

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

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REF: LTM/SEC/2023-24/013

September 27, 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: Chairman Statement and Proceedings of 77th Annual General Meeting

We enclose herewith a copy of the Chairman statement and proceedings of 77th Annual General Meeting of the company held on today Wednesday, 27th September 2023 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 77th 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

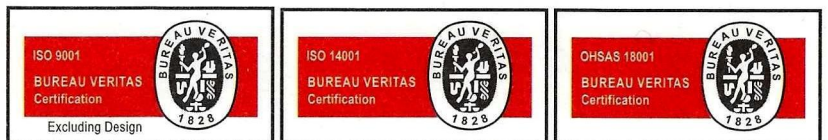
Company Secretary & Compliance Officer

Membership No: F9150



Encl: As above

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SPEECH DELIVERED BY CHAIRPERSON OF THE COMPANY AT THE
77th ANNUAL GENERAL MEETING OF THE COMPANY HELD THROUGH
VIDEO CONFERENCE ON WEDNESDAY, 27TH SEPTEMBER 2023

Ladies and Gentlemen,

I have great pleasure in welcoming you all to the 77th Annual General Meeting of your Company.

The Directors' Report and the Audited Accounts for the year ended 31st March 2023 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 mention briefly the outlook of the Indian Textile Industry.

INDIAN TEXTILE INDUSTRY

Indian Textile Industry plays an important role in Indian Economy. India has 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 in 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 to the export earnings.

Post COVID-19, since July 2021, Textile Industry performed well for an year. The Russian - Ukraine war which commenced on 24/02/2022 affected adversely the global economy right from commencement of the war. High inflation across the globe caused by the war has affected the consumer spending on non-essentials. Order receipts from US and Europe for Textile and Apparel products, started declining month-on-month right from March 2022. Along with the fall in demand prices also declined month-on-month almost for an year. The steep decline in demand and price have made, FY 2022-23 a most challenging year for Textile industry both operationally and financially.



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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 2021-22, Cotton yield was around 445 kg per hectare against the world average of 757 kg/hectare, around 59% of the world average.

Cotton being a seasonal crop and large area of cultivation is rain- fed and the rainfall varies widely, cotton price fluctuates both during season and off-season. This keeps the supply chain management in cotton textile mills complex. The changes in crop estimates published by multiple agencies from time to time affect price stability and hit the cotton textile mills badly.

Your company has entered into a MOU with the Government of Tamilnadu for setting up a project for manufacturing Technical Textiles in PM-MITRA Park being set up in Virudhunagar district, Tamilnadu. As the demand for Technical Textiles in bound to grow in the coming years, setting up a separate unit for manufacture of Technical garment, from yarn to garment in a single place will be highly advantageous to your company.

WORKING RESULTS

Sales during the year declined to Rs.1,402.89 Cr. from Rs.1,762.87 Cr. in the previous financial year, down by 20% due to the drop in sales and price. Profit after tax decreased to Rs.1.23 Cr. from Rs.91.26 Cr. in the previous year.

Exports during the year declined by 47%, from Rs.1303 Cr. in the previous year to Rs.686.66 Cr. in the current year. Your company has managed the steep fall in the export by increasing domestic sales.

DIVIDEND

In view of the steep drop in financial results, prevailed during the entire year of operation, due to external factors discussed above, your Directors have not recommended payment of dividend for the year 2022-23.



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COMPANY OUTLOOK & PROSPECTS

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

Textile Industry is still under stress due to poor market demand. Your company has initiated action to increase technical garments and fashion garments sales in the domestic market and export.

Constant efforts are taken to reduce manufacturing cost. Product profile is enhanced as a regular feature in yarn, woven and knitted fabric and garments to keep the turnover growing with margin.

The market is likely to recover fully in the financial year 2023 – 24.

DIRECTORS

During the year, based on the recommendation of the Nomination and Remuneration Committee the Board of Directors have appointed Mr.Lakshmi Narayanan and Mr.Gokul S Dixit as Independent Directors of the company for a term of five years and three years respectively. The appointment was approved by the shareholders through Postal Ballot.

Mr. B. Vaidyanathan, Director, who retires by rotation in this meeting has offered his services 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 77th 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 'B. Vaidyanathan', written over the stamp.

PROCEEDINGS OF 77TH ANNUAL GENERAL MEETING

The 77th Annual General Meeting of the Company was held on Wednesday, 27th September 2023, at 10:00 A.M through NSDL Video Conference Platform.

- Mrs. Valli M Ramaswami, Chairperson and Whole Time Director, welcomed the Shareholders to the 77th 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 2022-23 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 77th 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 77th AGM.
 1. Adoption of the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2023 and the reports of the Directors and Auditors thereon.
 2. Appointment of Mr. B. Vaidyanathan, Director (Din: 00263983), who retires by rotation and being eligible offers himself for reappointment
 3. Ratification of remuneration to the Cost Auditor.

Remote E-voting commenced on 23rd September 2023 and concluded on 26th September 2023. 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 10.50 A.M.



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