

(FOUR STAR EXPORT HOUSE RECOGNISED BY GOVT OF INDIA)  
INTEGRATED MANAGEMENT SYSTEM CERTIFIED AND PRACTICING COMPANY

DIVISIONAL OFFICE :  
No. 83 (Old No. 41), 1st Main Road, R.A. Puram, Chennai 600 028, INDIA  
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E-Mail : loyal@loyaltextiles.com : www.loyaltextiles.com

REF: LTM/BSE/2020-21/PB/001

February 22, 2021

The General Manager  
Bombay Stock Exchange Limited  
P J Towers, Dalal Street,  
Mumbai – 400 001

Dear Sir,

**Sub: Postal Ballot Notice**

In continuation of the outcome of Board Meeting dated February 11, 2021, we herewith enclose the Notice of Postal Ballot for your reference and record.

1. The Postal Ballot Notice has been sent to all Members whose name appear in the Register of Members / List of Beneficial Owners as on February 19, 2021 (Cut-off date) by e-mail today, for seeking approval through e-voting process in respect of resolution set out in the Notice.
2. The Company has engaged the services of NSDL for providing E-voting facility to all Members. E-voting will commence from Wednesday, February 24, 2021 (09:00 Hours IST) and ends on Thursday, March 25, 2021 (17:00 Hours IST). The results of the Postal Ballot will be announced on March 26, 2021.

Thanking You,

Yours faithfully

For LOYAL TEXTILE MILLS LIMITED



P. MAHADEVAN

COMPANY SECRETARY & COMPLIANCE OFFICER



# LOYAL TEXTILE MILLS LTD

(CIN: L17111TN1946PLC001361)

Regd Office: 21/4, Mill Street, Kovilpatti 628 501

Email: [investors@loyaltextiles.com](mailto:investors@loyaltextiles.com), Website: [www.loyaltextiles.com](http://www.loyaltextiles.com)

Phone: 04632-220001 Fax: 04632-221353

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## NOTICE OF POSTAL BALLOT

*[Pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014]*

### Dear Shareholders,

Notice is hereby given pursuant the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, the General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020 and No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs ("MCA Circulars") and including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time, and pursuant to other applicable laws and regulations, the resolution appended below is proposed for approval of the shareholders of the Company through postal ballot by remote e-voting process ("e-voting").

In accordance with the provisions of the MCA Circulars, the Company will send the Postal Ballot Notice by email to all its Shareholders who have registered their email addresses with the Company or depository / depository participants. The shareholders can vote only through the remote e-voting process. Accordingly, the Company is pleased to offer a remote e-voting facility to all its Shareholders to cast their votes electronically.

The shareholders are requested to read the instructions in the Notes under the section "General information and instruction relating to e-voting" in this postal ballot notice to cast their vote electronically. Shareholders are requested to cast their vote through the e-voting process not later than **17:00 Hours IST on Thursday, March 25, 2021** to be eligible for being considered, failing which it will be strictly considered that no vote has been received from the shareholder.

The Board of Directors have appointed Mr. S Hari Krishnan, Practicing Company Secretary (CP No.13740), Chennai, as the Scrutinizer, for conducting the postal ballot only through the e-voting process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairperson or any other authorized person of the Company after the completion of scrutiny of the E-voting. The results shall be declared by the Chairperson or any other authorized person of the Company on or before **Friday, March 26, 2021** and would also be displayed on the Company's website [www.loyaltextiles.com](http://www.loyaltextiles.com)

Consent of the Shareholders is being sought for the following resolution.

## **SPECIAL BUSINESS**

### **Approval for appointment of Mr.R.Poornalingam, (DIN: 00955742) as a Director**

**To consider and to give assent / dissent for passing the following resolution as a Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 (1A) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. R.Poornalingam, (DIN: 00955742) aged 75 years, who was appointed as an Additional Director (Non-Executive & Non Independent Director) of the company effective from 23<sup>rd</sup> October 2020 and who holds office upto the date of the ensuing Annual General Meeting to be held during the Calendar year 2021, in respect of whom the Company has received a notice in writing from a shareholder under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director (Non-Executive & Non Independent Director) of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** Mrs. Valli M Ramaswami, Chairperson and Whole Time Director and Mr. P. Mahadevan, Company Secretary and Compliance Officer of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution.”

**Date: 11.02.2021**

**Place: Chennai**

**By order of the Board**

**Valli M Ramaswami**

**Chairperson & Whole Time Director**

**Registered Office:**

**21/4, Mill Street,**

**Kovilpatti – 628 501**

**Website: [www.loyaltextiles.com](http://www.loyaltextiles.com)**

**Notes:**

1. The statement pursuant to Section 102 of the Companies Act, 2013 stating all material facts and the reasons for the proposal is annexed herewith.
2. The Postal Ballot Notice is being sent to the shareholders of the Company whose names appear on the Register of Members/List of Beneficial Owners as received from the Depositories as on **Friday, February 19, 2021**.
3. In line with the MCA Circulars, the Postal Ballot Notice is being sent only by electronic mode to those Shareholders whose e-mail addresses are registered with the Company/Depositories. Shareholders may please note that the Postal Ballot Notice will also be available on the Company's website at [www.loyaltextiles.com](http://www.loyaltextiles.com) and website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com)
4. Shareholders who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, GNSA Infotech Private Limited.
5. In accordance with the provisions of the MCA Circulars, Shareholders can vote only through the remote e-voting process. Shareholders whose names appear on the Register of Members/List of Beneficial Owners as on **Friday, February 19, 2021** will be considered for the purpose of e-voting.
6. The voting rights for Equity Shares are one vote per Equity Share, registered in the name of the members. Voting rights shall be reckoned on the paid-up value of Equity Shares registered in the name of the shareholders as on **Friday, February 19, 2021**. A person who is not a shareholder on the relevant date should treat this notice for information purpose only.
7. The Resolution passed by the shareholders through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the shareholders.
8. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the rules made there under, the MCA Circulars and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility to the shareholders to exercise their votes electronically and vote on the resolutions through the e-voting service facility arranged by National Securities Depository Limited (NSDL). The instructions for e-voting are provided as part of this Postal Ballot Notice.

9. The resolution, if passed by the requisite majority shall be deemed to have been passed on **Thursday, March 25, 2021** i.e., the last date specified for receipt of votes through the e-voting process.
10. The e-voting period commences on **Wednesday, February 24, 2021 (09:00 hours IST) and ends on Thursday, March 25, 2021 (17:00 hours IST)** both days inclusive. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Friday, February 19, 2021** may cast their votes electronically. The remote 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.
11. In terms of Secretarial Standard – 2, subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the last date specified for e-voting, i.e., **Thursday, March 25, 2021**. The Scrutinizer will submit his report to the Chairperson or any other authorized person after the completion of scrutiny, and the result of the voting by postal ballot will be announced on or before **Friday, March 26, 2021** and will also be displayed on the Company website [www.loyaltextiles.com](http://www.loyaltextiles.com). The results shall also be communicated to the Stock Exchange, BSE Limited, Mumbai.
12. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch until the last date for receipt of votes by e-voting.
13. Member requiring any clarification may contact Mr. P. Mahadevan, Company Secretary & Compliance Officer at Telephone: 044 - 4227 7374 / E-mail: [investors@loyaltextiles.com](mailto:investors@loyaltextiles.com)

## GENERAL INFORMATION AND INSTRUCTION RELATING TO E-VOTING:-

The e-voting period begins on **Wednesday, February 24, 2021 (09:00 hours IST) and ends on Thursday, March 25, 2021 (17:00 hours IST)** both days inclusive. The e-voting module shall be disabled by NSDL for voting thereafter.

### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Details on Step 2 is given below:**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cshkrishnan@gmail.com](mailto:cshkrishnan@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. 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 download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolution set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to [investors@loyaltextiles.com](mailto:investors@loyaltextiles.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to [investors@loyaltextiles.com](mailto:investors@loyaltextiles.com)

**EXPLANATORY STATEMENT**

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Shareholders to consider for approval of the resolution.

**Approval for appointment of Mr. R.Poornalingam, (DIN: 00955742) as a Director**

The Board of Directors on recommendation of the Nomination and Remuneration Committee has approved the appointment of Mr.R.Poornalingam, aged 75 years as an Additional Director (Non-Executive & Non-Independent) of the Company with effect from 23<sup>rd</sup> October 2020 through Circular resolution.

In terms of Section 161 (1) of the Companies Act, 2013 he holds office upto the date of the ensuing Annual General Meeting scheduled to be held during the calendar year 2021.

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for the appointment.

A brief justification for appointment of Mr.R.Poornalingam, as a Director on the Board of the Company is as under.

Mr.R.Poornalingam is a retired IAS 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 the Central Government. Post retirement, he has worked as Non-Executive Chairman of CDOT Alcatel Research Centre, a Joint venture between the Government of India and Alcatel Lucent engaged in Wimax Technology, between 2006 and 2009. He also served as the Chairman of the Tamilnadu Police Commission.

An Honours Graduate in Electrical Engineering, he also holds a Master Degree in Economics and a Bachelors Degree in Law. He is also a Hubert Humphery Scholar.

He has been in the Board of Loyal since October 2006 as an Independent Director.

The Board of Directors and the Nomination & Remuneration Committee are of the opinion that the Company has benefited immensely through his association, and believe that his judgment and knowledge are very important elements in the discussions and business decisions adopted by the Board of Directors.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution set out in this Notice.

Your Directors recommend the resolution for your approval.

**Date: 11.02.2021**  
**Place: Chennai**

**By order of the Board**  
**Valli M Ramaswami**  
**Chairperson & Whole Time Director**