

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

Divisional Office :

No. 83 , 1st Main Road, R.A. Puram, Chennai 600 028, India.

Phone : +91 44 4227 7374

E-Mail : loyal@loyaltextiles.com

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

CIN : L17111TN1946PLC001361, PAN : AAACL2632C

REF: LOYAL/SEC/2024-25/006

May 30, 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: Annual Secretarial Compliance Report for the year ended 31.03.2024

This is with reference to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose herewith the Annual Secretarial Compliance Report for the year ended 31-03-2024 issued by the Practicing Company Secretary 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

Registered Office :

No. 21/4, Mill Street, Kovilpatti 628 501, Tamil Nadu, India

Phone : +91 4632 220001-5

E-Mail : kovilpatti@loyaltextiles.com,  : www.loyaltextiles.com





SECRETARIAL COMPLIANCE REPORT OF LOYAL TEXTILE MILLS LIMITED
FOR THE YEAR ENDED 31ST MARCH 2024.

[Pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **LOYAL TEXTILE MILLS LIMITED** (hereinafter referred as 'the listed entity'), having its Registered Office at 21/4, Mill Street, Kovilpatti, Tamil Nadu 628501, Secretarial review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide our observations thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter :

We have examined:

- a) All the documents and records made available to us and explanations provided by **LOYAL TEXTILE MILLS LIMITED**.
- b) The filings/ submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2024 ("Review Period") in respect of compliance with the provisions of:
 - i. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, and guidelines issued there under;
 - ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, and guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");





The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- iii. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- iv. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period)
- v. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- vi. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued thereunder.
- vii. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
- viii. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

based on the above examination, we hereby report that, during the Review Period:



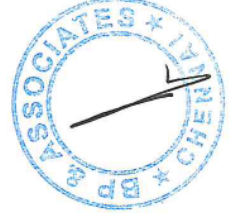
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(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
.	SEBI LODR Regulation 2015	Regulation 17(1)	Non-Compliance of Regulation 17(1) of SEBI LODR 2015.	NSE & BSE	Levy of penalty	Non-compliance with the requirement pertaining to the composition of the Board under the provisions of Regulation 17(1) of the SEBI (LODR) 2015 for the quarter ended 31 st December 2023.	NSE-INR 70,800 BSE -INR 70,800 Paid on 01 st March 2024	Mr. B.T.BANGERA who was Non-Executive - Independent Director of the Company had retired from Board due to completion of the tenure i.e. on 27 th September 2023. Subsequently	Mr. KUMARAN. K was appointed as Non-Executive - Independent Director with effect from 10 th October 2023.	



Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
								Mr. KUMARAN. K was appointed as Non-Executive - Independent Director only with effect from 10 th October 2023. Therefore there is in a non-compliance of Regulation 17(1) of SEBI LODR 2015 for the quarter ended 31 st December 2023.	Thereby the non-Compliance has been made good.	



Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011	Regulation 31(4) read with Regulation 31(5) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011	Delay in Reporting by the Promoters	PCS	Others	The promoter of every company shall declare on a yearly basis to the Company, Board and Stock Exchanges that he, along with persons acting in concert, has not made any encumbrance, directly or indirectly, other than those already disclosed during the financial year within 7 working days from the end of the financial year.	NIL	The Promoter has provided necessary declaration within the stipulated timeline.	During the period, the Promoter has no encumbrance directly or indirectly. The Promoter has provided the necessary declaration on 10 th May 2023 and the same has been submitted to the stock exchange.	



b) The listed entity has taken the following actions to comply with the observations made in previous reports:

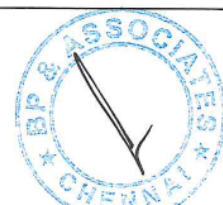
Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										





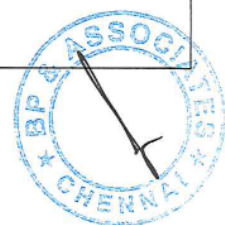
II. we hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations /Remarks by PCS*
1.	<p><u>Secretarial Standards:</u></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI) as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	None
2.	<p><u>Adoption and timely updation of the Policies:</u></p> <ul style="list-style-type: none">• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities• All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI	Yes	None



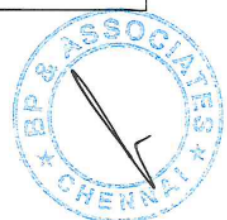


3.	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none">• The Listed entity is maintaining a functional website• Timely dissemination of the documents/ information under a separate section on the website• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes	None
4.	<u>Disqualification of Director:</u> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p>	Yes	None
5.	<u>Details related to Subsidiaries of listed entities:</u> <p>(a) Identification of material subsidiary companies</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries</p>	NA	NA
6.	<u>Preservation of Documents:</u> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and</p>	Yes	None






	Archival policy prescribed under SEBI LODR Regulations, 2015.		
7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	None
8.	<u>Related Party Transactions:</u> a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee	Yes	None
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None.





10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	The existing software, maintained in-house by the Company, has certain gaps in with respect to recording the audit trails and its functioning. The same requires further improvements and modifications to comply with the Regulation of SEBI (PIT) Regulation 2015.
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> NSE and BSE has issued notice and levied penalty for non-compliance of Regulation 17(1) of SEBI LODR 2015	Yes	Non-compliance with the requirement pertaining to the composition of the Board under the provisions of Regulation 17(1) of the SEBI (LODR) 2015 for the quarter ended 31st December, 2023. The Company has paid the penalty levied by NSE & BSE on 01 st March 2024.
12.	<u>Resignation of statutory auditors from the listed entity or its material subsidiaries</u> In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on	NA	NA 



	compliance with the provisions of the LODR Regulations by listed entities.		
13.	<u>Additional Non-compliances, if any:</u> No additional non-compliance observed for all SEBI regulation/circular/guidance note etc	NA	NA

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Date: 29th May, 2024
Place: Chennai



For BP & Associates
Company Secretaries


K J Chandramouli
Partner

M No: 11720 CP No: 15708
UDIN: F011720F000505281
PEER REVIEW NO: P2015TN040200