

(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: LTM/SEC/2022-23/037

May 30, 2023

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,

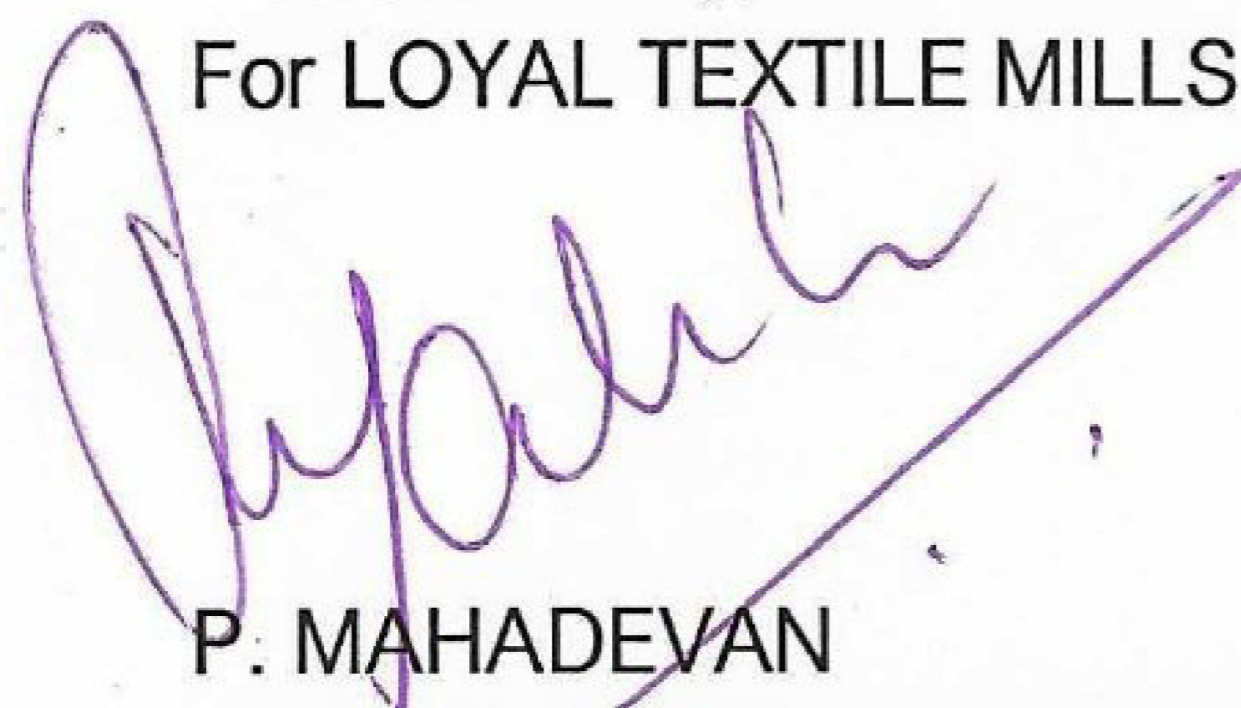
Sub: Annual Secretarial Compliance Report for the year ended 31.03.2023

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 31.03.2023 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





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Company Secretaries

SECRETARIAL COMPLIANCE REPORT OF LOYAL TEXTILE MILLS LIMITED
FOR THE YEAR ENDED 31ST MARCH 2023.

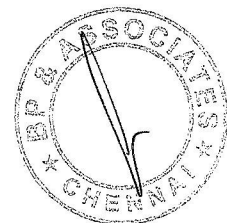
[Pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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, 2023 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 2023 ("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");

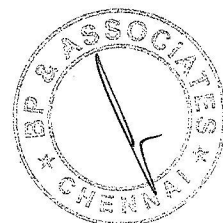




The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- 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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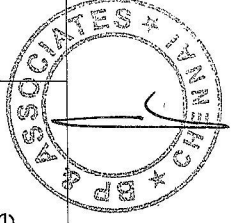




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(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

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
1.	SEBI LODR Regulation 2015	Regulation 27(2)	Mrs. Krishnamurthi Rao Vijayalakshmi was mentioned as Independent Director in the Corporate Governance for the quarter ended 30 th September 2022. However her tenure was completed on 24 th September 2022 and she was re-appointed as	NIL	NIL	Mrs. Krishnamurthi Rao Vijayalakshmi was mentioned as Independent Director in the Corporate Governance Report for the quarter ended 30 th September 2022. Her tenure was completed on 24 th September 2022	Nil	The tenure of Mrs. Krishnamurthi Rao Vijayalakshmi was mentioned as Independent Director in the Corporate Governance for the quarter ended 30 th September 2022. However	The Board of Directors on recommendation of the Nomination and Remuneration committee have approved the	



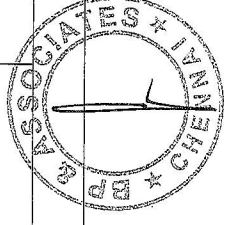


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					Independent Director (2 nd tenure) w.e.f. 01 st October 2022.			and re-appointed only w.e.f 01 st October 2022		her tenure (1 st Term) completed on 24 th September 2022	reappointment of Mrs. Krishnamurthi Rao Vijayalakshmi for a second term of Five years on 8 th August 2022.
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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										





- i. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/)	Observations/ Remarks by PCS
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	i.If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	No Such Instance occurred during the period under review.
	ii.If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter: or	NA	No Such Instance occurred during the period under review.
	iii.If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	No Such Instance occurred during the period under review.
2.	Other conditions relating to resignation of statutory auditor		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	NA	No Such Instance occurred during the period under review





	<p>a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non- cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>II. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	<p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p>	<p>No Such Instance occurred during the period under review</p> <p>No Such Instance occurred during the period under review.</p> <p>No Such Instance occurred during the period under review</p> <p>No Such Instance occurred during the period under review</p>
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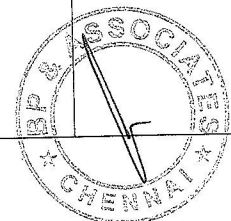




3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 th October, 2019.	NA	No Such Instance occurred during the period under review
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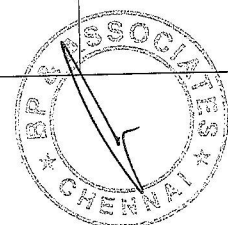
III. we hereby report that, during the review period the compliance status of the listed entity is appended as below :

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations /Remarks by PCS*
1.	<u>Secretarial Standards:</u> 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.	Yes	None
2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none">All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entitiesAll 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 websiteTimely dissemination of the documents/information under a separate section on the websiteWeb-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> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	None
5.	<u>To examine details related to Subsidiaries of listed entities:</u> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	NA	NA
6.	<u>Preservation of Documents:</u> 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 Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
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

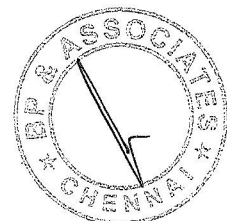




10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	yes	None
11	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	The existing software, maintained in-house by the Company, has certain gaps in with respect to its functioning. The same requires further improvements and modifications to comply with the Regulation of SEBI (PIT) Regulation 2015.
12	Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc	Yes	None

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.





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Company Secretaries

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, 2023
Place: Chennai



For BP & Associates
Company Secretaries

K J Chandra mouli
Partner

M No: 11720 CP No: 15708
UDIN: F011720E000408094
PEER REVIEW NO: P2015TN040200

