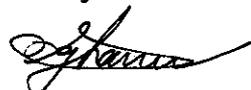


**QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

**NAME OF THE COMPANY : LOYAL TEXTILE MILLS LIMITED**  
**Quarter ending on : 30th June 2014**

Particulars	Clause of Listing Agreement	Compliance Status	Remarks
		Yes/No	
<b>I. Board of Directors</b>	49 I		
(A) Composition of Board	49 (IA)	Yes	
(B) Non-Executive Directors' Compensation and disclosures	49 (IB)	Yes	
(C) Other provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	49(ID)	Yes	
<b>II. Audit Committee</b>	49 (II)		
(A) Qualified & Independent Audit Committee	49(II A)	Yes	
(B) Meeting of Audit Committee	49 (II B)	Yes	
(C) Powers of Audit Committee	49 (II C)	Yes	
(D) Role of Audit Committee	49 (II D)	Yes	
(E) Review of Information by Audit Committee	49 (II E)	Yes	
<b>III. Subsidiary Companies</b>	49 (III)	N.A	
<b>IV. Disclosures</b>	49 (IV)		
(A) Basis of related party transactions	49(IV A)	Yes	
(B) Disclosure of accounting treatment	49 (IV B)	Yes	
(C) Board Disclosures	49(IV C)	Yes	
(D) Proceeds from public issues, rights issue, preferential issues etc.	49(IV D)	Yes	
(E) Remuneration of Directors	49(IV E)	Yes	
(F) Management	49(IV F)	Yes	
(G) Shareholders	49(IV G)	Yes	
<b>V. CEO/CFO Certification</b>	49(V)	Yes	
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	
<b>VII. Compliance</b>	49 (VII)	Yes	

For Loyal Textile Mills Limited



**M.Arumugam**  
**Compliance Officer**

12th July 2014