

## 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 71<sup>st</sup> 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 12.00 noon on **Monday the 25<sup>th</sup> September, 2017** to transact the following business:

#### ORDINARY BUSINESS:

##### 1. Adoption of Financial Statements

- a) To Consider and if deemed fit to pass the following as an **Ordinary resolution** :

“**RESOLVED THAT** the Audited Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2017 and the Reports of the Board and Auditors thereon be and hereby considered, approved and adopted”

- b) To Consider and if deemed fit to pass the following as an **Ordinary resolution** :

“**RESOLVED THAT** the Audited Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017 and the Report of the Auditors thereon be and hereby considered, approved and adopted”

##### 2. Declaration of Dividend

To Consider and if deemed fit to pass the following as an **Ordinary resolution**:

**RESOLVED THAT** the final dividend of Re. 10/- per equity share of Rs. 10/- each (100%) be declared for the financial year ended March 31, 2017 and that the same be paid out of the profits of the Company for the said financial year to those shareholders whose names appear on the Register of Members and beneficial owners as on 21<sup>st</sup> September, 2017 as per the details provided by the Depositories for this purpose.”

##### 3. Re-Appointment of Mrs. Valli M Ramaswami, Director

To Consider and if deemed fit to pass the following as an **Ordinary resolution**:

“**RESOLVED THAT** Pursuant to Sec 152(6) of the

Companies Act , 2013, Mrs. Valli M Ramaswami (DIN:00036508) Director of the Company, who retires by rotation at this meeting, being eligible for re-appointment, be and is hereby re-elected as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

##### 4. Appointment of Statutory Auditors

To appoint Statutory auditors of the company and to fix their remuneration and in this regard to consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. GANESH PRASAD, Chartered Accountant, (Firm Registration No: 000872S) be and is hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this 71<sup>st</sup> Annual General Meeting till the conclusion of 76<sup>th</sup> Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

#### SPECIAL BUSINESS:

##### 5. Approval of re-appointment of Mr.P.Manivannan, 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 149, 152, 196 and 197 of the Companies Act, 2013 read with Schedule V and rules made thereunder and such other approvals, permissions and sanctions, as may be required and as recommended by the

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Nomination and Remuneration Committee, Mr.P.Manivannan, (DIN:00366954) who has been re-appointed as whole time Director of the Company by the Board of Directors of the Company held on 11<sup>th</sup> November, 2016 with effect from 1<sup>st</sup> November, 2016 for a period of 5 (five) years subject to the approval of the shareholders at ensuing Annual General Meeting, such re-appointment of Mr.P.Manivannan, be and is hereby approved as Whole time Director of the Company for a period of 5 (five) years subject to retirement by rotation with effective from 1<sup>st</sup> November, 2016 on the following terms of remuneration and perquisites.

- (A) i) **Salary** -Rs.90,000/- per month subject to a revision of upto Rs.1,26,000/- per month with an authority to the Board to increase the salary from time to time within the limits prescribed under Schedule V of the Companies Act, 2013.
- ii) Educational Allowances -Rs. 10,000/- per month subject to a maximum of Rs.15,000/- per month
- iii) City Compensatory Allowance - Rs.7,500/- per month subject to a maximum of Rs. 10,000/- per month.
- iv) Annual Bouns at the discretion of the Board will be paid at sum not exceeding Rs. 6 lakhs per annum.
- v) Festival allowance-as applicable to other employees, as per rules of the Company.

**B) Perquisites:**

- i) Gratuity - As per rules of the Company and as per the provisions of the Gratuity Act.
- ii) Rent-Mr. P.Manivannan shall also be entitled to rent free accommodation or house rent allowance of Rs.25,000/- per month subject to a maximum of Rs. 50,000/- per month as approved by the Board of Directors.
- iii) In addition to the basic salary and allowances, Mr. P.Manivannan is also entitled to medical reimbursement, leave travel concessions for self and family(family includes his spouse, children) as per company policy applicable to the senior management personnel of the company.
- iv) Mr. P.Manivannan will also be eligible for Company's contribution to Provident Fund as per the rules of the Company.

- v) He shall be provided with a car for use of Company's business and in case he is not provided with a car, he shall be eligible for reimbursement of petrol and maintenance expenses incurred by him for company's business.
- vi) He shall be provided with cellphone and a telephone at his residence for official purpose and personal long distance calls shall be billed by the Company.

The Items (i) to (vi) mentioned in point No. (B) above will not be included in the computation of ceiling of remuneration.

Salary and perquisites shall not exceed 5% of the net profits of the Company in any financial year.

**6. Ratification of remuneration of Cost Auditor:**

To consider and if deemed fit to pass the following as an **Ordinary resolution:**

**RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration of Rs.1 lakhs ( Rupees One Lakh Only), in addition to service tax, travelling and out-of-pocket expenses, payable to Mr V Balasubramanian, Practicing Cost Accountant, holding Membership No. 4771, allotted by The Institute of Cost Accountants of India, who was appointed as cost auditor of the Company for the year 2017-18 by the board of directors of the Company, as recommended by the audit committee of directors, be and is hereby ratified."

**7. Appointment of Mr.B.T.Bangera, as Independent Director:**

To consider and if deemed fit to pass the following as an **Ordinary resolution:**

**"RESOLVED THAT** pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule IV to the Companies Act, 2013, Mr.B.T.Bangera, (DIN:00432492) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of

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Director pursuant to section 160 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company with effect from September 25, 2017, till the conclusion of Annual general meeting to be held in the calendar year 2020 and his term shall not be subject to retirement by rotation,”

## 8. Appointment of Mrs.Vijayalakshmi Rao, as Independent Director:

To consider and if deemed fit to pass the following as an **Ordinary resolution:**

"**RESOLVED THAT** pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule IV to the Companies Act, 2013, Mrs.Vijayalakshmi Rao, (DIN:00259208) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to section 160 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company with effect from September 25, 2017, till the conclusion of Annual general meeting to be held in the calendar year 2022 and his term shall not be subject to retirement by rotation,”

## 9. Re-appointment of Mr.R.Poornalingam, as Independent Director:

To consider and if deemed fit to pass the following as a **Special resolution:**

"**RESOLVED THAT** pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule IV to the Companies Act, 2013, Mr.R.Poornalingam, Independent Director (DIN : 00955742) of the Company whose period of office is liable to expire on September 10, 2017, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and eligible for re-appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to section 160 of the Companies Act, 2013 be and is hereby re-appointed as an Independent

Director of the Company with effect from September 11, 2017, till the conclusion of Annual general meeting to be held in the calendar year 2020 and his term shall not be subject to retirement by rotation,”

## 10. Re-appointment of Mr.M.Madhavan Nambiar, as Independent Director:

To consider and if deemed fit to pass the following as a **Special resolution:**

"**RESOLVED THAT** pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule IV to the Companies Act, 2013, Mr.M.Madhavan Nambiar, Independent Director (DIN : 03487311) of the Company whose period of office is liable to expire on September 10, 2017, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and eligible for re-appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to section 160 of the Companies Act, 2013 be and is hereby re-appointed as an Independent Director of the Company with effect from September 11, 2017, till the conclusion of Annual general meeting to be held in the calendar year 2022 and his term shall not be subject to retirement by rotation,”

## 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. *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. 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 the hereto.

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4. 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 71<sup>st</sup> 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.

5. (a) Members please note that the Board of Directors of the Company have recommended payment of dividend at Rs. 10/- per equity share (100%) at its meeting held on May 29, 2017.
- (b) The Register of Members and Share Transfer Books of the Company will be closed from **22<sup>nd</sup> September, 2017 to 25<sup>th</sup> September, 2017** (both days inclusive).
- (c) The dividend on Equity Shares, if declared at the Annual General Meeting, will be credited / dispatched within thirty days to those shareholders whose names are on the Company's Register of Members as on 21<sup>st</sup> **September, 2017**. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
6. Members are requested to notify to the Company's Registrars and Share 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.

- 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.
7. 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. 6 above.
8. The Securities and Exchange Board of India (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.
9. Pursuant to the provisions of Section 124 and rules and regulation made thereunder and other provisions of the Companies Act, 2013, the dividends which remain unpaid or unclaimed for a period of 7 years from the respective dates of transfer to the unpaid dividend account of the company are due for transfer to the Investor Education and Protection Fund (IEPF).

Financial Year	Rate of Dividend	Date of Declaration of Dividend	Date of Dividend transfer to unpaid Dividend Account	Last date for Claiming unpaid dividend	Due for Transfer to IEPF
2009 - 2010	30 %	20-09-2010	25-10-2010	20-09-2017	20-10-2017
2010 - 2011 - Interim	100 %	10-02-2011	15-03-2011	10-02-2018	10-03-2018
2010 - 2011 - Final	39 %	24-08-2011	29-09-2011	24-08-2018	24-09-2018
2011 - 2012	10 %	22-08-2012	27-09-2012	23-08-2019	23-09-2019
2012- 2013	50 %	23-09-2013	28-10-2013	30-08-2020	30-09-2020
2013 - 2014	75 %	11-09-2014	16-10-2014	28-08-2021	28-09-2021
2014 - 2015	75%	24-09-2015	29-10-2015	29-09-2022	29-10-2022
2015- 2016	100 %	14-09-2016	29-10-2016	29-09-2023	29-10-2023

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Members who have so far not encashed the dividend warrants for the above years are advised to submit their claim to the Company's R&TA at the aforesaid address immediately quoting their folio number / DP ID and Client ID.

10. 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 member death. The prescribed form can be obtained from its R& TA at the aforesaid address.
11. The relevant details as required by Regulation 36(3) of Securities and Exchange Board of India ( Listing Obligation and disclosure requirement), Regulation, 2015 and Secretarial standards on General Meetings a brief resume of the Directors proposed to be appointed / re-appointed , nature of their expertise in functional areas, disclosure of relationships between directors inter-se other directorships, committee memberships, shareholding in the company are given below and the Directors have furnished the requisite declarations for their appointment/re-appointment.

<b>Name of the Director</b>	Mrs.Valli M Ramaswami
Director Identification Number	00036508
Date of Birth and Age	02-03-1961 and 56 years
Date of Appointment	11.02.2015
Profile	Mrs. Valli M Ramaswami is a graduate. She has good business experience for more than 30 years. She has concern in social welfare measures/ activities and interested in helping the poor and needy, all these years.
Directorship in other companies	<ol style="list-style-type: none"> <li>1. Dhanalakshmi Investments Private Limited</li> <li>2. Rhea Cotton Traders Private Limited</li> <li>3. Hellen Cotton Trading Company Private Limited</li> <li>4. Madurai Tara Traders Private Limited</li> <li>5. Nemesis Cotton Trading Company Private Limited</li> <li>6. Kurunji Investment Private Limited</li> <li>7. Loyal International Sourcing Private Limited.</li> </ol>
Committee Membership	NIL
Shareholding in the company	86148 Shares.

<b>Name of the Director</b>	Mr.P.Manivannan
Director Identification Number	00366954
Date of Birth and Age	23/06/1961, 55 years
Date of Appointment	01/11/2016
Profile	Mr. P. Manivannan aged 55 years. He has over 34 years of experience in Marketing and Administration. He has been in the Board since November 2008. He is also a member of the Shareholders' / Investors' Grievance committee of the Board of Directors.
Directorship in other companies	NIL
Committee Membership	<ol style="list-style-type: none"> <li>1. CSR Committee and</li> <li>2. Stakeholders Relationship Committee</li> </ol>
Shareholding in the company	2 shares

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<b>Name of the Director</b>	Mr.R.Poornalingam
Director Identification Number	00955742
Date of Birth and Age	15/11/1945 and 71 years
Date of Appointment	11/09/2014
Profile	Mr. R. Poornalingam aged 71 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 Tamil Nadu 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.
Directorship in other companies	<ol style="list-style-type: none"> <li>1. Tridem Port And Power Company Private Limited</li> <li>2. Nagapattinam Energy Private Limited</li> <li>3. Odisha State Medical Corporation Limited</li> <li>4. Taal Enterprises Limited</li> <li>5. Taneja Aerospace And Aviation Ltd</li> </ol>
Committee Membership	Nomination and Remuneration Committee
Shareholding in the company	Nil

<b>Name of the Director</b>	Mr.M.Madhavan Nambiar
Director Identification Number	03487311
Date of Birth and Age	09/11/1950 and 66 years
Date of Appointment	11/09/2014
Profile	<p>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.</p> <p>Mr 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.</p>
Directorship in other companies	<ol style="list-style-type: none"> <li>1. Rediff. Com India Limited</li> <li>2. Air Works India (Engineering) Pvt Ltd</li> <li>3. Indian Institute Of Information Technology And Management Kerala (Sec 25 Company)</li> <li>4. Aster Dm Healthcare Limited</li> <li>5. Air Works Mro Services Private Limited</li> <li>6. The Catholic Syrian Bank Ltd</li> <li>7. Kannur International Airport Limited</li> </ol>

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	<p>8. Air Livery India Private Limited</p> <p>9. Air Asia (India) Limited</p> <p>10. Encore Asset Reconstruction Company Private Limited</p>
Committee Membership	CSR Committee
Shareholding in the company	Nil

<b>Name of the Director</b>	Mrs.Vijayalakshmi Krishnamurti Rao
Director Identification Number	00259208
Date of Birth and Age	15/08/1960 and 57 years
Date of Appointment	23/08/2017
Profile	<p>Vijayalakshmi Rao, (Viji) is an Independent Consultant with over 30 years' experience in industry, consulting and entrepreneurship. She offers mentoring and business advisory support to help entrepreneurs scale their business. She works with Zeus Career &amp; Performance Coach Pvt Ltd, mentoring mid-level high performers to take up leadership positions. Since August 2011, She has been a Mentor for Women Entrepreneurs being trained by Indian School of Business, Hyderabad.</p> <p>She is passionate about women's education, empowerment and entrepreneurship. She is an Advisor &amp; Founder-Member of Empowering Women in IT (eWIT) a voluntary forum that seeks to enhance the share &amp; sustainability of women in the IT/ITES industry. She is a Management Advisor for 'Association for Non-Traditional Employment for Women' (ANEW), an NGO that trains under-privileged girls and helps them find employment in the formal sector. She is a Charter Member of TIE, Chennai, assisting in their mentoring and educational initiatives.</p> <p>She holds an MBA from IIM, Ahmedabad and is a Science graduate from Osmania University.</p>
Directorship in other companies	Nil
Committee Membership	Nil
Shareholding in the company	Nil

<b>Name of the Director</b>	B.T.Bangera
Director Identification Number	00432492
Date of Birth and Age	17/03/1942 and 75
Date of Appointment	23/08/2017
Profile	<p>Mr.B.T.Bangera is presently the Managing Director of Hi-Tech Arai Private Limited. He is a B.E. (Electrical) and has done his MBA from IIM Ahmadabad.</p> <p>Mr.B.T.Bangera has worked for M/S ASEA Brown Boveri Ltd., for over 16 years in various senior positions starting with Technical Assistant to the Managing Director and then Corporate Planning, Systems &amp; Procedures, EDP and as Material Manager. In 1986, joined FENNER INDIA LTD., as General Manager Materials.</p> <p>In 1990, took over a rate Challenge of creating an Organisation by taking up an assignment as Managing Director of SSI Unit in Madurai M/S HI-TECHARAI LTD.</p>

	From 1990 with a meager sales turnover of Rs.80 Lakhs per annum, the company has now grown under his leadership to over Rs.500 Crores in 2017. HI-TECHARAI is now a joint venture company with M/S MITSUBISHI CORPORATION, JAPAN AND M/S ARAI SEISAKUSHO CO-LTD, JAPAN.
Directorship in other companies	Hi-Tech Arai Private Limited
Committee Membership	Nil
Shareholding in the company	Nil

12. The Route map indicating the venue of the AGM and its nearest landmark is annexed to the notice for convenience of members
13. 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 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.
14. Members may also note that the Notice of the 71<sup>st</sup> Annual General Meeting and Annual Report for 2016-2017 will also be available on the Company's website [www.loyaltextiles.com](http://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](mailto:investors@loyaltextiles.com).
15. 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.
16. 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.

17. **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.**

#### 18. 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 Reg 44 of Securities and Exchange Board of India (Listing Obligation and disclosure requirement), Regulation, 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 Mill – 71<sup>st</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.nsdl.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 (@, #, \$ etc). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



# Notice

- (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 - [evoting.ksmassociates@gmail.com](mailto:evoting.ksmassociates@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 EVENNo.";
- (xii) Members can cast their vote online from **21<sup>st</sup> September, 2017 (9:00 am) and ends on 24<sup>th</sup> September, 2017 (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 the 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 user manual for Members available at the downloads Section of [www.evoting.nsdl.com](http://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 as below/at the bottom of the Attendance Slip for the AGM :

Even (Remote 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.

B. General Instructions :

- (i) Members holding shares as on the "Cut-off Date" i.e., **18<sup>th</sup> September , 2017**, will be entitled to vote through remote e-Voting or at the venue of the AGM through ballot paper;
- (ii) The Notice of the AGM is being sent (by email where email ID is available and in physical form in other cases) to the members holding shares of the Company as on 25<sup>th</sup> August 2017;

Where Notice is sent by email, User ID and password are sent in the email itself. Where notice is sent in physical form, User ID and Password are printed at the bottom of the Attendance Slip for the AGM sent along with the Notice;

- (iii) M/s. KSM Associates represented by Mr. Krishna Sharan Mishra, Practising Company Secretary (having Membership No. 6447 and Certificate of Practise No. 7039) have been appointed as the

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Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(iv) The Scrutinizer shall, immediately after the conclusion of the voting at the AGM, 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 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.

(v) 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](http://www.loyaltextiles.com) & on the website of NSDL [https:// www.evoting.nsdl.com](https://www.evoting.nsdl.com) and shall also be communicated to the Stock Exchanges. All the resolutions, subject to receipt of requisite no. of votes, shall be deemed to be passed at the AGM scheduled to be held on 25<sup>th</sup> September, 2017

19. 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 Limited

Place: Chennai

**Manikam Ramaswami**

Date: 23<sup>rd</sup> August, 2017 Chairman and Managing Director

## EXPLANATORY STATEMENT 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. 5 to 10 of the Notice dated 23<sup>rd</sup> August, 2017.

### **Item No.5 Approval of re-appointment of Mr.P.Manivannan, Whole time director**

Mr.P.Manivannan, Whole time Director of our Company had been re-appointed in the 66<sup>th</sup> Annual general Meeting of the Company held on 22<sup>nd</sup> day of August, 2012, for a period of five (5) years with effect from 1<sup>st</sup> November, 2011 and his period ended on 31<sup>st</sup> day of October, 2016.

The Board considered by keeping in view that Mr.P.Manivannan has rich experience in Marketing and Administration and has been involved in the operation of the Company since 2008, it would be in the interest of the Company to continue the employment of Mr.P.manivannan, as Whole time Director of the Company.

The Board, on recommendation of the Nomination and remuneration Committee by passing of circular resolution on 28.10.2016, re-appointed Mr.P.Manivannan, as whole time director of the Company with effective from 1<sup>st</sup> November, 2016 on the terms mentioned in the item.No.5, subject to the approval of the shareholders in the ensuing Annual General Meeting.

Except Mr.P.Manivannan, 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.

The board, therefore, recommends the ordinary resolution, as set out in item No.5, for approval of re-appointment of Mr.P.Manivannan as Whole time Director of the Company by the shareholders of the Company.

### **Item No.6 Ratification of Remuneration of Cost Auditor**

The board, on the recommendation of the audit committee at its meeting held on 9<sup>th</sup> February, 2017, appointed Mr V Balasubramanian, Practicing Cost Accountant, having Membership No. 4771, as cost auditor of the Company, in terms of Section 148 of the Companies Act, 2013 (the Act 2013); and fixed a sum of Rs.1 lakh (Rupees one Lakhs Only) as remuneration payable to him for the financial year 2017-18, subject to ratification by the shareholders of the Company.

In terms of Section 148(3) of the Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, the

remuneration payable to the Cost Auditor, as recommended by the audit committee and approved by the board, is required to be ratified by the shareholders of the Company, at the ensuing AGM of the Company.

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 Item No.6 of this Notice.

The board, therefore, recommends the ordinary resolution, as set out in item No.6, for ratification of the remuneration payable to the Cost Auditor by the shareholders of the Company.

### **Item No.7 Appointment of Mr.B.T.Bangera, as Independent Director of the Company.**

The board, on the recommendation of the Nomination and Remuneration Committee at its meeting held on 23<sup>rd</sup> August, 2017, appointed Mr B.T.Bangera, as Independent Director of the Company, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

Mr.B.T.Bangera is presently the Managing Director of Hi-Tech Arai Private Limited. He is a B.E. (Electrical) and has done his MBA from IIMAhmadabad.

Mr.B.T.Bangera has worked for M/S ASEA Brown Boveri Ltd., for over 16 years in various senior positions starting with Technical Assistant to the Managing Director and then Corporate Planning, Systems & Procedures, EDP and as Material Manager. In 1986, joined FENNER INDIA LTD., as General Manager Materials.

In 1990, took over a rate Challenge of creating an Organisation by taking up an assignment as Managing Director of SSI Unit in Madurai M/S HI-TECHARAI LTD.

From 1990 with a meager sales turnover of Rs.80 Lakhs per annum, the company has now grown under his leadership to over Rs.500 Crores in 2017. HI-TECH ARAI is now a joint venture company with M/S MITSUBISHI CORPORATION, JAPAN AND M/S ARAI SEISAKUSHO CO-LTD, JAPAN.

- He is the member of Board of Governors and Board of Studies of number of Management Institutes and Engineering Colleges
- Past Chairman of Confederation of Indian Industry, Madurai Zone
- Past President of Madurai Management Association

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- Chairman of Board of Trustees of DHAN FOUNDATION, a Non-Government Organization (NGO) involved in community Development in 8 States
- Past National Director of Quality Circle Forum of India
- Chairman of Madurai City Technical Advisory Group under JNNURM (Jawaharlal Nehru National Urban Renewal Mission)
- Under CII Southern Region he has been mentoring number of Industrial Clusters for converting them into World Class

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 Item No.7 of this Notice.

The board, therefore, recommends the ordinary resolution, as set out in item No.7, for approval of appointment of Mr.B.T.Bangera, as Independent Director of the Company for a period of five years.

## **Item No.8 Appointment of Mrs.Vijayalakshmi Rao, as Independent Director of the Company.**

The board, on the recommendation of the Nomination and Remuneration Committee at its meeting held on 23<sup>rd</sup> August, 2017, appointed Mrs Vijayalakshmi Rao, as Independent Director of the Company, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

Vijayalakshmi Rao, (Viji) is an Independent Consultant with over 30 years' experience in industry, consulting and entrepreneurship. She offers mentoring and business advisory support to help entrepreneurs scale their business. She works with Zeus Career & Performance Coach Pvt Ltd, mentoring mid-level high performers to take up leadership positions. Since August 2011, She has been a Mentor for Women Entrepreneurs being trained by Indian School of Business, Hyderabad.

She is passionate about women's education, empowerment and entrepreneurship. She is an Advisor & Founder-Member of Empowering Women in IT (eWIT) a voluntary forum that seeks to enhance the share & sustainability of women in the IT/ITES industry. She is a Management Advisor for 'Association for Non-Traditional Employment for Women' (ANEW), an NGO that trains under-privileged girls and helps them find employment in the formal sector. She is a Charter Member of TIE, Chennai, assisting in their mentoring and educational initiatives.

She holds an MBA from IIM, Ahmedabad and is a Science graduate from Osmania University.

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 Item No.8 of this Notice.

The board, therefore, recommends the ordinary resolution, as set out in item No.8, for approval of appointment of Mrs Vijayalakshmi Rao, as Independent Director of the Company for a period of five years.

## **Item No.9 and 10 Approval of re-appointment of Mr.R.Poornalingam, and Mr.M.Madhavan Nambiar, as Independent Directors of the Company**

Mr.R,Poornalingam and Mr.M.Madhavan Nambiar, Independent Directors of the Company were appointed pursuant to approval of the members through resolutions passed at the Annual General Meeting of the Company held on 11.09.2014. the term of their current appointment ends on 10.09.2017.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 23<sup>rd</sup> August, 2017 approved and recommended to shareholders for their approval of re-appointment of:

1. Mr.R.Poornalingam as Independent Director for a second term for a period of 3 years starting from September 11, 2017 to September 10, 2020.
2. Mr.M.Madhavan Nambiar as Independent Director for a second term for a period of 5 years starting from September 11, 2017 to September 10, 2022.

The Board has considered rich experience, knowledge, skills, valuable contribution to the Company and overall performance evaluation of Mr.R,Poornalingam and Mr.M.Madhavan Nambiar and basis that recommended their appointment as second term to Members of the Company for their approval.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in Board's report.

Mr.R,Poornalingam and Mr.M.Madhavan Nambiar, have individually given a declaration to the Board that they meet

# Notice

the criteria of Independence as provided under section 149(6) of the Companies Act, 2013 ("the Act").

In opinion of the Board, they fulfill the conditions specified in the Act and rules framed thereunder for appointment as Independent Director.

Except Mr.R,Poornalingam and Mr.M.Madhavan Nambiar, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolutions set out at item Nos.9 and 10.

The board, therefore, recommends the Special resolution, as set out in item No.9 and 10, for re-appointment of Mr.R.Poornalingam and Mr.M.Madhavan Nambiar by the shareholders of the Company

Inspection of documents:

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.

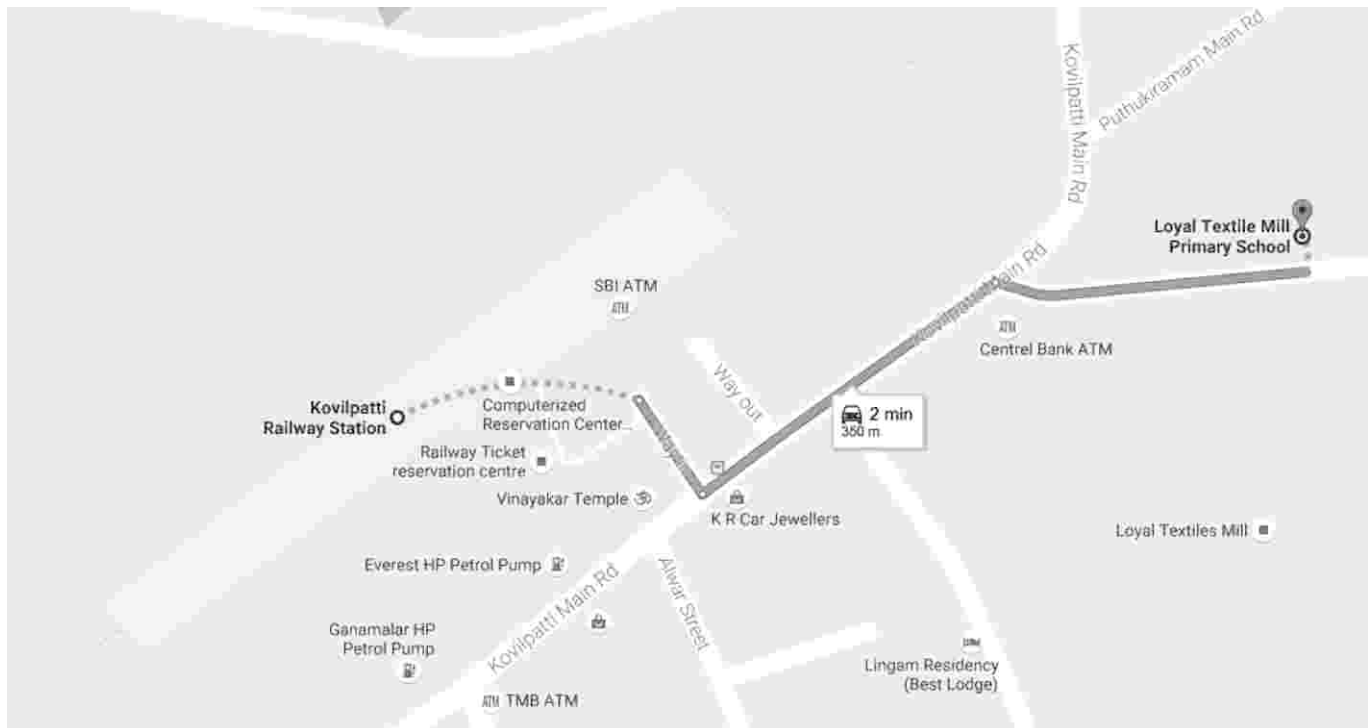
By order of the Board  
For Loyal Textile Mills Limited

Place: Chennai  
Date: 23<sup>rd</sup> August, 2017

**Manikam Ramaswami**  
Chairman and Managing Director

## ROUTE MAP

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



# LOYAL TEXTILE MILLS LTD

CIN: L17111TN1946PLC001361

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

Email: investors@loyaltextiles.com, Website :www.loyaltextiles.com

Phone: 04632-220001 Fax :04632 - 221353



## ATTENDANCE SLIP

I/We hereby record my/ our presence at the 71<sup>st</sup> Annual General Meeting of the Company at 21/4, Mill Street, Kovilpatti - 628501. on Monday the 25th day of September, 2017 at 12.00 noon.

Name of the member/Proxy : .....

Folio No./Client id and DP id of member : .....

Signature of member / proxy : .....

### Note :

1. Members of their proxies / representatives of bodies corporate should bring the attendance slip duly filled in for attending the meeting.
2. ELECTRONIC Copy of the Annual Report for the year 2016-2017 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email address is registered with the Company / Depository Participant.
3. Physical copy of the Annual Report for the year 2016-2017 and Notice of the AGM along with Attendance Slip and Proxy Form are sent in the permitted model(s) to all members.
4. The Company is offering electronic voting facility to its members in respect of the ordinary / special business to be transacted at the ensuing AGM, pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014

The Company has engaged the services of National Securities Depository Limited as the authorised agency to provide e-voting facilities. The e-voting particular are set out below :

### ELECTRONIC VOTING PARTICULARS

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

Please read instructions given at Note No. 18 of the Notice convening the 71<sup>st</sup> AGM carefully before voting electronically. Members who have cast their vote electronically shall not be allowed to vote again at the meeting



FORM NO. MGT 11

**PROXY FORM**

(Pursuant to section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014)

**Name of the Company** : **LOYAL TEXTILE MILLS LTD**  
CIN: L17111TN1946PLC001361

**Regd Office** : 21/4 MILL STREET, KOVILPATTI 628 501

**Email** : investors@loyaltextiles.com, Website :www.loyaltextiles.com  
Phone: 04632-220001 Fax :04632 - 221353

Name of the Member (s)	
Registered Address	
Email Id	
Folio / DP ID-client ID No.	

I/We being the member(s) holding ..... shares of the above named Company hereby appoint :

(1) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_  
Signature : \_\_\_\_\_

or failing him/her

(1) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_  
Signature : \_\_\_\_\_

or failing him/her

(1) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_  
Signature : \_\_\_\_\_

or failing him/her

Resolution No.	Resolutions	Type of Resolution
	<b>Ordinary Business</b>	
1.	Adoption of audited Financial Statements for the year ended 31 <sup>st</sup> March, 2017	Ordinary
2.	Approval of Final dividend for the year 31 <sup>st</sup> March, 2017	Ordinary
3.	Re-Appointment of Mrs.Valli M Ramaswami, Director, who retires by rotation and eligible for re-appointment.	Ordinary

P.T.O



Resolution No.	Resolutions	Type of Resolution
4.	Appointment of M/s. GANESH PRASAD, Chartered Accountants, (Firm Registration No. 000842S) as Statutory Auditors and to hold the office from the conclusion of the 71 <sup>st</sup> Annual General Meeting till the Conclusion of the 76 <sup>th</sup> Annual General Meeting of the Company.	Ordinary
	<b>Special Business</b>	
5.	Approval of re-appointment of Mr.P.Manivannan, Whole time Director	Ordinary
6.	Ratification of remuneration of Cost Auditor	Ordinary
7.	Appointment of Mr.B.T.Bangera, as Independent Director	Ordinary
8.	Appointment of Mrs.Vijayalakshmi Rao, as Independent Director	Ordinary
9.	Re-appointment of Mr.R.Poornalingam, as Independent Director	Special
10.	Re-appointment of Mr.M.Madhavan Nambiar, as Independent Director	Special

Signed this ..... day of ..... 2017

Signature of the Share holder .....

Signature of proxy holder(s) .....

Affix  
revenue  
stamp  
Rs. 1.00

- Note :
1. This form of proxy, In order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
  2. For the resolutions, explanatory statement and notes, please refer to the notice of the 71<sup>st</sup> Annual General Meeting.
  3. Please complete all details including details of member(s) in above box before submission