 22<sup>nd</sup> March, 2020 and which is slowly resumed with minimum staff from **April 28, 2020** with all the necessary precautionary hygiene and safety measures as applicable.

Having this regard to the above SEBI circular, we now desire to furnish the following information based on our evaluation of the impact of CoVID-19 pandemic on our business performance and financials.

Sr. No.	Particulars	Required Information
1.	<b>Impact of the COVID-19 pandemic on the business</b>	The company's registered office and factory was remained shut from March 22, 2020 due to lockdown, which has negative impacted its operations of the company during last week of March, April and May 2020. The Company has restart its operation from <b>April 28, 2020</b> after approximately <b>37 days</b> which impact the supply of products in such period. Also the manufacturing operations was also shut for such which impact the business activities as a whole.
2.	<b>Ability to maintain operations including the factories / units / office spaces functioning and closed down</b>	The company has slowly resumed operations considering the minimum workforce including labour, since <b>April 28, 2020</b> adhering to the safety norms prescribed by Government of India. But most of the labours had migrated to their hometown which is new hurdle to resume the labour work in our manufacturing facility.
3.	<b>Schedule, if any, for restarting the operations</b>	Already started.
4.	<b>Steps taken to ensure Smooth functioning of operations</b>	The Company is taking utmost care of its staff and work force has put in place strict monitoring process for CoVID-19 ensuring the following: i) Enforcing wearing of masks and regular cleaning of hands ii) Thermal Screening of all employees and visitors iii) Sanitizing the premises and vehicles on regular basis iv) Regular update of the health of all the employees and their families v) Maintenance of social distancing at all work places
5.	<b>Estimation of the future impact of CoVID-19 on its operations</b>	March - April - May' 2020 being lockdown months, the revenues and profitability of the Company are likely to be adversely impacted. However, the company is closely monitoring it the business situation.

**For, LOYAL equipments limited**

**Director / Managing Director**



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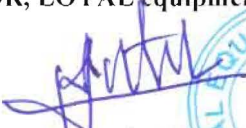



6.	<b>Details of impact of COVID-19 on listed entity's —</b>	
i)	<b>Capital and Financial Resources</b>	The company's capital and financial resources have been significantly affected. There have been constraints in liquidity and cashflow, prolonged cycles of receivables, increase in inventories which resulted in elongated working capital cycles.
ii)	<b>Profitability</b>	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 <sup>st</sup> and 2 <sup>nd</sup> 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 <sup>rd</sup> and 4 <sup>th</sup> quarter.
iii)	<b>Liquidity position</b>	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 <sup>rd</sup> quarter.
iv)	<b>Ability to service debt and other financing arrangements</b>	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)	<b>Assets</b>	None of our assets got impaired due to CoVID -19 effect till date.
vi)	<b>Internal financial reporting and control</b>	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)	<b>Demand for products/services</b>	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.	<b>Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business</b>	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.	<b>Other relevant material updates about the listed entity's business</b>	There will be impact of the 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> 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