

Notice

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

Notice is hereby given that the 72nd 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 **10.30 a.m** on **Thursday** the **27th September, 2018** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Standalone and Consolidated Statement of Profit and Loss for the year ended 31st March 2018, the Cash Flow Statement for the year ended 31st March 2018, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the year 2017-18
3. To appoint a Director in place of Mr.P.Manivannan, Director (holding DIN 00366954), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. Appointment of Mrs.Valli M Ramaswami, as Whole time Director

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

RESOLVED THAT pursuant to the provisions of Section 196, 198, 203, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 and subject to such other approvals, as may be necessary, Mrs. Valli M Ramaswami (holding DIN:00036508) who was appointed as Additional Director of the Company by the Board of Directors with effect from 12th April 2018 and whose term of office expires at this Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as Whole Time Director of the Company for a tenure of 5 years with effect from 12.04.2018.

RESOLVED FURTHER THAT the consent of the members of the Company be and is hereby accorded for payment of remuneration to Mrs.Valli M Ramaswami,

Whole Time Director on such terms and conditions and such remuneration as below with effect from 12.04.2018 notwithstanding the absence or inadequacy of profits during any financial year.

- (a) Basic Salary: Rs.5,00,000/- per month (Rupees Five lakhs per month).
- (b) Perquisites:
 - i) Housing – She shall be entitled for rent free Accommodation provided by the Company.
 - ii) Medical Reimbursement: Reimbursement of expenses for self and family subject to a ceiling of one month's salary in a year or five months salary over a period of five years.
 - iii) Leave Travel Concession: Reimbursement of expenditure incurred for self and family once a year subject to a maximum of one month's salary.
 - iv) Club Fees: Fees of clubs subject to a maximum of two clubs excluding admission and life membership fees.
 - v) Personal Accident Insurance and Medi-claim Insurance: The premium shall be paid as per the rules of the Company.
 - vi) Contributions to Provident Fund and Superannuation Fund shall be paid as per the rules of the Company and shall not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - vii) Gratuity shall not exceed half a month's salary for each completed years of service.
 - viii) Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.
 - ix) Leave: Privilege Leave on full pay and allowance as per the Rules of the Company. Encashment of the leave at the end of tenure

Notice

will not be included in the computation of ceiling and perquisites. She will also be entitled to Casual and Sick leave as per the leave rules of the Company.

5. Appointment of Mr. B. Vaidyanathan, (DIN 00263983) as a Director

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

RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act 2013 ("Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr.B.Vaidyanathan, (DIN:00263983) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 07th December, 2017 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a notice in writing from a member, under section 160 of the Companies Act 2013, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to be retire by rotation.

6. Ratification of Remuneration to the Cost Auditor

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

RESOLVED THAT pursuant to Section 148 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) the remuneration of Rs.1,00,000/- (Rupees One Lakh Only), in addition to service tax, travelling and out-of-pocket expenses for the financial year ending 31st March 2019 as approved by the Board of Directors of the Company to be paid to Mr.B.Venkateshwar, Practicing Cost Accountant, (holding Membership No.27622), appointed by the Board as Cost Auditor to conduct the audit of the cost accounts of the Company be and is hereby ratified and confirmed.

By order of the Board
For Loyal Textile Mills Limited

P. Mahadevan
Company Secretary & Compliance Officer

Place: Chennai
Date: August 11, 2018

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Proxies in order to be effective must be lodged with the Company not later than 48 hours before the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company provided that not less than three days of notice in writing is given to the Company.

4. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (the Act 2013), in respect of the special businesses, as set out in the Notice is annexed hereto and forms part of the notice.

5. Pursuant to the provisions of Section 91 of the Companies Act 2013 and Regulation 42 of SEBI (LODR) Regulations 2015, the Register of Members and Share Transfer Books of the Company will be closed from 21.09.2018 to 27.09.2018 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31.03.2018 and the AGM.

6. The Statutory Registers will be available for inspection by the Members at the AGM. Relevant documents and statements referred to in this Notice are open for inspection by the Members at the Registered Office of the Company during business hours till the date of the AGM.

7. The dividend for the year ended 31.03.2018 as recommended by the Board, if approved at the meeting, will be paid to those members whose names appear in the Company's Register of Members on 20th September 2018. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

8. In terms of requirements of Section 124(6) of the Companies Act, 2013 read with Investor Education and

Notice

Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017 ("the Rules"), the Company is required to transfer the shares, in respect of which the dividend remains unpaid or unclaimed for a period of seven consequent years to the IEPF account established by the Central Government. The Company had accordingly transferred 83,711 Equity shares pertaining to Dividend for the Financial year 2008-09 & 2009-10 respectively to the IEPF account.

Any person whose shares have been transferred to the Fund, may claim the shares from the authority by submitting an online Application form IEPF-5 available on the website www.iepf.gov.in and after making an application in form IEPF-5, send the same duly signed by him alongwith requisite documents to the Company for verification of the claim.

9. Members holding shares in physical form are requested to quote their Registered Folio No. in all their correspondences and notify promptly change, if any, in their Address / bank mandate to the Company's Registrars and Share Transfer Agent 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
10. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or R&TA for assistance in this regard.
11. 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.9 above.
12. Electronic copy of the Annual Report and the Notice of the 72nd Annual General Meeting of the Company inter alia indicating the process and manner of Remote 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.
13. Members may also note that the Notice of the 72nd Annual General Meeting and Annual Report for 2017-18 will also be available on the Company's website www.loyaltextiles.com for 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.

14. A route map showing directors to reach the venue of the 72nd AGM is given at the end of this notice as per the requirement of the Secretarial Standard on General Meetings (SS-2).
15. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-Voting').

The facility for voting through Ballot papers shall be made available at the 72nd annual general meeting (AGM) and the members attending the AGM who have not cast their vote by remote e-Voting shall be able to vote at the AGM.

16. Remote Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended as on date read with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote by electronic means 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 notice of AGM through email:
 - (i) Open email and open PDF file viz; "Loyal Textile Mills – 72nd 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
 - (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 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character

Notice

(@, #, \$ etc). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) You need to login again with the new credentials;
- (vii) On successful login, the system will prompt you to select the EVEN, i.e Loyal Textile Mills Limited;
- (viii) On the voting page, the number of shares (which represents the number of votes) as held by the member as on the Cut-Off-date will appear. If you desire to cast all the votes assenting/dissenting to the resolutions, then enter all the number of shares and click "FOR" / "AGAINST", as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the 'Cut-Off date'. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head;
- (ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio / demat account;
- (x) Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click 'OK' to confirm or 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolutions;
- (xi) Corporate / Institutional members (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 vigneshmbacs@gmail.com. They may also upload the same in the e-Voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name EVEN No.";
- (xii) Members can cast their vote online from **24th September, 2018 (9:00 am) to 26th September, 2018 (5:00 pm)** through remote e-Voting. Once the vote on a resolution is cast by the member, the member will not be allowed to change it subsequently. The remote e-Voting will not be allowed beyond the aforesaid date and time; The remote e-Voting module will be disabled by

NSDL for voting thereafter;

Only members as on Cut-Off date, attending the AGM who have not cast their vote by remote e-Voting will be able to exercise their voting right at the AGM through ballot paper;

The members who have cast their vote by remote e-Voting prior to the AGM may also attend the AGM but will not be entitled to cast their vote again;

A person who is not a member as on the Cut-Off date, should treat this Notice for information purposes only; and

- (xiii) In case of any query, the member may refer the Frequently Asked Questions (FAQs) for Members and remote e-Voting use manual for Members available at downloads section of www.evoting.nsdl.com or call on toll free no.1800-222-990
- 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 on the Attendance Slip for the AGM : **EVEN** (E-voting Event Number) **USER ID PASSWORD/PIN**
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above to cast vote.
- 17. 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 of 21.09.2018.
- 18. Any person who acquires shares of the Company and becomes member of the Company after despatch of the Notice of the AGM and holding shares as of the cut off date i.e 21.09.2018 may obtain the Login ID and password for remote e-voting by sending a request to NSDL at evoting@nsdl.co.in by mentioning the Folio No. / DP ID and Client ID. Members who are already registered with NSDL for Remote e-voting can use their existing USER ID and Password for casting their votes.
- 19. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- 20. Mr. S.S. Vignesh, Practising Company Secretary (Membership No. 31114 and Certificate of Practise No. 11620) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. His e-mail ID is vigneshmbacs@gmail.com

Notice

21. The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
22. The Scrutinizer shall after the conclusion of the voting at the AGM, will first count the votes cast at the meeting, thereafter unlock the votes 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 from the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the chairman of the Company, or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
23. The Scrutinizer will submit his report to the Chairman, or a person authorised by him in writing, who will declare the result of the voting. The results declared along with the Scrutinizer's report will be placed on the Company's website www.loyaltextiles.com & on the website of NSDL www.evoting.nsdl.com and shall also be communicated to the Stock Exchange.
24. Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
25. Members / Proxies / Authorised Representatives are requested to bring the attendance slip sent with Annual Report duly filled in for attending the meeting.
26. Members are requested to bring their copies of Annual Report for the meeting. Copies of the Annual Report will not be distributed at the Annual General Meeting.
27. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the meeting so as to enable the Management to keep the information ready.
28. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company, a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
29. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities market. Members holding Shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in Physical form can submit their PAN to the company/R&TA.
30. To support the 'Green Initiative' of the country, Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
31. The documents referred to in the 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 Limited

P. Mahadevan
Company Secretary & Compliance Officer

Place: Chennai
Date: August 11, 2018

Notice

ANNEXURE TO THE NOTICE

Details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings, a brief resume of the Directors proposed to be appointed / re-appointed are given below:

Name	Mrs.Valli M Ramaswami
Date of Birth and Age	02-03-1961 and 57 years
Date of Appointment	12.04.2018
Experience	Mrs. Valli M Ramaswami is a graduate. She has good business experience for more than 30 years. She has been actively involved in social welfare measures / activities and helping the poor and needy persons.
Inter-se Director Relationship	Mrs.Valli Ramaswami is not having any inter-se relation with other directors of the Company.
Directorship in other companies	<ol style="list-style-type: none">1. M/s. Dhanalakshmi Investments Private Limited2. M/s. Rhea Cotton Traders Private Limited3. M/s. Hellen Cotton Trading Company Private Limited4. M/s. Madurai Tara Traders Private Limited5. M/s. Nemesis Cotton Trading Company Private Limited6. M/s. Kurunji Investment Private Limited7. M/s. Loyal International Sourcing Private Limited
Committee Membership	NIL
Shareholding in the company	86,148 Shares.

Name	Mr. P. Manivannan
Date of Birth and Age	23/06/1961, 57 years
Date of Appointment	01/11/2016
Experience	Mr. P. Manivannan has over 35 years of experience in Marketing and Administration. He has been in the Board since November, 2008.
Inter-se Director Relationship	Mr. P. Manivannan is not having any inter-se relation with other directors of the Company.
Directorship in other companies	M/s. Loyal International Sourcing Private Limited
Committee Membership	NIL
Shareholding in the company	2 shares

Name	Mr. B. Vaidyanathan
Date of Birth and Age	07/10/1956, 62 years
Date of Appointment	07/12/2017
Profile	B.Tech (Electronics) at IIT Madras P.G Diploma in Management in IIM Ahmedabad
Inter-se Director Relationship	Mr. B. Vaidyanathan is not having any inter-se relation with other directors of the Company.
Directorship in other companies	M/s. Teleconnectors Limited
Committee Membership	NIL
Shareholding in the company	NIL

Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mrs. Valli M Ramaswami (DIN: 00036508) was appointed as an Additional Director of the Company with effect from 12.04.2018 and designated as Whole Time Director of the Company by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013 Mrs. Valli M Ramaswami holds office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member proposing her candidature for the office of Director under section 160 of the Companies Act 2013.

The resolution seeks the approval of the members in terms of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act 2013 and the Rules made thereunder for the appointment of Mrs. Valli M Ramaswami as Whole Time Director from 12.04.2018 and the payment of remuneration to her during tenure of the period.

The Board of Directors recommends this resolution for approval.

None of the Directors of the Company and their relatives or Key Managerial Personnel and their relatives other than Mrs. Valli M Ramaswami is interested or concerned in the resolution.

Item No. 5

Mr. B. Vaidyanathan (DIN 00263983) was appointed as an Additional Director of the Company with effect from 07.12.2017 and designated as Executive Director of the Company by the Board of Directors in terms of Section 161 (1) of the Companies Act 2013 and he holds office upto the date of this Annual General Meeting. He was subsequently designated as Non-Executive Director of the company by the Board of Directors in the meeting held on 19th March 2018.

B Vaidyanathan (Vaidy) completed his B Tech from IIT Madras in Electronics in 1978 and Post Graduate Diploma in Management (PGDM) from IIM, Ahmedabad in 1980.

He joined Pond's (India) Ltd as a Management Trainee in 1980 and worked in Pond's/ Hindustan Lever till 1998, heading the Export Division as General Manager Exports. Subsequently, he joined Sanmar Engineering in 1999 and served as the Executive Vice President of Tyco Sanmar and Flowserve Sanmar Ltd.

He joined Engelhard Environmental Systems in 2002 as Managing Director. Engelhard was a Global Leader in Catalysts and he played a key role in establishing Engelhard as the leader in Indian Auto Catalyst business. Subsequent to the global acquisition of Engelhard by BASF in 2006, he continued to serve as the MD of of BASF Catalysts India till April 2017.

He played a key role in scaling up the business from Rs 30 crores in 2002 to Rs 1000 crores in 2016 as the Emission Norms progressed from BS1 to BS4. He also established a new Greenfield site for BASF which was inaugurated in March 2017. He has well established contacts at senior levels with the Auto OEMs.

Subsequent to his superannuation from BASF in April 2017, he continued as an Advisor and Consultant to BASF till October 2017. Currently, he is serving as a member of the Board of Directors at Loyal Textiles Ltd and Teleconnectors Ltd and working as an advisor to Sharda Motors India Ltd.

The company has received a notice in writing from a member proposing his candidature for the office of Director under section 160 of the Act.

The Board of Directors recommends this resolution for approval.

None of the Directors of the Company and their relatives or Key Managerial Personnel and their relatives other than Mr. B. Vaidyanathan is interested or concerned in the resolution.

Item No. 6

The Board of Directors at their meeting held on 25.05.2018 have approved the appointment of Mr. B. Venkateshwar, Practicing Cost Accountant, (Membership No.27622) as Cost Auditor to conduct the audit of the Cost Accounts of the Company for the financial year 2018-19 at remuneration given in the resolution in the notice.

As per Section 148 (3) of the Companies Act 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders.

The Board of Directors recommends this resolution for approval.

None of the Directors and Key Managerial Personnel either directly or through their relatives are in any way concerned or interested whether financially or otherwise in the proposed resolution.

By order of the Board
For Loyal Textile Mills Limited

P. Mahadevan
Company Secretary & Compliance Officer

Place: Chennai
Date: August 11, 2018

ROUTE MAP

VENUE: 21/4, Mill Street, Kovilpatti - 628 501. LANDMARK: Opp to Kovilpatti Railway Station

