

LOYAL TEXTILE MILLS LIMITED

(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

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, No. 39/2020 dated December 31, 2020 and No.19/2021 dated December 8, 2021, 3/2022 dated May 05, 2022 and 11/2022 dated December 28, 2022 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 24, 2023** 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 **Saturday, March 25, 2023** and would also be displayed on the Company's website www.loyaltextiles.com

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

SPECIAL BUSINESS

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

Approval for Re-appointment of Mrs.Valli M Ramaswami (DIN 00036508) as Chairperson and Whole Time Director of the Company

RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and on the recommendation of the Nomination and remuneration Committee and approval by the Board of Directors at their meeting held on February 14, 2023, the consent of the Members of the Company be and is hereby accorded to re-appoint Mrs.Valli M Ramaswami (DIN 00036508) as Chairperson and Whole Time Director of the Company for a period of 5 years w.e.f. 12th April 2023 on the terms and conditions including remuneration, as set out hereunder:-

1. **Salary:** Basic salary of Rs.5,00,000/- per month (Rupees Five Lakhs per month)
2. **Commission:** 5% percentage of net profits of the Company (inclusive of the salary and other perks paid on monthly basis) calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. As per section 198 of the Companies act, 2013 for calculation of commission payable, the salary and perks will be deducted.
3. **Perquisites:**
 - a. **Housing:** Entitled for rent free accommodation provided by the Company.
 - b. **Contributions to Provident Fund and Superannuation Fund:** Company's contribution to provident fund and pension / superannuation fund, as per the rules of the Company.
 - c. **Gratuity:** Gratuity shall not exceed half a month's salary for each completed years of service.
 - d. **Leave Travel Concession:** Reimbursement of expenditure incurred for self and family once a year subject to a maximum of one month's salary
 - e. **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.
 - f. **Personal Accident Insurance and Medi-claim Insurance:** Personal Accident Insurance and Medi-claim Insurance: The Premium shall be paid as per rules of the Company.
 - g. **Leave:** Privilege Leave on full pay and allowance as per the Rules of the Company. Encashment of the leave at the end of tenure.
 - h. **Club Fees:** Fees of clubs subject to a maximum of two clubs excluding admission and life membership fees.
 - i. **Car:** 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.

- 4. Minimum remuneration:** In the event of any loss or inadequacy of profits in any financial year during her tenure, the remuneration payable to the Chairperson and Whole Time Director will have to be limited to amounts specified in Part II of schedule V of the Companies Act, 2013.

Date: 14.02.2023
Place: Chennai

By order of the Board
P. Mahadevan
Company Secretary & Compliance Officer

Registered Office:
21/4, Mill Street,
Kovilpatti – 628 501
Website: 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 17, 2023**.
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 and website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.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 17, 2023** 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 17, 2023**. 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 for the resolutions electronically 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 **Friday, March 24, 2023** i.e., the last date specified to cast the votes through e-voting process.
10. The e-voting period commences on **Thursday, February 23, 2023 (09:00 hours IST) and ends on Friday, March 24, 2023 (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 17, 2023** 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., **Friday, March 24, 2023**. 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 **Saturday, March 25, 2023** and will also be displayed on the Company website www.loyaltextiles.com. The results shall also be communicated to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.
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

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

The remote e-voting period begins on **Thursday, February 23, 2023 (09:00 hours IST) and ends on Friday, March 24, 2023 (17:00 hours IST)**. The remote 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: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>  <div style="display: flex; justify-content: space-around; align-items: center;">   </div> </div>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 / Member’s 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:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Password details for shareholders other than Individual shareholders 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.
 - b. "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
 - 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.

Step 2: Cast your vote electronically on NSDL e-voting system

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 cskrishnan@gmail.com with a copy marked to 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 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 or call on toll free no: 1800-222-990 or send a request to Ms.Pallavi Mhatre at 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 resolutions 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.
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. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e Login method for e-voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholders/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

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 Re-appointment of Mrs. Valli M Ramaswami (DIN 00036508) as Chairperson and Whole Time Director of the Company

Mrs. Valli M Ramaswami was appointed as an additional director and designated as Chairperson and Whole-time Director for a period of five years with effect from April 12, 2018 by the Board of Directors. Her appointment was approved by the shareholders at the Annual General Meeting (AGM) held on September 27, 2018.

Considering the significant contribution made by Mrs. Valli M Ramaswami to the progress and development of the Company, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have re-appointed Mrs. Valli M Ramaswami as Chairperson and Whole Time Director of the Company for a term of five years from 12th April 2023 to 11th April 2028 (both days inclusive).

Except Ms. Vishala Ramswami, (daughter of Mrs. Valli M Ramaswami) none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out in this Notice.

A brief profile of Mrs. Valli M Ramaswami, pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), as provided for under Section 118(10) of the Act is provided in the Annexure to this statement.

The Board recommends the Special Resolution as set out in this notice for approval of the members.

Date: 14.02.2023
Place: Chennai

By order of the Board
P. Mahadevan
Company Secretary & Compliance Officer

PROFILE OF DIRECTOR AS REQUIRED TO BE FURNISHED UNDER SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name	Mrs. Valli M Ramaswami
DIN	00036508
Age	62 years
Date of first appointment on the Board	February 11, 2015
Qualification	B.A., English Literature
Experience	Mrs. Valli M Ramaswami has good business experience for more the 35 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 a mother of Ms.Vishala Ramswami, Executive Director of the Company.
Directorship in other companies	<ol style="list-style-type: none"> 1. M/s. Dhanalakshmi Properties Private Limited 2. M/s. Rhea Cotton Traders Private Limited 3. M/s. Hellen Cotton Trading Company Private Limited 4. M/s. Madurai Tara Traders Private Limited 5. M/s. Nemesis Cotton Trading Company Private Limited 6. M/s. Kurunji Properties Private Limited 7. M/s. Loyal International Sourcing Private Limited
Committee Membership	NIL
Number of Meetings of the Board attended during the year	Four meetings attended during the financial year 2022-2023 out of Four meetings held.
Details of remuneration sought to be paid	Set out in the Postal Ballot Notice
Remuneration last drawn (FY 2021-22)	Rs.184.04 Lakhs
Shareholding in the company	1,95,463 Equity Shares of Rs.10/- each
Nature of expertise in specific functional areas	General Management, Marketing, Sales, Human Resources