

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

DIVISIONAL OFFICE :

No. 83 (Old No. 41), 1st Main Road, R.A. Puram, Chennai 600 028, INDIA

Phone : +91 44 4227 7374 Fax : +91 44 4306 0622

E-Mail : loyal@loyaltextiles.com : www.loyaltextiles.com

REF: LTM/SEC/1617/006

26th May 2016

The President
The Stock Exchange, Mumbai
Phirozee Jeejeebhoy Towers
Dalal Street
Mumbai-400 001

Fax: 022-22723121

Dear Sir,

Sub: Standalone and Consolidated Audited Accounts for the year ended 31st March 2016.

We are enclosing Standalone and Consolidated financial results with Form A unmodified opinion separately for Standalone and Consolidated Auditor reports along with the Standalone and Consolidated Segment Reporting of our Company for the quarter/year ended 31st March 2016 as required under regulation 33 (3) of SEBI (Listing obligation and disclosure requirement) Regulations 2015, which has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at their meeting held today.

The Board has recommended a Final dividend of Rs.10.00/- (100%) per equity shares of Rs.10/- each.

Kindly take the above information on record.

Thanking you,

Yours truly,

For Loyal Textile Mills Limited



M. Arumugam
Company Secretary

Regd. Office :

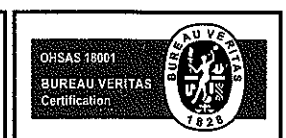
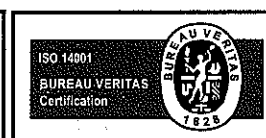
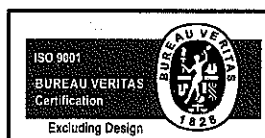
No. 21/4, Mill Street, Kovilpatti 628 501, Tamilnadu, India

Phone : +91 4632 220001-5 • Fax : +91 4632 221353

E-Mail : kovilpatti@loyaltextiles.com

TIN : 33615860011 • CST No. 468758 / 13.12.1958

CIN : L17111TN1946PLC001361



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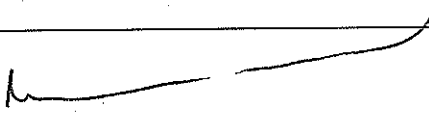
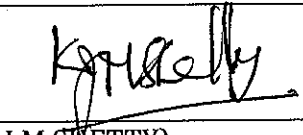
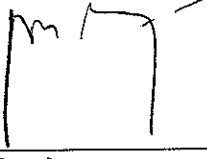
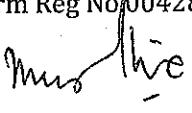

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FORM A

(For Audit Report with unmodified opinion)

[Pursuant to Regulation 33 of SEBI (Listing Obligations Disclosure and Requirements) Regulations, 2015]

1.	Name of the Company	:	Loyal Textile Mills Limited
2.	Annual Standalone Financial Statements for the year ended	:	31 st March 2016 (Standalone)
3.	Type of Audit Observation	:	Unmodified
4.	Frequency of observation	:	Not Applicable
5.	To be signed by-	:	
	CEO/Managing Director	:	 Manikam Ramaswami (Managing Director)
	Audit Committee Chairman	:	 X (K J M SHETTY) Director
	CFO	:	 (R. Mohan) Chief Financial Officer
	Auditor of the Company	:	For Suri & Co Chartered Accountants Firm Reg No. 004283S   R. Krishnamoorthy Partner Membership No. 20695

Regd. Office :

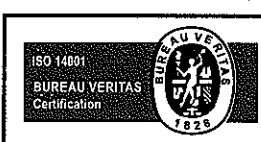
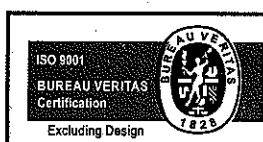
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TIN : 33615860011 • CST No. 468758 / 13.12.1958

CIN : L17111TN1946PLC001361



LOYAL TEXTILE MILLS LIMITED

Registered Office : 21/4 Mills Street, Kovilpatti 628 501

CIN : L17111TN1964PLC001361

STANDALONE STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31st MARCH 2016

Rs. In Lacs except per share data

S.No	PARTICULARS	3 Months Ended			YEAR ENDED	
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Income from Operations					
	(a) Net Sales / Income from Operations	26,010	27,760	34,390	109,907	133,094
	(b) Other Operating Income	1,948	2,103	2,135	7,918	8,047
	Total income from operations (net)	27,958	29,863	36,525	117,825	141,141
2	Expenses					
	a. Cost of materials consumed	10,640	10,635	11,975	44,398	51,234
	b. Purchases of Stock in Trade	5,271	6,720	10,404	24,362	38,292
	c. Changes in inventories of finished goods/ Work in progress & Stock in Trade	952	199	(188)	(1035)	(214)
	d. Employee benefit expenses	2,363	2,240	2,407	9,020	8,273
	e. Depreciation & Amortisation	1,763	1,731	2,229	6,721	8,230
	f. Other expenses	3,497	3,965	5,281	16,222	18,227
	g (i) Power and Fuel	3,181	3,229	3,194	13,095	13,067
	g (ii) Value of Wind Power & Solar Power	(981)	(1000)	(713)	(3452)	(3657)
	Total Expenses	26,686	27,719	34,589	109,331	133,452
						-
3	Profit / Loss from Operations before other Income, Finance cost, and Exceptional items(1-2)	1,272	2,144	1,936	8,494	7,689
4	Other Income	145	25	66	250	165
5	Profit/Loss from ordinary activities before Finance cost(Interest) and Exceptional items (3+4)	1,417	2,169	2,002	8,744	7,854
6	Finance Cost	915	1,284	1,637	5,452	6,884
7	Profit/Loss from ordinary activities after Finance cost(Interest) but before Exceptional items(5-6)	502	885	365	3,292	970
8	Exceptional Items					-
9	Profit (+) / Loss (-) from ordinary Activities before Tax (7-8)	502	885	365	3,292	970
10	Tax Expenses					-
	a. Current Tax	(74)	26	(769)	802	343
	b. MAT Credit	-	-	-	-	-
	c. Deferred Tax Liability / (Asset)	123	(221)	21	(107)	(872)
11	Net Profit (+) / Loss (-) from ordinary activities after tax (9-10)	453	1,080	1,113	2,597	1,499
12	Extraordinary items(net of tax expense)					-
13	Net Profit (+) / Loss(-) for the period (11-12)	453	1,080	1,113	2,597	1,499
14	Paid - up equity share capital (Face Value of Rs.10/- per share)	482	482	482	482	482
15	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year				15,238	13,075
16	Earnings per Share (EPS) (Not annualised)					-
	a. Basic and Diluted EPS before Extra ordinary items	9.43	22.40	23.08	53.93	31.13
	b. Basic and Diluted EPS after Extra ordinary items	9.43	22.40	23.08	53.93	31.13

LOYAL TEXTILE MILLS LIMITED

Registered Office : 21/4 Mills Street, Kovilpatti 628 501

CIN : L17111TN1964PLC001361

STANDALONE STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31st MARCH 2016

1. The above audited financial results were reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 26th May 2016.
2. Previous period figures have been regrouped wherever necessary.
3. The board of directors of the company has recommended dividend for the Financial Year 2015-16 @ 100% (Rs.10 per share) on the face value of Rs.10 subject to approval of the share holders at the ensuing Annual General Meeting.
4. The figures for the quarter ended 31st March 2016 are the balancing figures between the audited figures for the year ended 31st March 2016 and the published figures of up to the third quarter of this financial year.
5. This Statement is as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For LOYAL TEXTILE MILLS LIMITED

Date : 26.05.2016
Place : CHENNAI

CHAIRMAN AND MANAGING DIRECTOR

LOYAL TEXTILE MILLS LIMITED
STANDALONE STATEMENT OF ASSETS & LIABILITIES AS AT 31.03.2016

(Rs. In Lakhs)

PARTICULARS	Note No	31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	482	482
(b) Reserves and Surplus	3	14,699	12,681
(2) Non-Current Liabilities			
(a) Long Term borrowings	4	18,025	22,708
(b) Deferred Tax Liabilities (Net)	5	4,027	4,134
(3) Current Liabilities			
(a) Short- Term Borrowings	6	24,361	24,368
(b) Trade payables		6,488	7,482
(c) Other Current Liabilities	7	15,496	15,002
(d) Short-Term Provisions	8	2,682	4,643
		86,261	91,499
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	48,139	48,550
(ii) Capital Work-in-progress	10	1,512	696
(b) Non-Current investments	11	531	574
(c) Long term Loans and advances	12	502	607
(2) Current Assets			
(a) Inventories	13	15,583	14,925
(b) Trade Receivables	14	4,880	8,705
(c) Short term loans and advances	15	3,175	5,392
(d) Cash and cash equivalents	16	490	631
(e) Other Current assets	17	11,449	11,420
		86,261	91,499

For LOYAL TEXTILE MILLS LIMITED


CHAIRMAN AND MANAGING DIRECTOR

Date : 26.05.2016

Place : Chennai

LOYAL TEXTILE MILLS LIMITED

Regd. Office: 21/4 Mill Street, Kovilpatti 628 501.

CIN: L17111TN1946PLC001361

SEGMENT-WISE REVENUE, RESULT AND CAPITAL EMPLOYED AS PER REGULATION 33 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

PARTICULARS	3 Month Ended (Unaudited)			Year ended (Audited)	
	31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
	(Rs.in Lacs)				
Segment Revenue					
a) i) Yarn - Trading	2,268	3,485	8,213	14,971	26,548
ii) Yarn - Manufacturing	2,732	3,195	4,366	12,790	16,623
b) i) Cloth - Trading	3,426	3,816	4,373	11,483	15,353
ii) Cloth - Manufacturing	17,147	15,802	16,749	66,440	71,572
c) Garments	2,159	2,512	2,594	10,362	8,015
d) Unallocated					
Total	27,732	28,810	36,295	116,046	138,111
Less: Inter Segment Revenue	1,722	1,258	1,589	6,139	4,702
Net Sales/Income from Operations	26,010	27,552	34,706	109,907	133,409
Segment Results [Profit(+)/ Loss (-) before tax and interest from:					
a) i) Yarn - Trading	83	221	110	817	627
ii) Yarn - Manufacturing	448	606	1,553	3,711	3,998
b) i) Cloth Trading	347	185	227	814	557
ii) Cloth Manufacturing	239	767	206	1,982	1,806
c) Garments	35	435	52	1,243	1,028
Total	1,152	2,214	2,148	8,567	8,015
Less: Interest	915	1,284	1,637	5,452	6,884
Add: Unallocable income/(Expenditure) (Net)	265	(45)	(146)	178	(162)
Total Profit before Tax	502	885	365	3,292	970
Capital Employed (Segment Assets less Segment liabilities)					
a) Yarn	20,668	21,617	22,025	20,668	22,025
b) Cloth	37,861	39,091	37,804	37,861	37,804
c) Garments	4,298	3,809	2,935	4,298	2,935
	62,827	64,517	62,764	62,827	62,764
Unallocable Assets less Liabilities	(653)	2,086	1,608	(653)	1,608
Total Capital Employed	62,174	66,603	64,372	62,174	64,372

For LOYAL TEXTILE MILLS LIMITED

Place : Chennai

Date : 26.05.2016

MANIKAM RAMASWAMI
Chairman and Managing Director

Client Copy

SURI & CO.,
CHARTERED ACCOUNTANTS



Offices :
Chennai, Thiruvananthapuram,
Madurai, Coimbatore, Coonoor,
Bengaluru and Kochi

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Fax : 044-24341170
E-mail : chennai@suriandco.com
Web : www.suriandco.com
No. 4, (Old No. 55-A)
Chevaliar Sivaji Ganesan Road,
(South Boag Road), Thyagarayanagar,
Chennai - 600 017.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/s. LOYAL TEXTILE MILLS LIMITED,
KOVILPATTI.

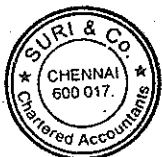
Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of LOYAL TEXTILE MILLS LIMITED, KOVILPATTI, which comprise the Balance Sheet as at 31st March, 2016, the Profit and Loss Statement and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory informations.

Management's Responsibility for the Standalone Financial Statements

2. The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate

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internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act, the order and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in



conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
9. As required by Section 143 (3) of the Act, we report that:
- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure -B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

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our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements;
- ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses on the company in its Financial Statements.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Chennai
Date : 26th May 2016

For Suri & Co.
Chartered Accountants
Firm Regn. No. 004283S



R. Krishnamoorthy
R. Krishnamoorthy
Partner
M.No.20695

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) According to the information and explanations given to us, the fixed assets at all locations have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification.
- c) According to the information and explanation given to us, the tile deeds of immovable properties, as disclosed in Note 9 to the standalone financial statement, are held in the name of the company, except of the following:

Particulars	Free hold (Rs.in lakhs)	Lease hold (Rs.in lakhs)
Gross block as at 31 st March 2016	1393.37	165.23
Net block as at 31 st March 2016.	1393.37	163.56

- (ii) As explained to us, the inventories at all locations have been physically verified by the management at regular intervals during the year. The discrepancies noticed on physical verification of stocks, as compared to book records were not material and the same have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the company has not granted any loan, secured or unsecured to the companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The company has not granted any loan or provided any guarantee or security to the parties covered under section 185 and 186 of the Act. In respect of investment in securities, the company has complied with the provisions of section 186 of the Act.



- (v) The company has not accepted any deposit from public during the year as per provision of section 73 and 76 of the Companies Act 2013. The company has accepted/taken interest free inter corporate deposit from a company / companies.
- (vi) We have broadly reviewed the cost records maintained by the company, as prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us, the company has been regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. In respect of undisputed statutory dues payable in respect of above which are outstanding as at 31st March 2016 for a period of more than six months from the dates they became payable is given below:

Nature of Dues	Amount (Rs. In lakhs)
Advance Licensing	165

- b) According to the information and explanations furnished to us, there are no dues of income tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute. In respect of sales tax which are pending payment on account of dispute, the information of which is given below :



Name of the Statute/Dues	Unpaid Liability (Rs.in lakhs)	Disputed (Rs.in lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax	153.03		A.Y 2002-03, 2003-04, 2005-06, 2007-08, 2010-11, 2013-14, 2014-15	Additional Deputy Commissioner of Sales Tax

- (viii) According to the information and explanations given to us the company has not defaulted in repayment of dues to financial institutions or banks or Government. The company has not issued any debenture.
- (ix) The Company did not raise any money by way of initial public offer or further public offer(including debt instruments). The term loans taken during the year are applied for the purposes for which term loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company not being a Nidhi company, the requirements of paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



SURI & CO.,

Contn. Sheet.....

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Suri & Co.
Chartered Accountants
Firm Regn. No. 004283S



[Signature]
R. Krishnamoorthy
Partner
M.No.20695

Place: Chennai

Date : 26th May 2016

SURI & CO.,
CHARTERED ACCOUNTANTS



Offices :
Chennai, Thiruvananthapuram,
Madurai, Coimbatore, Coonoor,
Bengaluru and Kochi

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Chevaliar Sivaji Ganesan Road,
(South Boag Road), Thyagarayanagar,
Chennai - 600 017.

**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF LOYAL TEXTILE MILLS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of
Section 143 of the Companies Act, 2013 ("the Act")**

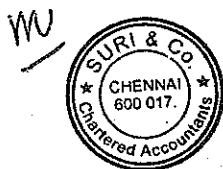
We have audited the internal financial controls over financial reporting of Loyal Textile Mills Limited as on March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the



"Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

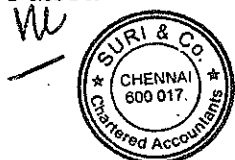
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SURI & CO

Chartered Accountants

Firm Registration No: 0042835



R. KRISHNAMOORTHY

Partner

M No: 020695

Place: Chennai

Date: 26th May 2016

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

DIVISIONAL OFFICE :

No. 83 (Old No. 41), 1st Main Road, R.A. Puram, Chennai 600 028, INDIA

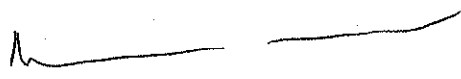
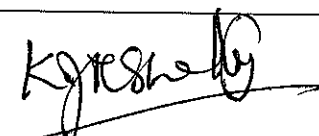
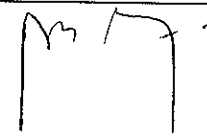
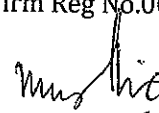
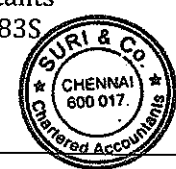
Phone : +91 44 4227 7374 Fax : +91 44 4306 0622

E-Mail : loyal@loyaltextiles.com Website : www.loyaltextiles.com

FORM A

(For Audit Report with unmodified opinion)

[Pursuant to Regulation 33 of SEBI (Listing Obligations Disclosure and Requirements) Regulations, 2015]

1.	Name of the Company	:	Loyal Textile Mills Limited
2.	Annual Standalone Financial Statements for the year ended	:	31 st March 2016 (Consolidated)
3.	Type of Audit Observation	:	Unmodified
4.	Frequency of observation	:	Not Applicable
5.	To be signed by-	:	
	CEO/Managing Director	:	 Manikam Ramaswami (Managing Director)
	Audit Committee Chairman	:	 X (K J M SHETTY) Director
	CFO	:	 (R. Mohan) Chief Financial Officer
	Auditor of the Company	:	For Suri & co Chartered Accountants Firm Reg No.004283S   R. Krishnamoorthy Partner Membership No.20695

Regd. Office :

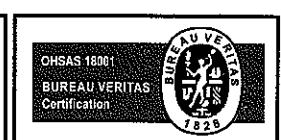
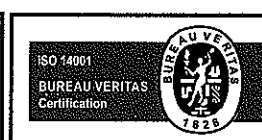
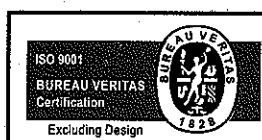
No. 21/4, Mill Street, Kovilpatti 628 501, Tamilnadu, India

Phone : +91 4632 220001-5 • Fax : +91 4632 221353

E-Mail : kovilpatti@loyaltextiles.com

TIN : 33615860011 • CST No. 468758 / 13.12.1958

CIN : L17111TN1946PLC001361



LOYAL TEXTILE MILLS LIMITED

Registered Office : 21/4 Mills Street, Kovilpatti 628 501
CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2016

S.No	PARTICULARS	(Rs. In Lakhs)	
		YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
		Audited	Audited
1	Income from Operations		
	(a) Net Sales / Income from Operations		
	(b) Other Operating Income	1 07 931	1 32 021
	Total income from operations (net)	7 918	8 074
2	Expenditure	1 15 849	1 40 096
	a. Cost of materials consumed		
	b. Purchases of Stock in Trade	44 398	51 234
	c. Changes in inventories of finished goods/ WIP & Stock in Trade	21 325	36 216
	d. Employee benefit expenses	(1 240)	(174)
	e. Depreciation & Amortisation	9 313	8 462
	f. Other expenses	6 796	8 293
	g (i) Power and Fuel	20 366	18 785
	g (ii) Value of Wind Power	9 649	13 067
	Total Expenses	(3 452)	(3 657)
		1 07 154	1 32 226
3	Profit / Loss from Operations before other Income, Finance cost, and Exceptional items(1-2)		
4	Other Income	8 695	7 870
5	Profit/Loss from ordinary activities before Finance cost(Interest) and Exceptional items (3+4)	259	165
6	Finance Cost	8 953	8 035
7	Profit/Loss after Finance cost(Interest) but before Exceptional items(5-6)	5 478	6 923
8	Exceptional Items	3,475	1,111
9	Profit (+) / Loss (-) from ordinary Activities before Tax (7-8)		
10	Tax Expenses	3 475	1 111
	a. Current Tax		
	b.earlier tax provision	915	403
	b. MAT Credit	(23)	
	c. Deferred Tax Liability / (Asset)		
11	Net Profit (+) / Loss (-) from ordinary activities after Tax (09-10)	(107)	(872)
12	Extraordinary items(net of tax expense)	2 690	1 581
13	Net Profit (+) / Loss(-) for the period (11-12)		
14	Paid - up equity share capital	2 690	1 581
	(Face Value of Rs.10/- per share)	482	482
15	Reserves excluding revaluation reserves		
16	Earnings per Share (EPS) (Not annualised)	16 149	13 841
	a. Basic and Diluted EPS before Extra ordinary items	55.86	32.86
	b. Basic and Diluted EPS after Extra ordinary items	55.86	32.86

For LOYAL TEXTILE MILLS LIMITED

CHAIRMAN & MANAGING DIRECTOR

Date : 26.05.2016
Place : CHENNAI

LOYAL TEXTILE MILLS LIMITED
CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES AS AT 31.03.2016

(Rs. In Lakhs)

PARTICULARS	31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	482	482
(b) Reserves and Surplus	16 384	13 622
(2) Non-Current Liabilities		
(a) Long Term borrowings	18 024	22 805
(b) Deferred Tax Liabilities (Net)	4 027	4 134
(3) Current Liabilities		
(a) Short- Term Borrowings	25 765	25 425
(b) Trade payables	6 878	7 422
(c) Other Current Liabilities	15 569	15 027
(d) Short-Term Provisions	2 264	4 817
	89 393	93 734
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	48 759	49 074
(ii) Capital Work-in-progress	1 512	696
(b) Non-Current investments	462	500
(c) Long term Loans and advances	516	650
(2) Current Assets		
(a) Inventories	16 679	15 760
(b) Trade Receivables	6 507	9 348
(c) Short term loans and advances	3 205	5 392
(d) Cash and cash equivalents	571	839
(e) Other Current assets	11 182	11 475
	89 393	93 734

For LOYAL TEXTILE MILLS LIMITED

CHAIRMAN AND MANAGING DIRECTOR

Date : 26.05.2016

Place : Chennai

LOYAL TEXTILE MILLS LIMITED

Regd. Office: 21/4 Mill Street, Kovilpatti 628 501.

CIN: L17111TN1946PLC001361

CONSOLIDATED SEGMENT-WISE REVENUE, RESULT AND CAPITAL EMPLOYED AS PER REGULATION 33 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

PARTICULARS	Year ended (Audited)	
	31.03.2016	31.03.2015
	(Rs.in Lacs)	
Segment Revenue		
a) i) Yarn - Trading	14,971	26,548
ii) Yarn - Manufacturing	12,790	16,623
b) i) Cloth - Trading	11,483	15,353
ii) Cloth - Manufacturing	66,440	71,572
c) Garments	8,139	6,943
d) Unallocated		
Total	113,823	137,039
Less: Inter Segment Revenue	6,139	4,702
Net Sales/Income from Operations	107,684	132,337
Segment Results [Profit(+)/ Loss (-) before tax and interest from:		
a) i) Yarn - Trading	817	627
ii) Yarn - Manufacturing	3,711	3,998
b) i) Cloth Trading	814	557
ii) Cloth Manufacturing	1,982	1,806
c) Garments	1,546	1,234
Total	8,869	8,221
Less: Interest	5,478	6,923
Add: Unallocable income/(Expenditure) (Net)	84	(185)
Total Profit before Tax	3,475	1,113
Capital Employed (Segment Assets less Segment liabilities)		
a) Yarn	20,668	22,026
b) Cloth	37,861	37,804
c) Garments	5,441	6,044
	63,970	65,874
Unallocable Assets less Liabilities	(559)	1,587
Total Capital Employed	63,411	67,461

For LOYAL TEXTILE MILLS LIMITED

Place : Chennai
Date : 26.05.2016


MANIKAM RAMASWAMI
Chairman and Managing Director

Client Copy

SURI & CO.,
CHARTERED ACCOUNTANTS



Offices :
Chennai, Thiruvananthapuram,
Madurai, Coimbatore, Coonoor,
Bengaluru and Kochi

Grams : "BALANSHEET"
Phone : 24341140 & 24341150
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E-mail : chennai@suriandco.com
Web : www.suriandco.com
No. 4, (Old No. 55-A)
Chevaliar Sivaji Ganesan Road,
(South Boag Road), Thyagarayanagar,
Chennai - 600 017.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To
The Members of
LOYAL TEXTILES MILLS LIMITED,
KOVILPATTI.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of LOYAL TEXTILE MILLS LIMITED ("Holding Company"), its subsidiary LOYAL INTERNATIONAL SOURCING PRIVATE LIMITED (the Holding Company and its subsidiary together referred to as "the Group") and its jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred as "the consolidated financial statements").

Management's Responsibility for the consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and

11/11



other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other

BY



Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements:

1. As required by section 143(3) of the Act, we report to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statement.
 - (b) In our opinion proper books of account as required by law relating to preparation of aforesaid Consolidated Financial Statement have been kept so far as appears from our examination of those books;
 - (c) The Consolidated Balance Sheet, Consolidated statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representation received from the directors of group company as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given

to us:

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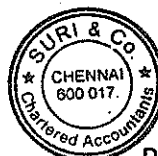
- I. The group has disclosed the impact of pending litigations on Consolidated Financial Statement which would impact its Consolidated financial position - Refer Note 27 to the Consolidated Financial Statement.
- II. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses on the company in its Consolidated Financial Statements,
- III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the group.

Other matters

We did not audit the financial statements / financial information of the jointly controlled entity, whose financial statements / financial information reflect total assets of Rs.3,786.16 lakhs as at 31st March, 2016, total revenues of Rs.4,468.18 lakhs and net cash outflows amounting to Rs.139.63 lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements / financial information have been audited by other auditor whose reports has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on the reports of the other auditor.

Our report is not qualified in respect of other matters.

FOR SURI & CO.,
CHARTERED ACCOUNTANTS
Firm Regn. No: 0042835



R. KRISHNAMOORTHY

PARTNER

M.No: 020695

Place: Chennai

Date: 26th May, 2016

SURI & CO.,
CHARTERED ACCOUNTANTS



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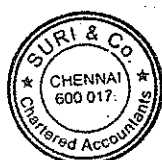
**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF LOYAL TEXTILE MILLS LIMITED.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of
Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Loyal Textile Mills Limited (hereinafter referred to as "the Holding Company") its subsidiary LOYAL INTERNATIONAL SOURCING PRIVATE LIMITED, (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls:

The Holding Company's Board of Directors and the Board of Directors of the Subsidiary Company is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Meaning of Internal Financial Controls over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance

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regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

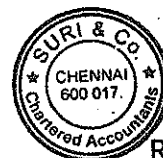
Opinion:

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For SURI & CO

Chartered Accountants

Firm Registration No: 004283S



A handwritten signature in black ink, appearing to read "R. Krishnamoorthy".

R. KRISHNAMOORTHY
Partner

Membership No: 020695

Place: Chennai
Date: 26th May, 2016