

## LOYAL TEXTILE MILLS LTD.,

(CIN: L17111TN1946PLC001361)

REGD. OFFICE: 21/4 MILL STREET, KOVILPATTI 628 501

Email :investor@loyaltextiles.com,

Website :www.loyaltextiles.com

Phone : 04632 - 220001 Fax : 04632 - 221353

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixty Eighth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at 21/4, Mill Street, Kovilpatti : 628 501 at 10 a.m. on Thursday the 11<sup>th</sup> day of September, 2014 to transact the following business.

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint M/s. Suri & Co., Chartered Accountants, (Firm Regn. No: 004283S), as Statutory Auditors of the Company for a period of three years from the conclusion of this Annual General Meeting till the conclusion of the 71<sup>st</sup> Annual General Meeting to be held in the year 2017 and to fix their remuneration.

#### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr.K.J.M.Shetty (holding DIN. 00033296)**, Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years from the conclusion of this Annual General Meeting.”
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **S.Venkataramani ( holding DIN. 00053043)**, Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years from the conclusion of this Annual General Meeting.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **R.Poornalingam (holding DIN. 00955742)**, Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years from the conclusion of this Annual General Meeting.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr.Shridhar Subrahmanyam (holding DIN. 01780475)**, Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years from the conclusion of this Annual General Meeting.”

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

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“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr.M.Madhavan Nambiar (holding DIN. 03487311)**, Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years from the conclusion of this Annual General Meeting.”

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

“RESOLVED that in supersession of the resolution passed by the members of the company at the Annual General Meeting held on 24<sup>th</sup> August 2011 consent under Section 180 (1) (c) of the Companies Act, 2013 be and is hereby accorded to the Board of Directors of the Company for borrowing sum or sums of money from time to time which together with the amounts already borrowed by the Company (apart from temporary loans obtained from the company’s bankers in the ordinary course of business) which may exceed at any time the aggregate of the paid up share capital and free reserves, that is to say reserves not set apart for any specific purpose, provided that the total of such borrowings outstanding at any time shall not exceed a sum of Rs.1000 Crores (Rupees One Thousand Crores only) and that the directors be and are hereby empowered and authorized to arrange and fix the terms and conditions of all such money to be borrowed from time to time such as the interest, repayment, security or otherwise as they may deem fit.”

“RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded in terms of section 180 (1) (a) and other applicable provisions if any, of the Companies Act, 2013 to the Board of Directors of the Company to mortgage and / or charge all or any of the movable or immovable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company together with the power to take over the management of the business and concern of the Company in certain events, to or in favour of public financial institutions, banks and other individuals or concerns to secure loans advanced / agreed to be lent and advanced by them to the Company together with interest thereon at the respective agreed rates, compound interest, commission, remuneration payable to the lenders / agents / trustees.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board / Committee be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard to creating mortgages / charges as aforesaid.

10. To consider and if thought fit to pass the following resolutions with or without modification as an **ORDINARY RESOLUTION**:

“RESOLVED THAT in supersession of the resolution passed by the members of the company at the Annual General Meeting held on 24<sup>th</sup> August 2011 consent of the Company be and is hereby accorded, pursuant to Section 181 of the Companies Act, 2013 or any statutory modifications and reenactments thereon, to the Board of Directors of the Company making contributions in any financial year to charitable and other funds / trusts not relating to the business of the Company or the welfare of its employees any sum or sums in excess of Rs.50,000 or 5 percent of the average net profits of the Company as determined in accordance with section 198 of the Companies Act, 2013 or any statutory modification on re-enactments during the three financial years immediately preceding the relevant year, whichever is greater, but subject to a maximum of Rs.500 Lakhs in any financial year.”

By order of the Board  
For Loyal Textile Mills Ltd.,

Place : CHENNAI  
Date : 23<sup>rd</sup> May, 2014

**MANIKAM RAMASWAMI**  
Chairman & Managing Director

# Notice

## LOYAL TEXTILE MILLS LTD.,

REGD. OFFICE : 21/4 MILL STREET,  
KOVILPATTI 628 501.

### NOTES:

**1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORMS, IN ORDER TO BE VALID, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. The Register of Members and Share Transfer Books of the Company will be closed from 2<sup>nd</sup> September, 2014 to 11<sup>th</sup> September, 2014 (both days inclusive).

3. The Explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect to special business as set out in the notice is annexed hereto.

4. Members are requested to notify to the Company's Registrars and Transfer Agent (R&TA) M/s. GNSA Infotech Limited, STA Department, Nelson Chambers, 4th Floor, F Block, No.115 Nelson Manickam Road, Aminjikarai, Chennai-600029. Phone:044-42962025, E-mail : [sta@gnsaindia.com](mailto:sta@gnsaindia.com)

a) any change in their registered address along with PIN code number.

b) details about their bank account number, name of the bank, bank's branch name and address to enable the Company to print the same on the dividend warrants. Please quote your Ledger Folio No./DP and Client ID in all correspondence with the Company/R&TA.

5. Members holding shares in the same name or same order of names under different Ledger Folios are requested to apply for consolidation of such Folios, to the Company's R&TA, at the address stated in Note No. 3 above.

6. Under Section 205A of the Companies Act, 1956, the amount of dividends remaining unclaimed for a period of 7 years has to be transferred to the Investor Education and Protection Fund established by the Central government. Members who have not encashed the dividend warrants for the year ended 31st March 2007 and/or any subsequent years are requested to make their claim(s) by surrendering the unencashed warrants immediately to the Company or R&TA, giving necessary details .

7. Members may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their respective shares in the Company shall vest in the event of such members' death. The prescribed form can be obtained from its R&TA at the aforesaid address.

8. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

9. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.

10. Members may also note that the Notice of the 68<sup>th</sup> Annual General Meeting and Annual Report for 2013 will also be available on the Company's website [www.Loyaltextiles.com](http://www.Loyaltextiles.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kovilpatti for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send their requests to [investors@loyaltextiles.com](mailto:investors@loyaltextiles.com).

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or R&TA.

### 12. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 68<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

#### The instruction for e-voting are as under :

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; "Loyal Textile Mill – 68<sup>th</sup> AGM e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>

(iii) Click on Shareholder – Login

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- (iv) Enter user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Loyal Textile Mills Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to [evoting.ksmassociates@gmail.com](mailto:evoting.ksmassociates@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:

(I) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (e-voting Event Number)	USER ID	PASSWORD/PIN

(I). Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on 05<sup>th</sup> September, 2014 (9:00 am) and ends on 07<sup>th</sup> September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 07<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 07<sup>th</sup> August, 2014

VII. M/s.KSM Associates represented by Mr. Krishna Sharan Mishra, Practicing Company Secretary (having Membership No. 6447 and Certificate of Practice No. 7039) have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. 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.loyaltextiles.com](http://www.loyaltextiles.com) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By order of the Board  
For Loyal Textile Mills Ltd.,

Place : CHENNAI  
Date : 23<sup>rd</sup> May, 2014

**MANIKAM RAMASWAMI**  
Chairman & Managing Director

## **EXPLANATORY STATEMENT IN RESPECT TO PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

The following explanatory statement sets out all material facts relating to the special business mentioned under item no. 4 to 10 of the Notice dated 23<sup>rd</sup> May 2014.

### **Item No.4**

Mr. K. J. M. Shetty aged 80 years, is a retired IAS officer. He has been in the Board since June 2002. He is also the Chairman of the Audit committee, Shareholders grievances Committee and Corporate Social Responsibility committee of the Board of Directors of the company.

He holds 50 no. of equity Shares of the Company as second holder.

### **Outside Directorship:**

1. Jumbo Bag Ltd, Chennai.
2. Endeka Ceramics India Private Ltd.,
3. Gateway Distriparks Ltd.,
4. Savant India Institute of Technology Private Limited, Chennai.
5. Gateway Distriparks (South) Private Ltd.,
6. VKS Solutions Private Ltd.,

### **Committee Membership:**

1. Jumbo Bag Ltd, Chennai.
2. Endeka Ceramics India Private Ltd.,
3. Gateway Distriparks Ltd.,
4. Savant India Institute of Technology Private Limited, Chennai.
5. Gateway Distriparks (South) Private Ltd.,
6. VKS Solutions Private Ltd.,

Mr. K. J. M. Shetty retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. K. J. M. Shetty being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Mr. K. J. M. Shetty as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. K. J. M. Shetty fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. K. J. M. Shetty as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. K. J. M. Shetty as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. K. J. M. Shetty, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

### **Item No.5**

Mr. S. Venkataramani aged 71 years, is a fellow member of Institute of Chartered Accountant of India. He has been in the Board since October 2004. He is also a member of the Audit committee and Shareholders grievances committee of the Board of Directors.

### **Outside Directorship:**

1. Maris Spinners Limited.
2. Bharat Travel Services P Limited.
3. Janatha Traders India P Limited.
4. Maris Enterprises P Limited.
5. Nilgiri Agro Agencies P Limited.
6. Tulive Developers Ltd.,

### **Committee Membership:**

1. Maris Spinners Limited.

Mr. S. Venkataramani does not hold any share in the Company.

Mr. S. Venkataramani retires at the ensuing Annual General Meeting in terms of Section 149 and any other applicable provisions of the Companies Act, 2013. Mr. S. Venkataramani being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Mr.S. Venkataramani as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. S. Venkataramani fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. S. Venkataramani as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. S. Venkataramani as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. S. Venkataramani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

### **Item No.6**

#### **I. Mr. R. POORNALINGAM**

Mr. R. Poornalingam aged 67 years, is a retired I.A.S. Officer has left his distinctive mark in a variety of challenging assignments in his career. His contributions to the field of Public Administration encompass the State of Tamilnadu as well as the Central Government. A Honours Graduate in Electrical Engineering, he also holds a Master Degree in Economics and a Bachelors in Law, he is also a Hubert Humphery Scholar. He has been in the Board since October 2006.

**Outside Directorship:** NIL

**Committee Membership:** NIL

Mr. R. Poornalingam does not hold any share in the Company.

Mr. R. Poornalingam retires at the ensuing Annual General Meeting in terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. R. Poornalingam being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Mr. R. Poornalingam as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. R. Poornalingam fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. R. Poornalingam as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. R. Poornalingam as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. R. Poornalingam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**Item No.7**

Mr. Shridhar Subrahmanyam aged 75 years holds Master of Science in engineering from University of California at Los Angeles, USA, Bachelor of Technology (Honours) in Chemistry and Mathematics from University of Allahabad, India. He has vast experience and served across the globe as a top Managerial person. He has been in the Board since May 2007. He is also a member of the Audit committee of the Board of Directors.

**Outside Directorship:** NIL

**Committee Membership:** NIL

Mr. Shridhar Subrahmanyam does not hold any share in the Company.

Mr. Shridhar Subrahmanyam retires at the ensuing Annual General Meeting in terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Shridhar Subrahmanyam being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Mr. Shridhar Subrahmanyam as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Shridhar Subrahmanyam fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. R. Shridhar Subrahmanyam as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Shridhar Subrahmanyam as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Shridhar Subrahmanyam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**Item No. 8**

Mr. Madhavan Nambiar aged 63 years, is a Non-Executive Independent Director of the Company. He has been in the Board since May 2012. He is also member of Corporate Social Responsibility committee of the Board of Directors of the company

Mr. Madhavan Nambiar retired as Secretary to Government of India in the Ministry of Civil Aviation, where he was closely involved in the airport privatization programs, especially in the metros of Delhi, Mumbai, Hyderabad and Bangalore. He also served as Secretary in the Ministry of Information Technology, where he was responsible for framing of the National Hardware manufacturing policy and several e-government initiatives.

Earlier, he held posts as Chairman and Managing Director of Electronics Corporation of Tamil Nadu Ltd (ELCOT) and Tamil Nadu Industrial Development Corporation (TIDCO) in the State of Tamil Nadu.

Mr. Madhavan Nambiar has rich teaching background. He is a fellow at the Judge Business School, Cambridge University. He has also been an associate professor, teaching public policy at the School of International and Public Affairs (SIPA), Columbia University. He was also a fellow at the Queen Elizabeth House, Oxford University.

**Outside Directorship:**

1. C-dot Alcatel-Lucent Research Centre Private Limited.
2. Hotel Leelaventure Limited.
3. Rediff. Com India Limited.
4. Kerala State Industrial Development Corpn Ltd.,
5. Palakkad Infrastructure Private Limited.
6. Punj-lloyd Limited.
7. The Catholic Syrian Bank Ltd.,
8. Indian Institute of Information Technology and Management Kerala (sec 25 company).

Mr. Madhavan Nambiar retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Madhavan Nambiar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director three consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Mr. Madhavan Nambiar as a candidate for the office of Director of the Company.

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In the opinion of the Board, Mr. Madhvan Nambiar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. R. Madhvan Nambiar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Madhvan Nambiar as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Madhvan Nambiar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

## **Item No.9**

The shareholders of the Company, at the Annual General Meeting held on 27<sup>th</sup> May, 2011 approved an increase in borrowing powers of the Board of Directors to the extent of Rs.950 Crores.

In view of the need to continuously modernize the production facilities at various locations and for expansion of the business, the Company will have to avail loans. It is therefore proposed to increase the borrowing powers to Rs.1000 Crores.

The Board of Directors is also required to be authorized to create such mortgage / charges in such manner as the Board may think fit to secure the borrowings up to the overall limit of Rs.1000 Crores.

None of the directors of the Company is interested or concerned in this resolution.

Your directors recommend the resolution at item No. 9 for approval by the members.

## **Item No.10**

As per Section 181 of the Companies Act, 2013, the Board of Directors of the Company can contribute / donate to charitable and other funds not directly relating to the business of the Company any amount up to 5% of the average net profits of the Company for the last three years or Rs.50,000/- in a year whichever is higher. Any payment to be made by the Company in excess of the above limits requires the prior approval of the shareholders of the Company in General Meeting.

With the increased participation in socio-economic activities by the Joint Stock Companies your Board has decided to take active participation in such activities for the welfare of the general public. Hence at the Board Meeting held on 23.05.2014, it was resolved by them to pass the same resolution under new companies act , 2013 with the same limit of Rs.500 Lakhs per annum subject to the approval of the Shareholders.