

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

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GSTIN : Tamil Nadu : 33AAACL2632C1Z8, Andhra Pradesh : 37AAACL2632C1Z0

CIN : L17111TN1946PLC001361, PAN : AAACL2632C

REF: LOYAL/SEC/2024-25/024

September 23, 2024

The Secretary, Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 514036	The Manager, Listing Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. Symbol: LOYALTEX
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Dear Sir / Madam,

Sub: Chairman Speech and Proceedings of 78th Annual General Meeting (AGM)

We enclose herewith a copy of the Chairman Speech and proceedings of 78th Annual General Meeting (AGM) of the company held on today Monday, viz., 23rd September 2024 at 10.00 am through NSDL video conference platform, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), 2015.

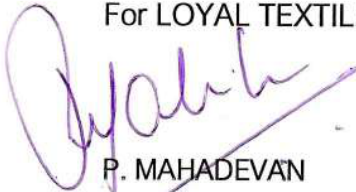
We wish to inform you that, all the resolutions set out in the Notice of 78th AGM were passed with the requisite majority.

This is for your kind information and record.

Thanking You,

Yours faithfully

For LOYAL TEXTILE MILLS LIMITED



P. MAHADEVAN

Company Secretary & Compliance Officer

Membership No: F9150



Encl: As above

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SPEECH DELIVERED BY CHAIRPERSON OF THE COMPANY AT THE 78th ANNUAL GENERAL MEETING OF THE COMPANY HELD THROUGH VIDEO CONFERENCE ON MONDAY, 23RD SEPTEMBER 2024 AT 10.00 AM

Ladies and Gentlemen,

I have great pleasure in welcoming you all to the 78th Annual General Meeting of your Company.

The Directors' Report and the Audited Accounts for the year ended 31st March 2024 have been with you for some time now and with your permission, I shall take them as read.

At the outset, before presenting the performance highlights, I would like to briefly mention the outlook of the Indian Textile Industry.

INDIAN TEXTILE INDUSTRY

Indian Textile Industry plays an important role in Indian Economy with the distinction of being the sixth largest exporter of Textiles and Apparel in the world. Textile and Apparel industry is second largest employer in India next to Agriculture providing direct employment to 45 million people and another 100 million people through allied industries.

The Indian Textiles and Apparel industry occupies a significant position in the National Economy, contributing 2.3 percent to the country's GDP, 7 percent of Industrial output, 12 percent of export earnings.

Post Covid, Textile & Apparel Trade recovered quickly and significantly. Financial year 2021-22 turned to be an year of fortune for Textile Industry. However, the buoyancy lasted only for one year. The break out of Russia - Ukraine war in Feb 2022 changed the scenario topsy – turvy. The economic slowdown in US and Europe and high inventory holding made the buying houses deferring supplies and postponing placement of new orders. This situation unfortunately continued long.

Indian textile Industry started experiencing setback in exports from April 2022. Slowdown in lifting the ordered goods, sharp decline in placement of new orders and downward price corrections, have impacted adversely the Indian textile industry from Q1 of FY 2022-23.

Now, after a long spell of thirty months order flow has started improving. Business in second half of FY 2025 is expected to be better.



A handwritten signature in purple ink, appearing to be "A. Jeyaraj", located at the bottom right of the page.

Textile Industry uses natural fiber and synthetic fiber as raw material for producing fabric and apparels, cotton with a share of 59% and synthetic fiber with a share of 41%

In India cotton is cultivated in around 120 lakh hectares of land, equalent to 36% of the world cotton cultivation area of 326 lakh hectares. Cotton being a major cash crop plays an important role in sustaining livelihood of 6 million farmers in our country.

62% of Cotton is produced in rain-fed areas and the balance 38% in irrigated lands. During 2022-23, Cotton yield was around 443 kg per hectare against the world average of 757 kg/hectare.

Cotton is a seasonal crop. Large area of cotton cultivation is rain- fed with uneven rainfall. Cotton crop estimate is changed from time to time. Further there is a wide fluctuation in cotton future index in the commodity market in India and at global level. These factors affect the price stability in the market. This keeps the supply chain management in cotton textile mills complex.

WORKING RESULTS

During the financial year, the company's sales declined to Rs.939.18 crores, compared to Rs.1,402.89 crores in the previous year due to lower demand and lower prices. As a result, the company has incurred a net loss of Rs.42.95 crores, as against a profit of Rs.1.23 crores in the previous year. The drop in sales and profitability is reflective of broader industry trends, with both demand and pricing pressures being major contributors.

Exports during the year declined by 57%, from Rs.682.66 Cr. in the previous year to Rs.340.21 Cr. during the current year. Export sales, a critical component of our revenue, was adversely affected by reduced global demand. This coupled with lower price realisation has impacted the overall sales and the profitability. Fluctuating cotton and other raw material prices have added pressure on margins, squeezing profitability despite efforts to manage costs effectively.

DIVIDEND

In view of the loss incurred during the year, your Directors have not recommended payment of dividend for the year 2023-24.

COMPANY OUTLOOK & PROSPECTS

Your Company has established credentials in the domestic and export market by supplying quality products.



A handwritten signature in purple ink, appearing to be "R. Jeyaraj", written over a horizontal line.

The Textile Industry is under stress for over 30 months in a row due to external constraints. In the current scenario, yarn and woven fabric market has become highly volatile. Now your company is concentrating more on knitted fabric and garment sales keeping the yarn production temporarily restricting to captive consumption. Your company has initiated action to increase its presence in technical garment segment which is growing at the rate of 10% per annum. The company is also focusing on increasing the volume in fashion garment segment with products that utilise our in-house Yarn and inhouse fabrics. New Customers have been added in both Technical and Fashion garment segments.

While taking steps to increase product sales and volume, constant efforts are taken to reduce manufacturing cost. Your company is confident of making a turnaround from H2 FY 2024-25.

DIRECTORS

During the year, based on the recommendation of the Nomination and Remuneration Committee the Board of Directors have appointed Mr.K.Kumaran as an Independent Director of the company for a term of three years. The appointment was approved by the shareholders through Postal Ballot.

Mr.Madhavan Nambiar (DIN: 01122411), who retires by rotation in this Meeting, does not offer himself for re-appointment.

ACKNOWLEDGMENT

On behalf of the Board and on my own behalf, I wish to take this opportunity to express my sincere thanks to all our customers, in India and abroad, for their support in marketing the Company's products.

I would like to convey our sincere thanks to Bankers, Customers, Suppliers and Investors for their continued and valuable support.

I would like to place on record our appreciation for the good work done by all the employees of the Company.

I would like to thank you all, for making it convenient to attend your Company's 78th Annual General Meeting.

(This does not purport to be a record of the proceedings of the Annual General Meeting)



A handwritten signature in purple ink, appearing to be "J. K. Kumaran".

PROCEEDINGS OF 78TH ANNUAL GENERAL MEETING

The 78th Annual General Meeting of the Company was held on Monday, September 23, 2024, at 10:00 A.M through NSDL Video Conference Platform.

- Mrs. Valli M Ramaswami, Chairperson and Whole Time Director, welcomed the Shareholders to the 78th Annual General Meeting of the Company. After ascertaining the requisite quorum, she called the meeting on order.
- She gave an overview of Indian Textile Industry, Performance of the company during 2023-24 and Company outlook and prospects.
- Then she requested the shareholders to raise any queries, if any with regard to the business listed in the notice of 78th Annual General Meeting. The replies were given for the queries raised by the shareholders.
- Thereafter she informed that pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company provided the remote e-voting facility to the members to cast their votes electronically for the following businesses set out in the notice of 78th AGM.
 1. Adoption of the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2024 and the reports of the Directors and Auditors thereon.
 2. Mr. Madhavan Nambiar (DIN: 01122411), Director liable to retire by rotation who does not offer himself for re-appointment.
 3. Ratification of remuneration to the Cost Auditor.

Remote E-voting commenced on September 19, 2024 and concluded on September 22, 2024. She further informed to the shareholders those who were not voted through remote e-voting may cast their vote through NSDL E-voting portal during the AGM.

- The Chairperson informed the shareholders that the voting results shall be disseminated in the website of the Stock Exchange and the Company within 48 hours from conclusion of the meeting.
 - The meeting was concluded at 10.20 A.M.
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